

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

June 30, 2011

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Independent Auditor's Report

To the Board of Education of
Ogden Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Ogden Community School District, Ogden, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Ogden 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 December 21, 2011, on our consideration of Ogden Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information, and the Schedule of Funding Progress for the Retiree Health Plan Information on pages 4 through 12 and 41 through 43 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ogden Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the six years ended June 30, 2010 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other auditors previously audited the financial statements for the year ended June 30, 2004, (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 6, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

December 21, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Ogden Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2011 Financial Highlights

- General Fund revenues increased from \$7,153,018 in fiscal 2010 to \$7,729,830 in fiscal 2011, while General Fund expenditures decreased from \$7,073,110 in fiscal 2010 down to \$6,992,988 in fiscal 2011. The District's General Fund balance increased from \$80,992 in fiscal 2010 to \$809,575 in fiscal 2011.
- The fiscal year 2011 increase in General Fund revenues were attributable to increases in property tax and state sources. The decrease in expenditures was due to a slight decrease in instruction and support services costs.

USING THIS ANNUAL REPORT

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

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

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

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Ogden Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Ogden Community School District acts solely as an agent or custodian for the benefit of those outside of District government.

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

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

Other Supplementary Information provides detailed information about the nonmajor funds.

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

Figure A-1
GASB 34 Ogden Community School District Annual Financial Report

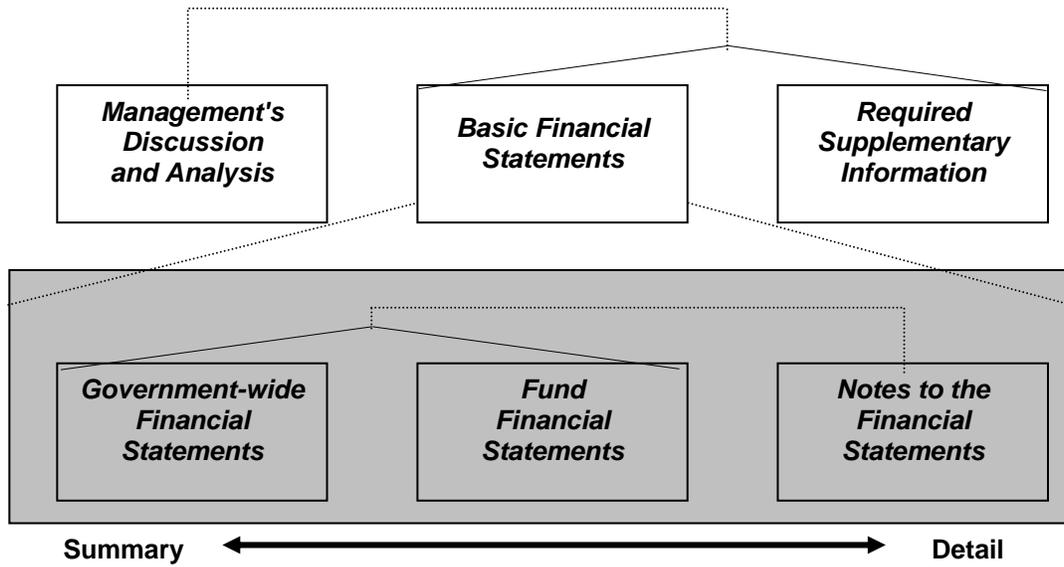


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

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

REPORTING THE DISTRICT’S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The two government-wide financial statements report the District’s net assets and how they have changed. Net assets – the difference between the District’s assets and liabilities – are one way to measure the District’s financial health or financial position. Over time, increases or decreases in the District’s net assets are an indicator of whether financial position is improving or deteriorating. To assess the District’s overall health,

additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

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

- 2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has one Enterprise Fund, the School Nutrition Fund. The District uses *internal service funds*, the other kind of proprietary fund, to report activities that provide supplies and services for its other programs and activities. The District currently has one internal service fund used to account for the District's partial self-funded group medical insurance.

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

Government-Wide Financial Analysis

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

Figure A-3

	Condensed Statement of Net Assets						Percentage Change 2010-2011 %
	Governmental Activities		Business-type Activities		Total School District		
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	
Current and other assets	10,688,887	6,540,029	9,819	13,647	10,698,706	6,553,676	63.2%
Capital assets	9,353,348	9,242,423	5,560	5,266	9,358,908	9,247,689	1.2%
Total assets	20,042,235	15,782,452	15,379	18,913	20,057,614	15,801,365	26.9%
Long-term liabilities	7,234,587	4,463,299	2,590	1,253	7,237,177	4,464,552	62.1%
Other liabilities	5,815,129	5,555,488	1,021	1,231	5,816,150	5,556,719	4.7%
Total liabilities	13,049,716	10,018,787	3,611	2,484	13,053,327	10,021,271	30.2%
Net Assets:							
Invested in capital assets, net of related debt	5,537,751	4,596,541	5,560	5,266	5,543,311	4,601,807	20.4%
Restricted	914,801	1,300,537			914,801	1,300,537	(29.6%)
Unrestricted	539,967	(133,413)	6,208	11,163	546,175	(122,250)	544.3%
TOTAL NET ASSETS	6,992,519	5,763,665	11,768	16,429	7,004,287	5,780,094	21.2%

The District's combined total net assets increased by nearly 21.2%, or approximately \$1,224,193, over the prior year. The largest portion of the District's net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets decreased approximately \$385,736 or 29.6% over the prior year. Most of the decrease is the result of using sales tax revenues that were received in a prior year to call and repay \$595,000 of sales tax revenue bonds during fiscal year 2011.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased approximately \$668,425, or 346.7%. Most of this increase is due to a cash reserve property tax levy for fiscal year 2011.

Figure A-4 shows the change in net assets for the years ended June 30, 2011 and 2010.

Figure A-4

	Change in Net Assets						Percentage Change 2010-2011 %
	Governmental Activities		Business-type Activities		Total School District		
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	
Revenues							
Program Revenues:							
Charges for services	1,204,657	935,107	168,347	177,703	1,373,004	1,112,810	23.4%
Operating grants & contributions	1,178,621	1,266,699	124,378	129,193	1,302,999	1,395,892	(6.6%)
Capital grants & contributions	76,973	67,147			76,973	67,147	14.6%
General Revenues:							
Property taxes	3,915,638	3,690,213			3,915,638	3,690,213	6.1%
Income surtax	211,980	215,665			211,980	215,665	(1.7%)
Sales tax	485,415	399,231			485,415	399,231	21.2%
Unrestricted state grants	2,519,211	2,190,364			2,519,211	2,190,364	15.0%
Unrestricted investment earnings	1,124	9,704	12	10	1,136	9,714	(88.4%)
Other revenue	12,282	12,696			12,282	12,696	(3.2%)
Total Revenues	9,605,901	8,786,826	292,737	306,906	9,898,638	9,093,732	8.8%
Expenses:							
Instruction	5,425,336	5,488,908			5,425,336	5,488,908	(1.2%)
Support services	1,971,897	2,183,037			1,971,897	2,183,037	(9.7%)
Non-instructional programs	32,415	24,839	297,398	304,963	329,813	329,802	0.0%
Other expenditures	947,399	746,469			947,399	746,469	26.9%
Total expenses	8,377,047	8,443,253	297,398	304,963	8,674,445	8,748,216	(.8%)
CHANGE IN NET ASSETS	1,228,854	343,573	(4,661)	1,943	1,224,193	345,516	254.3%
Net assets beginning of year	5,763,665	5,420,092	16,429	14,486	5,780,094	5,434,578	6.3%
Net assets end of year	6,992,519	5,763,665	11,768	16,429	7,004,287	5,780,094	21.2%

In fiscal year 2011 property tax and unrestricted state grants account for 65% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 85% of the total expenses.

