

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

JUNE 30, 2011

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West Monona Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Peter Alexander	President	2013
Hank Mason	Vice President	2013
Geri Johnson	Board Member	2013
Amy Maule	Board Member	2011
Allen Carrier	Board Member	2011
School Officials		
James Simmelink	Superintendent	2011
Roxane Bales	District Secretary/ Treasurer	2011
Ahlers Law Firm	Attorney	2011

WEST MONONA COMMUNITY SCHOOL DISTRICT

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

117 West 3rd Street North, Newton, Iowa 50208-3050

Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
West Monona 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 the West Monona Community School District, Onawa, Iowa, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express 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 that 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 the West Monona Community School District at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 28, 2012 on our consideration of the West Monona Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts. 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 Findings Progress for the Retiree Health Plan on pages 7 through 16 and 42 through 44 are not required parts of the basic financial statements, but are supplementary information required by

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise West Monona 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 seven years ended June 30, 2010 (which are not presented herein) and expressed an unqualified opinion on those financial statements. Other supplementary information included in Schedules 1 through 7, including the Schedule of Expenditures of Federal Awards required by U.S. office of Management and Budget (OMB) Circular A-133, Audits of states, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



NOLTE, CORNMAN & JOHNSON, P.C.

February 28, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

West Monona 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 \$6,454,834 in fiscal 2010 to \$7,053,369 in fiscal 2011, while General Fund expenditures increased from \$6,393,427 in fiscal 2010 to \$7,059,067 in fiscal 2011. The District's General Fund balance decreased from \$1,036,294 in fiscal 2010 to \$1,030,596 in fiscal 2011.
- The increase in General Fund revenues was primarily attributable to an increase in state sources of revenue. Increased expenditures for instructional functions represented the largest portion of the rise in expenditures.

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 West Monona 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 West Monona 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 West Monona Community School District acts solely as an agent or custodial for the benefit of those outside of the School District.

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

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

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

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