As shown in figure A-4, the District as a whole experienced an 8.8% increase in revenues and a .8% decrease in expenses.

Governmental Activities

Revenues for governmental activities were \$9,605,901 and expenses were \$8,377,047.

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

Figure A-5

Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2011	2010	Percent Change 2010-2011	2011	2010	Percent Change 2010-2011
	\$	\$	%	\$	\$	%
Instruction	5,425,336	5,488,908	(1.2%)	3,325,838	3,560,969	(6.6%)
Support Services	1,971,897	2,183,037	(9.7%)	1,959,813	2,170,549	(9.7%)
Non-instructional Programs	32,415	24,839	30.5%	32,415	24,839	30.5%
Other Expenses	947,399	746,469	26.9%	598,730	417,943	43.2%
TOTAL	8,377,047	8,443,253	(.8%)	5,916,796	6,174,300	(4.2%)

For the year ended June 30, 2011

- The cost financed by users of the District’s programs was \$1,204,657. Most of these revenues are derived from tuition charged to other school districts and from student activities.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,255,594.
- The net cost of governmental activities was financed with \$4,613,033 in property and local other taxes and \$2,519,211 in unrestricted state grants.

Business Type Activities

Revenues for business type activities were \$292,737 and expenses were \$297,398. 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.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$5,205,951, well above last year’s ending fund balances of \$1,476,798. However, the primary reason for the increase in combined fund balances in fiscal 2011 is due to approximately \$3,920,000 of unexpended revenue bond proceeds received in fiscal 2011 for the high school kitchen addition and renovation project.

Governmental Fund Highlights

- The General Fund balance increased from \$80,992 to \$809,575, due in part to an increase in revenue of local property taxes and state sources and a decrease in expenditures in the area of instruction and support services.
- The Capital Projects Fund balance increased due to the sale of \$3,920,000 in revenue bonds during fiscal 2011, which will be expended as the high school kitchen addition and renovation project is completed.
- Debt Service Fund expenditures were higher in fiscal year 2011 because \$595,000 of bonds were called and repaid during the year. The bonds were scheduled to be repaid in fiscal years 2012 to 2014. Paying these bonds early saved approximately \$54,000 of interest over the next three years.

Proprietary Fund Highlights

School Nutrition Fund net assets decreased from \$16,429 at June 30, 2010 to \$11,768 at June 30, 2011, representing a decrease of approximately 28%. Revenues for the sale of school meals decreased from \$177,703 at June 30, 2010 to \$168,347 at June 30, 2011. A decrease in student enrollment resulted in a decrease in the number of meals served.

BUDGETARY HIGHLIGHTS

During the fiscal year 2011, Ogden Community School District did not amend its budget.

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

In spite of the District's budgetary practice, the certified budget was exceeded in the instruction and other expenditures areas. Expenditures in the instruction function exceeded the budget by \$86,388 due to the timing of expenditures at year-end. Expenditures in the other expenditures function exceeded the budget by \$478,770 due to prepayment of bond principal that was scheduled to be paid in fiscal years 2012 to 2014.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the District had invested \$9,358,908 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 1.2% from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation expense for the year was \$365,537.

In June 2011 the board of directors approved a \$2.5 million construction contract for improvements at the high school. At June 30, 2011 the District also had a commitment to purchase \$183,300 of transportation equipment.

The original cost of the District's capital assets was \$15,011,825. Governmental funds account for \$14,958,670 with the remainder of \$53,155 accounted for in the Proprietary, School Nutrition Fund.

Figure A-6

Capital Assets (net of depreciation)

	Governmental		Business type		Total		Percentage
	Activities		Activities		School District		
	2011	2010	2011	2010	2011	2010	2011-2010
	\$	\$	\$	\$	\$	\$	%
Land	83,700	73,700			83,700	73,700	13.6%
Construction in progress	100,405	0			100,405	0	0.0%
Buildings	8,341,457	8,302,158			8,341,457	8,302,158	.5%
Improvements	528,704	567,641			528,704	567,641	(6.8%)
Equipment & furniture	299,082	298,924	5,560	5,266	304,642	304,190	.1%
TOTAL	9,353,348	9,242,423	5,560	5,266	9,358,908	9,247,689	1.2%

Long-Term Debt

At June 30, 2011 the District had \$7,874,637 in general obligation, revenue and other long-term debt outstanding. This represents an increase of approximately 52.5% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

There have been no changes in the District's bond rating.

The constitution of the State of Iowa limits the amount of debt obligations school districts can issue to 5% of the assessed value of all taxable property within the district. The District's outstanding bonded and note indebtedness is significantly below its constitutional debt limit of approximately \$11 million.

In April 2011 the District issued \$3,920,000 of local option sales and services tax revenue bonds for the high school kitchen addition and renovation project. The District had total outstanding bonded indebtedness at June 30, 2011 of \$7,575,000.

**Figure A-7
Outstanding Long-Term Obligations**

	Total School District		Percentage Change
	2011	2010	2011-2010
	\$	\$	%
General obligation bonds	2,185,000	2,455,000	(11.0%)
Revenue bonds	3,920,000	780,000	402.5%
Capital loan notes	1,470,000	1,650,000	(10.9%)
Early retirement	142,069	193,213	(26.5%)
Compensated absences	15,086	16,199	(6.9%)
Net OPEB liability	142,482	68,935	106.7%
	<u>7,874,637</u>	<u>5,163,347</u>	<u>52.5%</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- School financing is highly dependant upon student enrollment. The District's October 2011 enrollment decreased by fourteen students. This drop in enrollment will decrease the District's funding for fiscal year 2013.
- The District will negotiate a new agreement during fiscal 2012. Settlements in excess of "new money" or allowable growth in state funding will have an adverse effect on the District's General Fund budget and related fund balance.
- The District has purchased its transportation system from Stumbo Transportation. This will affect future One-cent Sales Tax and/or Physical Plant and Equipment Levy expenditures.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

OGDEN COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business Type Activities	Total
	\$	\$	\$
Assets			
Cash and cash equivalents	5,974,392	2,595	5,976,987
Receivables:			
Property tax:			
Delinquent	45,361	-	45,361
Succeeding year	4,086,917	-	4,086,917
Accounts	1,750	-	1,750
Due from other governments	463,349	-	463,349
Inventories	-	7,224	7,224
Bond issue costs	117,118	-	117,118
Capital assets, net of accumulated depreciation	9,353,348	5,560	9,358,908
Total assets	20,042,235	15,379	20,057,614
Liabilities			
Accounts payable	138,825	-	138,825
Salaries and benefits payable	737,518	-	737,518
Accrued interest payable	56,915	-	56,915
Deferred revenue:			
Succeeding year property tax	4,086,917	-	4,086,917
Other	145,466	1,021	146,487
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	280,000	-	280,000
Revenue bonds payable	125,000	-	125,000
Notes payable	190,000	-	190,000
Termination benefits	46,602	-	46,602
Compensated absences	7,886	-	7,886
Portion due after one year:			
Bond premium	12,028	-	12,028
General obligation bonds payable	1,905,000	-	1,905,000
Revenue bonds payable	3,795,000	-	3,795,000
Notes payable	1,280,000	-	1,280,000
Termination benefits	95,467	-	95,467
Compensated absences	7,200	-	7,200
Net OPEB liability	139,892	2,590	142,482
Total liabilities	13,049,716	3,611	13,053,327

OGDEN COMMUNITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business Type Activities	Total
	\$	\$	\$
Net assets			
Invested in capital assets, net of related debt	5,537,751	5,560	5,543,311
Restricted for:			
Categorical funding	388,427	-	388,427
Physical plant and equipment levy	90,397	-	90,397
Student activities	58,043	-	58,043
Debt service	377,934	-	377,934
Unrestricted	<u>539,967</u>	<u>6,208</u>	<u>546,175</u>
Total net assets	<u><u>6,992,519</u></u>	<u><u>11,768</u></u>	<u><u>7,004,287</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2011

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
	\$	\$	\$	\$
Governmental activities:				
Instruction:				
Regular	3,174,816	617,954	573,123	-
Special	822,308	64,953	127,671	-
Other	1,428,212	512,465	203,332	-
	<u>5,425,336</u>	<u>1,195,372</u>	<u>904,126</u>	<u>-</u>
Support services:				
Student	137,932	-	-	-
Instructional staff	158,969	-	-	-
Administration	658,054	-	-	-
Operation and maintenance of plant	668,556	9,285	-	-
Transportation	348,386	-	2,799	-
	<u>1,971,897</u>	<u>9,285</u>	<u>2,799</u>	<u>-</u>
Non-instructional programs	<u>32,415</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	188,404	-	-	76,973
Long-term debt interest	199,795	-	161	-
AEA flowthrough	271,535	-	271,535	-
Depreciation (unallocated)*	287,665	-	-	-
	<u>947,399</u>	<u>-</u>	<u>271,696</u>	<u>76,973</u>
Total governmental activities	8,377,047	1,204,657	1,178,621	76,973
Business type activities:				
Non-instructional programs:				
Food service operations	297,398	168,347	124,378	-
Total business type activities	<u>8,674,445</u>	<u>1,373,004</u>	<u>1,302,999</u>	<u>76,973</u>
General Revenues:				
Property taxes levied for:				
General purposes				
Debt service				
Capital outlay				
Income surtax				
Statewide sales, services and use tax				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
Total general revenues				
Change in net assets				
Net assets beginning of year				
Net assets end of year				

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

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business Type Activities	Total
\$	\$	\$
(1,983,739)	-	(1,983,739)
(629,684)	-	(629,684)
(712,415)	-	(712,415)
<u>(3,325,838)</u>	<u>-</u>	<u>(3,325,838)</u>
(137,932)	-	(137,932)
(158,969)	-	(158,969)
(658,054)	-	(658,054)
(659,271)	-	(659,271)
(345,587)	-	(345,587)
<u>(1,959,813)</u>	<u>-</u>	<u>(1,959,813)</u>
(32,415)	-	(32,415)
(111,431)	-	(111,431)
(199,634)	-	(199,634)
-	-	-
<u>(287,665)</u>	<u>-</u>	<u>(287,665)</u>
<u>(598,730)</u>	<u>-</u>	<u>(598,730)</u>
(5,916,796)	-	(5,916,796)
<u>-</u>	<u>(4,673)</u>	<u>(4,673)</u>
<u>(5,916,796)</u>	<u>(4,673)</u>	<u>(5,921,469)</u>
3,333,444	-	3,333,444
230,760	-	230,760
351,434	-	351,434
211,980	-	211,980
485,415	-	485,415
2,519,211	-	2,519,211
1,124	12	1,136
12,282	-	12,282
<u>7,145,650</u>	<u>12</u>	<u>7,145,662</u>
1,228,854	(4,661)	1,224,193
<u>5,763,665</u>	<u>16,429</u>	<u>5,780,094</u>
<u>6,992,519</u>	<u>11,768</u>	<u>7,004,287</u>

OGDEN COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2011

	General	Capital Projects	Debt Service	Nonmajor Governmental	Total
	\$	\$	\$	\$	\$
Assets					
Cash and pooled investments	1,649,952	4,023,487	131,088	117,619	5,922,146
Receivables:					
Property tax:					
Delinquent	36,246	4,071	2,673	2,371	45,361
Succeeding year	3,205,959	367,116	344,165	169,677	4,086,917
Accounts	1,300	-	-	450	1,750
Due from other governments	315,429	147,920	-	-	463,349
Total assets	5,208,886	4,542,594	477,926	290,117	10,519,523
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	103,629	24,590	-	5,990	134,209
Salaries and benefits payable	734,795	-	-	2,723	737,518
Deferred revenue:					
Succeeding year property tax	3,205,959	367,116	344,165	169,677	4,086,917
Income surtax	209,462	-	-	-	209,462
Other	145,466	-	-	-	145,466
Total liabilities	4,399,311	391,706	344,165	178,390	5,313,572
Fund balances:					
Restricted for:					
Categorical funding	388,427	-	-	-	388,427
Debt service	-	301,088	133,761	-	434,849
Management levy	-	-	-	54,290	54,290
Student activities	-	-	-	58,043	58,043
School infrastructure	-	3,759,403	-	-	3,759,403
Physical plant and equipment	-	90,397	-	-	90,397
Assigned	6,514	-	-	-	6,514
Unassigned	414,634	-	-	(606)	414,028
Total fund balances	809,575	4,150,888	133,761	111,727	5,205,951
Total liabilities and fund balances	5,208,886	4,542,594	477,926	290,117	10,519,523

OGDEN COMMUNITY SCHOOL DISTRICT

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

June 30, 2011

	\$
Total fund balances of governmental funds (Exhibit C)	5,205,951
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	9,353,348
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	209,462
Bond issue costs are reported as an asset in the statement of net assets and are amortized over the life of the bonds.	117,118
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.	(56,915)
An internal service fund is used by the District's management to charge the costs of the employee health reimbursement arrangement to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.	47,630
Long-term liabilities, including bonds payable, notes payable, compensated absences, termination benefits, and other postemployment benefits, are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.	<u>(7,884,075)</u>
Net assets of governmental activities (Exhibit A)	<u><u>6,992,519</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	General	Capital Projects	Debt Service	Nonmajor Governmental	Total
	\$	\$	\$	\$	\$
Revenues:					
Local sources:					
Local tax	3,328,097	836,849	230,760	204,635	4,600,341
Tuition	613,464	-	-	-	613,464
Other	111,648	77,124	161	513,274	702,207
State sources	3,361,021	165	109	96	3,361,391
Federal sources	315,600	-	-	-	315,600
Total revenues	<u>7,729,830</u>	<u>914,138</u>	<u>231,030</u>	<u>718,005</u>	<u>9,593,003</u>
Expenditures:					
Current:					
Instruction:					
Regular	3,039,487	-	-	150,139	3,189,626
Special	819,529	-	-	-	819,529
Other	936,740	-	-	501,516	1,438,256
	<u>4,795,756</u>	<u>-</u>	<u>-</u>	<u>651,655</u>	<u>5,447,411</u>
Support services:					
Student	135,890	-	-	-	135,890
Instructional staff	185,868	-	-	-	185,868
Administration	645,080	-	-	-	645,080
Operation and maintenance of plant	624,604	-	-	31,651	656,255
Transportation	334,255	1,836	-	6,420	342,511
	<u>1,925,697</u>	<u>1,836</u>	<u>-</u>	<u>38,071</u>	<u>1,965,604</u>
Non-instructional programs	-	-	-	32,415	32,415
Other expenditures:					
Facilities acquisition	-	586,836	-	-	586,836
Long-term debt:					
Principal	-	-	1,230,000	-	1,230,000
Interest and fiscal charges	-	-	188,126	-	188,126
AEA flowthrough	271,535	-	-	-	271,535
	<u>271,535</u>	<u>586,836</u>	<u>1,418,126</u>	<u>-</u>	<u>2,276,497</u>
Total expenditures	<u>6,992,988</u>	<u>588,672</u>	<u>1,418,126</u>	<u>722,141</u>	<u>9,721,927</u>
Excess (deficiency) of revenues over (under) expenditures	<u>736,842</u>	<u>325,466</u>	<u>(1,187,096)</u>	<u>(4,136)</u>	<u>(128,924)</u>

OGDEN COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	General	Capital Projects	Debt Service	Nonmajor Governmental	Total
	\$	\$	\$	\$	\$
Other financing sources (uses):					
Bonds issued	-	3,920,000	-	-	3,920,000
Bond premium	-	12,661	-	-	12,661
Bond issue costs	-	(74,790)	-	-	(74,790)
Payment to bond escrow agent	-	-	-	-	-
Sales of equipment	206	-	-	-	206
Operating transfers in	-	-	968,053	8,465	976,518
Operating transfers out	(8,465)	(968,053)	-	-	(976,518)
Total other financing sources (uses)	<u>(8,259)</u>	<u>2,889,818</u>	<u>968,053</u>	<u>8,465</u>	<u>3,858,077</u>
Net change in fund balances	728,583	3,215,284	(219,043)	4,329	3,729,153
Fund balances beginning of year, as restated	<u>80,992</u>	<u>935,604</u>	<u>352,804</u>	<u>107,398</u>	<u>1,476,798</u>
Fund balances end of year	<u><u>809,575</u></u>	<u><u>4,150,888</u></u>	<u><u>133,761</u></u>	<u><u>111,727</u></u>	<u><u>5,205,951</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds to the
Statement of Activities

Year ended June 30, 2011

	\$	\$
Net change in fund balances - total governmental funds (Exhibit E)		3,729,153
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:		
Expenditures for capital assets	473,586	
Depreciation expense	<u>(362,661)</u>	110,925
Income surtaxes not collected for several months after the District's fiscal year ends are not considered "available" revenues in the governmental funds and are included as deferred revenues. They are, however, recorded as revenues in the Statement of Activities.		
		12,692
Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
		1,230,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities interest expense is recognized as the interest accrues, regardless of when it is due.		
		(12,302)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Termination benefits	51,144	
Compensated absences	1,113	
Other postemployment benefits	<u>(72,210)</u>	(19,953)
Proceeds from issuing long-term liabilities are included in the governmental funds but increase long-term liabilities in the Statement of Net Assets.		
		(3,920,000)
Bond issue costs are reported as an expense in the governmental fund financial statements when incurred, but are capitalized and amortized over the life of the bonds in the government-wide financial statements.		
		62,737
Bond premiums are reported as revenue in the governmental fund financial statements when incurred, but are amortized over the life of the bonds in the government-wide financial statements.		
		(12,028)
An internal service fund is used by the District's management to charge the costs of the employee health reimbursement arrangement to the individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.		
		<u>47,630</u>
Changes in net assets of governmental activities (Exhibit B)		<u><u>1,228,854</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

Statement of Net Assets
Proprietary Funds

June 30, 2011

	Enterprise Fund <u>Nonmajor School Nutrition</u> \$	Governmental Activities - Internal Service <u> </u> \$
Assets		
Cash and cash equivalents	2,595	52,246
Inventories	7,224	-
Capital assets, net of accumulated depreciation	<u>5,560</u>	<u>-</u>
Total assets	<u>15,379</u>	<u>52,246</u>
Liabilities		
Accounts payable	-	4,616
Deferred revenue	1,021	-
Net OPEB liability	<u>2,590</u>	<u>-</u>
Total liabilities	<u>3,611</u>	<u>4,616</u>
Net assets		
Invested in capital assets	5,560	-
Unrestricted	<u>6,208</u>	<u>47,630</u>
Total net assets	<u>11,768</u>	<u>47,630</u>

OGDEN COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	Enterprise Fund	Governmental Activities - Internal Service
	<u>Nonmajor School Nutrition</u>	<u>Internal Service</u>
	\$	\$
Operating revenues:		
Local sources:		
Charges for service	<u>168,347</u>	<u>86,733</u>
Operating expenses:		
Non-instructional programs:		
Salaries	126,131	-
Benefits	43,809	39,103
Purchased services	2,803	-
Supplies	121,779	-
Depreciation	2,876	-
Total operating expenses	<u>297,398</u>	<u>39,103</u>
Operating income (loss)	<u>(129,051)</u>	<u>47,630</u>
Non-operating revenues:		
State sources	3,003	-
Federal sources	121,375	-
Interest income	12	-
Total non-operating revenues	<u>124,390</u>	<u>-</u>
Change in net assets	(4,661)	47,630
Net assets beginning of year	<u>16,429</u>	<u>-</u>
Net assets end of year	<u><u>11,768</u></u>	<u><u>47,630</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2011

1. Summary of Significant Accounting Policies

Ogden Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served includes the City of Ogden, Iowa and the predominately agricultural territory in a portion of Boone County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Ogden Community School District has included all funds, organizations, agencies, boards, commissions, and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. The Ogden Community School District has no component units that meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the County Assessor's Conference Board.

B. Basis of Presentation

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

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

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

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

Unrestricted net assets consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

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

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental funds:

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

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

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's long-term debt.

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

The District's Internal Service Fund is also reported as a proprietary fund. The Internal Service Fund is used to account for the District's employee health reimbursement arrangement.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

D. Assets, Liabilities and Fund Equity

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

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

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

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

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

Property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2009 assessed property valuations; is for the tax accrual period July 1, 2010 through June 30, 2011 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2010.

Due from Other Governments - Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants, and reimbursements from other governments.

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture and equipment and intangibles, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
	\$
Land	-
Buildings	1,000
Improvements other than buildings	1,000
Intangible assets	25,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	1,000

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	25-50 years
Improvements other than buildings	20 years
Intangible assets	3-10 years
Furniture and equipment	5-20 years

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

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

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

Deferred revenue in the Statement of Net Assets consists of unspent grant proceeds, amounts received in advance for meal sales and succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees that have retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2011. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements fund balances are classified as follows:

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

Assigned – Amounts the superintendent or board secretary intends to use for specific purposes.

Unassigned – All amounts not included in other classifications.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2011, the District's expenditures in the instruction and other expenditures functions exceeded the amounts budgeted.

2. Cash and Pooled Investments

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

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

At June 30, 2011, the District had investments in the Iowa Schools Joint Investment Trust, which are valued at an amortized cost of \$366,638 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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

3. Interfund Transfers

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

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
		\$
Debt Service Fund	Capital Projects Fund	968,053
Nonmajor Student Activity Fund	General Fund	8,465

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

4. Iowa School Cash Anticipation Program (ISCAP)

The District participates in the Iowa School Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by a semiannual issuance of anticipatory warrants. The warrant sizing of each school corporation is based on a projection of cash flow needs during the semiannual period. Bankers Trust Co. NA is the trustee for the program.

The District pledges its state foundation aid payments and General Fund receipts as security for the warrants issued. Repayments must be made when General Fund receipts are received. The District must make minimum warrant repayments on the 25th of each month immediately following the final date the warrant proceeds may be used in an amount equal to 25% of the warrant amount. The interest rate on the Series 2010-11A warrants is 1.2% plus the one-month LIBOR rate, adjusted daily. The interest rate on the Series 2010-11B warrants is a variable rate, calculated daily based upon the LIBOR rate plus 120 basis points. A summary of the District's ISCAP activity for the year ended June 30, 2011, is as follows:

Series	Warrant Date	Final Warrant Maturity Date	Balance Beginning of Year	Advances Received	Advances Repaid	Balance End of Year
			\$	\$	\$	\$
2010-11A	6/30/10	6/28/11	-	500,000	500,000	-
2010-11B	1/26/11	1/25/12	-	-	-	-
			<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>

During the year ended June 30, 2011, the District paid \$1,366 of interest on the ISCAP warrants.

5. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	\$	\$	\$	\$
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	-	100,405	-	100,405
Land	73,700	10,000	-	83,700
Total capital assets not being depr.	<u>73,700</u>	<u>110,405</u>	<u>-</u>	<u>184,105</u>
Capital assets being depreciated:				
Buildings	11,843,380	288,027	-	12,131,407
Improvements other than buildings	1,044,830	-	-	1,044,830
Furniture and equipment	1,523,174	75,154	-	1,598,328
Total capital assets being deprec.	<u>14,411,384</u>	<u>363,181</u>	<u>-</u>	<u>14,774,565</u>
Less accumulated depreciation for:				
Buildings	3,541,222	248,728	-	3,789,950
Improvements other than buildings	477,189	38,937	-	516,126
Furniture and equipment	1,224,250	74,996	-	1,299,246
Total accumulated depreciation	<u>5,242,661</u>	<u>362,661</u>	<u>-</u>	<u>5,605,322</u>
Total capital assets being depreciated, net	<u>9,168,723</u>	<u>520</u>	<u>-</u>	<u>9,169,243</u>
Governmental activities capital assets, net	<u>9,242,423</u>	<u>110,925</u>	<u>-</u>	<u>9,353,348</u>
Business type activities:				
Furniture and equipment	49,985	3,170	-	53,155
Less accumulated depreciation	<u>44,719</u>	<u>2,876</u>	<u>-</u>	<u>47,595</u>
Business type activities capital assets, net	<u>5,266</u>	<u>294</u>	<u>-</u>	<u>5,560</u>

Depreciation expense was charged to the following functions:

	\$
Governmental activities:	
Instruction:	
Regular	23,307
Special	958
Other	9,937
Support services:	
Student services	676
Instructional staff services	24,460
Administration services	213
Operation and maintenance of plant services	9,570
Transportation	5,875
	<hr/>
	74,996
Unallocated depreciation	287,665
	<hr/>
Total depreciation expense – governmental activities	362,661
	<hr/>
Business type activities:	
Food services	2,876
	<hr/>

6. Long-Term Liabilities

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

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
	\$	\$	\$	\$	\$
Governmental activities:					
General obligation bonds	2,455,000	-	270,000	2,185,000	280,000
Sales tax revenue bonds	780,000	3,920,000	780,000	3,920,000	125,000
Capital loan notes	1,650,000	-	180,000	1,470,000	190,000
Compensated absences	16,199	7,886	8,999	15,086	7,886
Termination benefits	193,213	15,297	66,441	142,069	46,602
Net OPEB liability	67,682	72,210	-	139,892	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	5,162,094	4,015,393	1,305,440	7,872,047	649,488
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Business type activities:					
Net OPEB liability	1,253	1,337	-	2,590	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Termination Benefits

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

Early retirement benefits are equal to 20% of the employee's regular contractual salary in effect during the employee's last year of employment and the District will pay up to \$250 per month for single health insurance until the retiree is eligible for Medicare.

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

At June 30, 2011, the District has obligations to six participants with a total liability of \$142,069. Actual early retirement expenditures for the year ended June 30, 2011 totaled \$66,441.

General Obligation Bonds Payable

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

Year Ending June 30,	Refunding Bond Issue of April, 2008			
	Interest Rates	Principal	Interest	Total
	%	\$	\$	\$
2012	3.10	280,000	81,165	361,165
2013	3.45	290,000	72,485	362,485
2014	3.60	300,000	62,480	362,480
2015	3.75	310,000	51,680	361,680
2016	3.90	320,000	40,055	360,055
2017	4.00	335,000	27,575	362,575
2018	4.05	350,000	14,175	364,175
		<u>2,185,000</u>	<u>349,615</u>	<u>2,534,615</u>

Revenue Bonds Payable

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

Year Ending June 30,	Bond Issue of April, 2011			
	Interest Rates	Principal	Interest	Total
	%	\$	\$	\$
2012	.650	125,000	102,863	227,863
2013	3.000	125,000	136,337	261,337
2014	3.000	150,000	132,588	282,588
2015	3.000	170,000	128,088	298,088
2016	3.000	175,000	122,987	297,987
2017-2021	3.000-3.375	960,000	532,788	1,492,788
2022-2026	3.500-4.000	1,135,000	360,287	1,495,287
2027-2030	4.125-4.250	1,080,000	115,893	1,195,893
		<u>3,920,000</u>	<u>1,631,831</u>	<u>5,551,831</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$3,920,000 bonds issued in April 2011. The bonds were issued for the purpose of remodeling at the high school. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitations of the District. Annual principal and interest payments on the bonds are expected to require nearly 60 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$5,551,831. No payments on the April 2011 bonds were made during the year. For the current year, total statewide sales, services and use tax revenues were \$485,415.

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

- 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.
- \$301,088 of the proceeds from the bond issue have been placed in a reserve account with a trustee. The reserve account may be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The reserve account is part of the District's Debt Service Fund.
- Proceeds from the statewide sales, services and use tax shall be placed in a revenue account with a trustee. The trustee will make monthly transfers from the revenue account to the sinking account. Money in the sinking account shall be used to pay the interest and principal on the bonds. Any surplus monies remaining in the revenue fund at the end of a quarter may be used for any lawful purpose, or may be used to redeem the bonds in accordance with their terms. The sinking fund is part of the Debt Service Fund.

In January 2011 the District called and repaid the revenue bonds issued in June 2004. \$780,000 of principal and \$34,825 of interest were paid on these bonds during the year.

Capital Loan Notes

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

Year Ending June 30,	Issue of April 2008			
	Interest Rates	Principal	Interest	Total
	%	\$	\$	\$
2012	3.10	190,000	54,595	244,595
2013	3.45	195,000	48,705	243,705
2014	3.60	200,000	41,978	241,978
2015	3.75	210,000	34,788	244,788
2016	3.90	215,000	26,903	241,903
2017	4.00	225,000	18,517	243,517
2018	4.05	235,000	9,518	244,518
		<u>1,470,000</u>	<u>235,004</u>	<u>1,705,004</u>

During the year ended June 30, 2010 the District made principal and interest payments totaling \$239,995 under the note agreements.

7. Pension and Retirement Benefits

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

Plan members are required to contribute 4.50% of their annual covered salary and the District is required to contribute 6.95% of annual covered salary. Contribution requirements are established by state statute. The District's contributions to IPERS for the years ended June 30, 2011, 2010, and 2009 were \$286,482, \$289,610 and \$234,758 respectively, equal to the required contributions for each year.

8. 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 114 active and 2 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which 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	83,278
Interest on net OPEB obligation	1,723
Adjustment to annual required contribution	<u>(6,611)</u>
Annual OPEB cost	78,390
Contributions made	<u>4,843</u>
Increase in net OPEB obligation	73,547
Net OPEB obligation beginning of year	<u>68,935</u>
Net OPEB obligation end of year	<u>142,482</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. 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 \$4,843 to the medical plan. Plan members eligible for benefits contributed \$17,694, or 79% of the premium costs.

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

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
	\$		\$
2010	78,583	12%	68,935
2011	78,390	6%	142,482

Funded Status and Funding Progress - As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was \$626,693, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$626,693. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$2,025,000, and the ratio of the UAAL to covered payroll was 30.9%. 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, 2009 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions includes a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%.

Mortality rates are from the 94 group annuity mortality table projected to 2000. The UAAL is being amortized over 30 years.

9. Risk Management

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

10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$271,535 for the year ended June 30, 2011 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

11. Deficit Fund Balances

At June 30, 2011 the District's Nonmajor Public Education and Recreation Levy Fund had a deficit unassigned fund balance of \$606.

12. Lease Commitment

The District entered into a five year contract to lease copy machines in fiscal year 2010. The payments the District will make over the next three years are as follows:

Year Ended June 30	Lease Payment
2012	\$ 27,768
2013	27,768
2014	27,768

\$27,768 of lease payments were made during fiscal year 2011.

13. Categorical Funding

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

Program	Amount
	\$
Limited English proficiency	5,952
Gifted and Talented	83,855
Returning dropout and dropout prevention program	116,530
Teacher salary supplement	18,810
Home school assistance program	44,702
Educator quality, professional development	43,567
At risk	32,447
Mentoring	1,234
Early intervention	929
Preschool	10,992
Core curriculum	28,667
Market factor	742
	<u>388,427</u>

14. Construction Commitment

The District has entered into a \$2,500,000 contract for high school improvements. Work on the project had not started at June 30, 2011.

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:

	Capital Projects	Special Revenue, Physical Plant and Equipment Levy
Balances June 30, 2010, as previously reported	\$ 795,661	\$ 139,943
Change in fund type classification per implementation of GASB Statement No. 54	<u>139,943</u>	<u>(139,943)</u>
Balances July 1, 2010, as restated	<u>935,604</u>	<u>-</u>

16. Subsequent Event

In July 2011 the District purchased school buses with a total cost of \$183,300. Starting with fiscal year 2012 the District will be providing its own transportation. In prior years the District contracted with an independent company for transportation services.

REQUIRED SUPPLEMENTARY INFORMATION

OGDEN COMMUNITY SCHOOL DISTRICT

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

Required Supplementary Information

Year ended June 30, 2011

	Governmental Fund Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance - Positive (Negative)
				Original	Final	
	\$	\$	\$	\$	\$	\$
Revenues:						
Local sources	5,916,012	168,359	6,084,371	5,836,625	5,836,625	247,746
Intermediate sources	-	-	-	4,100	4,100	(4,100)
State sources	3,361,391	3,003	3,364,394	3,748,181	3,748,181	(383,787)
Federal sources	315,600	121,375	436,975	315,000	315,000	121,975
Total revenues	<u>9,593,003</u>	<u>292,737</u>	<u>9,885,740</u>	<u>9,903,906</u>	<u>9,903,906</u>	<u>(18,166)</u>
Expenditures/Expenses:						
Instruction	5,447,411	-	5,447,411	5,361,023	5,361,023	(86,388)
Support services	1,965,604	-	1,965,604	2,036,000	2,036,000	70,396
Non-instructional programs	32,415	297,398	329,813	350,491	350,491	20,678
Other expenditures	2,276,497	-	2,276,497	1,797,727	1,797,727	(478,770)
Total expenditures/expenses	<u>9,721,927</u>	<u>297,398</u>	<u>10,019,325</u>	<u>9,545,241</u>	<u>9,545,241</u>	<u>(474,084)</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	(128,924)	(4,661)	(133,585)	358,665	358,665	(492,250)
Other financing sources (uses) net	<u>3,858,077</u>	<u>-</u>	<u>3,858,077</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>3,868,077</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses	3,729,153	(4,661)	3,724,492	348,665	348,665	3,375,827
Balance beginning of year	<u>1,476,798</u>	<u>16,429</u>	<u>1,493,227</u>	<u>1,617,534</u>	<u>1,617,534</u>	<u>(124,307)</u>
Balance end of year	<u><u>5,205,951</u></u>	<u><u>11,768</u></u>	<u><u>5,217,719</u></u>	<u><u>1,966,199</u></u>	<u><u>1,966,199</u></u>	<u><u>3,251,520</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2011

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Internal Service, Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District did not amend its budget.

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

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Funding Progress for the Retiree Health Plan

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a) \$	Actuarial Accrued Liability (AAL) (b) \$	Unfunded AAL (UAAL) (b-a) \$	Funded Ratio (a/b) %	Covered Payroll (c) \$	UAAL as a Percentage of Covered Payroll ((b-a)/c) %
2010	July 1, 2009	-	667,691	667,691	0.0%	2,248,000	29.7%
2011	July 1, 2009	-	626,693	626,693	0.0%	2,025,000	30.9%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

OTHER SUPPLEMENTARY INFORMATION

OGDEN COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2011

Assets	Special Revenue Funds			Total
	Management	Student	Public	
	Levy	Activity	Education and Recreation Levy	
	\$	\$	\$	\$
Cash and pooled investments	52,248	60,609	4,762	117,619
Receivables:				
Property tax:				
Delinquent	2,042	-	329	2,371
Succeeding year	140,000	-	29,677	169,677
Accounts	-	410	40	450
Total assets	194,290	61,019	34,808	290,117
Liabilities & Fund Balances				
Liabilities:				
Accounts payable	-	2,976	3,014	5,990
Salaries and benefits payable	-	-	2,723	2,723
Deferred revenue:				
Succeeding year property tax	140,000	-	29,677	169,677
Total liabilities	140,000	2,976	35,414	178,390
Fund balances:				
Restricted for:				
Management levy	54,290	-	-	54,290
Student activities	-	58,043	-	58,043
Unassigned	-	-	(606)	(606)
Total fund balances	54,290	58,043	(606)	111,727
Total liabilities and fund balances	194,290	61,019	34,808	290,117

OGDEN COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	Special Revenue Funds			Total
	Management	Student	Public	
	Levy	Activity	Education and Recreation Levy	
	\$	\$	\$	\$
Revenues:				
Local sources:				
Local tax	176,225	-	28,410	204,635
Other	12,160	493,892	7,222	513,274
State sources	83	-	13	96
Total revenues	<u>188,468</u>	<u>493,892</u>	<u>35,645</u>	<u>718,005</u>
Expenditures:				
Current:				
Instruction:				
Regular	150,139	-	-	150,139
Other	-	501,516	-	501,516
Operation and maintenance of plant	31,651	-	-	31,651
Transportation	3,868	-	2,552	6,420
Non-instructional programs	-	-	32,415	32,415
Total expenditures	<u>185,658</u>	<u>501,516</u>	<u>34,967</u>	<u>722,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,810</u>	<u>(7,624)</u>	<u>678</u>	<u>(4,136)</u>
Other financing sources (uses):				
Operating transfers in	<u>-</u>	<u>8,465</u>	<u>-</u>	<u>8,465</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	2,810	841	678	4,329
Fund balances beginning of year, as restated	<u>51,480</u>	<u>57,202</u>	<u>(1,284)</u>	<u>107,398</u>
Fund balances end of year	<u><u>54,290</u></u>	<u><u>58,043</u></u>	<u><u>(606)</u></u>	<u><u>111,727</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Capital Project Accounts

June 30, 2011

Assets	Capital Projects			Total
	Construction	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	
	\$	\$	\$	
Cash and pooled investments	137,032	3,797,865	88,590	4,023,487
Receivables:				
Property tax:				
Delinquent	-	-	4,071	4,071
Succeeding year	-	-	367,116	367,116
Due from other governments	-	147,920	-	147,920
Total assets	137,032	3,945,785	459,777	4,542,594
Liabilities & Fund Balances				
Liabilities:				
Accounts payable	7,360	14,966	2,264	24,590
Deferred revenue:				
Succeeding year property tax	-	-	367,116	367,116
Total liabilities	7,360	14,966	369,380	391,706
Fund balances:				
Restricted for:				
Debt service	-	301,088	-	301,088
School infrastructure	129,672	3,629,731	-	3,759,403
Physical plant and equipment	-	-	90,397	90,397
Total fund balances	129,672	3,930,819	90,397	4,150,888
Total liabilities and fund balances	137,032	3,945,785	459,777	4,542,594

OGDEN COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2011

	Capital Projects			Total
	Construction	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	
	\$	\$	\$	\$
Revenues:				
Local sources:				
Local tax	-	485,415	351,434	836,849
Other	424	18,421	58,279	77,124
State sources	-	-	165	165
Total revenues	<u>424</u>	<u>503,836</u>	<u>409,878</u>	<u>914,138</u>
Expenditures:				
Current:				
Support services:				
Transportation services	-	-	1,836	1,836
Other expenditures:				
Facilities acquisition	109,870	259,823	217,143	586,836
Total expenditures	<u>109,870</u>	<u>259,823</u>	<u>218,979</u>	<u>588,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(109,446)</u>	<u>244,013</u>	<u>190,899</u>	<u>325,466</u>
Other financing sources (uses):				
Bonds issued	-	3,920,000	-	3,920,000
Bond premium	-	12,661	-	12,661
Bond issue costs	-	(74,790)	-	(74,790)
Operating transfers out	-	(727,608)	(240,445)	(968,053)
Total other financing sources (uses)	<u>-</u>	<u>3,130,263</u>	<u>(240,445)</u>	<u>2,889,818</u>
Net change in fund balance	(109,446)	3,374,276	(49,546)	3,215,284
Fund balances beginning of year, as restated	<u>239,118</u>	<u>556,543</u>	<u>139,943</u>	<u>935,604</u>
Fund balance end of year	<u><u>129,672</u></u>	<u><u>3,930,819</u></u>	<u><u>90,397</u></u>	<u><u>4,150,888</u></u>

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2011

<u>Account</u>	Balance Beginning of Year	Revenues	Expenditures	Intra-fund Transfers	Balance End of Year
	\$	\$	\$	\$	\$
Interest account	5	62	-	-	67
Annual - past	234	3,126	6,267	2,907	-
Annual - current	-	2,907	-	(2,907)	-
Activity tickets	-	11,155	190	(10,965)	-
Student council	3,665	7,832	8,057	-	3,440
Concessions	-	12,600	11,714	-	886
Art club	54	-	-	-	54
Drama	-	5,699	6,519	820	-
CMS club	3,304	1,050	2,272	-	2,082
International club	10	439	-	-	449
Boys "O" club	1,689	11,258	9,949	-	2,998
Girls "O" club	4,702	7,002	6,067	-	5,637
DC/NYC trip	12,800	148,670	143,445	1,890	19,915
Cheerleaders	269	2,595	2,611	-	253
Character education	323	172	461	-	34
Phoenix II club	80	-	-	-	80
Seniors	13	2,154	2,688	521	-
Juniors	2,411	7,257	6,133	(620)	2,915
Sophomores	1,791	2,771	1,827	(1,484)	1,251
Freshman	307	1,757	1,278	(307)	479
Boys basketball	140	9,566	6,985	(2,029)	692
Football	1,169	22,443	16,896	(2,755)	3,961
Baseball	(1,088)	8,217	11,231	4,102	-
Boys track	-	2,030	2,395	365	-
Boys/girls cross country	-	544	1,423	879	-
Boys/girls golf	-	136	1,333	1,197	-
Wrestling	-	7,519	8,591	1,072	-
Girls basketball	608	7,158	4,228	(2,990)	548
Volleyball	-	4,197	3,672	(525)	-
Girls track	-	2,134	2,870	736	-
Softball	2,443	9,850	13,183	1,980	1,090
Miscellaneous athletics	3,010	10,496	17,490	8,113	4,129
Middle school misc. athletics	155	5,223	7,324	1,946	-
Middle school athletic resale	-	710	610	(100)	-
Middle fundraising	1,208	22,250	20,352	(946)	2,160
Elementary fundraising	3,059	2,404	2,963	(1,150)	1,350
Orlando music trip	12,250	157,166	167,865	-	1,551
Spain trip	540	60	60	-	540
RSA club	1,703	120	936	-	887
English club	49	1,070	1,070	-	49
Middle school student council	246	338	355	250	479
Middle school concessions	53	220	206	-	67
Total	57,202	502,357	501,516	-	58,043

OGDEN COMMUNITY SCHOOL DISTRICT

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

For the Last Eight Years

	Modified Accrual Basis							
	2011	2010	2009	2008	2007	2006	2005	2004
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues:								
Local sources:								
Local tax	4,600,341	4,298,936	3,724,784	3,420,954	3,462,969	3,159,100	3,068,526	2,940,760
Tuition	613,464	517,543	525,364	591,169	631,539	601,446	592,000	663,974
Other	702,207	523,916	558,748	639,445	761,285	585,767	554,301	574,949
Intermediate sources	-	-	4,100	-	-	-	-	-
State sources	3,361,391	2,914,496	3,459,209	3,424,108	3,377,645	3,398,630	3,150,578	2,705,023
Federal sources	315,600	525,742	226,529	140,196	144,518	133,928	124,041	115,011
Total revenues	<u>9,593,003</u>	<u>8,780,633</u>	<u>8,498,734</u>	<u>8,215,872</u>	<u>8,377,956</u>	<u>7,878,871</u>	<u>7,489,446</u>	<u>6,999,717</u>
Expenditures:								
Instruction:								
Regular	3,189,626	3,219,909	3,174,180	2,997,905	2,871,069	2,788,368	2,676,199	2,522,556
Special	819,529	819,316	827,996	780,523	732,927	691,607	947,610	859,634
Other	1,438,256	1,197,561	1,163,346	1,145,803	1,192,718	953,419	842,145	804,993
Support services:								
Student	135,890	127,297	158,562	177,496	167,385	164,512	220,374	356,962
Instructional staff	185,868	242,139	193,578	223,407	172,427	178,040	146,988	-
Administration	645,080	711,898	718,872	753,519	676,545	673,181	686,798	679,187
Operation and maintenance	656,255	722,610	741,325	736,196	671,385	674,148	632,183	669,586
Transportation	342,511	334,651	325,124	331,405	338,826	308,142	301,708	281,492
Non-instructional programs	32,415	24,839	36,464	23,196	27,429	54,806	42,912	27,265
Other expenditures:								
Facilities acquisition	586,836	351,769	1,591,511	490,629	272,948	176,549	1,688,930	307,686
Long-term debt:								
Principal	1,230,000	651,000	649,655	563,443	542,311	511,000	385,000	280,000
Interest and other charges	188,126	206,846	229,919	221,534	245,894	262,985	244,439	216,685
AEA flowthrough	271,535	261,003	239,624	229,281	225,505	218,628	210,629	200,134
Total expenditures	<u>9,721,927</u>	<u>8,870,838</u>	<u>10,050,156</u>	<u>8,674,337</u>	<u>8,137,369</u>	<u>7,655,385</u>	<u>9,025,915</u>	<u>7,206,180</u>

See accompanying independent auditor's report.

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

To the Board of Education of
Ogden Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Ogden Community School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated December 21, 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 Ogden Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ogden Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ogden Community School District's internal control over financial reporting.

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

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings and Responses as items 11-I-A, 11-I-B, and 11-I-C to be material weaknesses.

Compliance and Other Matters

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

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

Ogden Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Responses. While we have expressed our conclusions on the District's responses, we did not audit Ogden Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Ogden Community School District and other parties to whom Ogden Community School District may report, 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 Ogden Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

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

December 21, 2011

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2011

Part I: Findings Related to the Financial Statements:

Internal Control Deficiencies:

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

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

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

Conclusion: Response accepted.

11-I-B Check Signing: We noted that the District uses its computer software to print the signatures of the Board President and Board Secretary on checks, as the checks are printed by the computer. It is possible for one person to enter invoices or payroll data, issue the command to print checks and to receive the checks from the printer. This practice negates the internal control procedure established by requiring two signatures on a check.

Recommendation: We recommend that this practice cease. The Board may designate another person to cosign checks when the Board President is not available.

District Response: We will discuss methods to remain efficient, yet have adequate controls.

Conclusion: Response accepted.

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

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

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

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2011

Part I: Findings Related to the Financial Statements:

Conclusion: Response accepted.

Instances of non-compliance:

No matters were noted.

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2011

Part II: Other Findings Related to Required Statutory Reporting:

11-II-A Certified Budget: Expenditures for the year ended June 30, 2011, exceeded the certified budget amounts in the instruction and other expenditures functions.

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

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

Conclusion: Response accepted.

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

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

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

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

11-II-F Board Minutes: We noted expenditures for a class trip to Washington DC were not included on the lists of bills approved by the board.

Recommendation: Chapter 179.29 of the Code of Iowa provides that "the Board shall audit all just claims against the corporation and no order shall be drawn upon the treasury until the claim therefore has been audited and allowed." Chapter 279.30 of the Code of Iowa allows payment of specific items, such as utilities, postage, printing, and salaries without prior Board approval. This Board may approve a resolution designating certain other disbursements that may be paid prior to a Board Meeting with the approval of the Superintendent or other appointee. Except as expressly permitted, no payments should be made for claims that have not been properly audited and allowed. All bills paid prior to audit and allowance by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary.

District Response: The omission of the student trip payments was an oversight; we will be more diligent in the future.

Conclusion: Response accepted.

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

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

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2011

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

- 11-II-I Deposits and Investments: No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- 11-II-J Certified Annual Report (CAR): The Certified Annual Report was certified timely to the Department of Education.
- 11-II-K Categorical Funding: No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- 11-II-L Statewide Sales, Services and Use Tax: No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

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	\$	\$
		556,543
Revenues:		
Statewide sales, services and use tax revenue	485,415	
Interest	380	
Donations	18,000	
Other local revenues	41	
Revenue bonds issued	<u>3,932,661</u>	4,436,497
Expenditures/transfers out:		
School infrastructure construction	214,503	
Equipment	45,320	
Bond issue costs	74,790	
Transfers to Debt Service Fund	<u>727,608</u>	<u>1,062,221</u>
Ending balance		<u><u>3,930,819</u></u>

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

OGDEN COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

June 30, 2011

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

	Rate of Levy Reduction Per \$1,000 of Taxable Valuation	Property Tax Dollars Reduced
	\$	\$
Debt service levy	.58479	125,000
11-II-M	<p><u>Deficit Balances:</u> The District has a \$606 deficit unassigned fund balance in the Public Education and Recreation Levy Fund at June 30, 2011.</p> <p><u>Recommendation:</u> The District should continue to monitor this fund and investigate alternatives to eliminate the deficit.</p> <p><u>District Response:</u> The deficit will be covered by property taxes received in fiscal year 2012.</p> <p><u>Conclusion:</u> Response accepted.</p>	
11-II-N	<p><u>Signature on Capital Projects Fund Checks:</u> We noted that the superintendent signed Capital Projects Fund checks. All District checks are to be signed by the Board President and Board Secretary. The Board may designate another individual to sign for the board president. However the District could not locate a board resolution authorizing the superintendent to sign checks.</p> <p><u>Recommendation:</u> The District should revise its check signing procedures.</p> <p><u>District Response:</u> We will review our procedures and make any necessary changes to be in compliance with the Code of Iowa.</p> <p><u>Conclusion:</u> Response accepted.</p>	
11-II-O	<p><u>Use of Credit Cards:</u> Chapter 279.8 requires written guidelines for the use of District credit cards. The District's credit card policy allows the District to have gas credit cards. We noted that the District also has credit cards for several retail stores.</p> <p><u>Recommendation:</u> The District should review and revise its credit card policy, and then any cards not allowed by the policy should be cancelled.</p> <p><u>District Response:</u> We will do this.</p> <p><u>Conclusion:</u> Response accepted.</p>	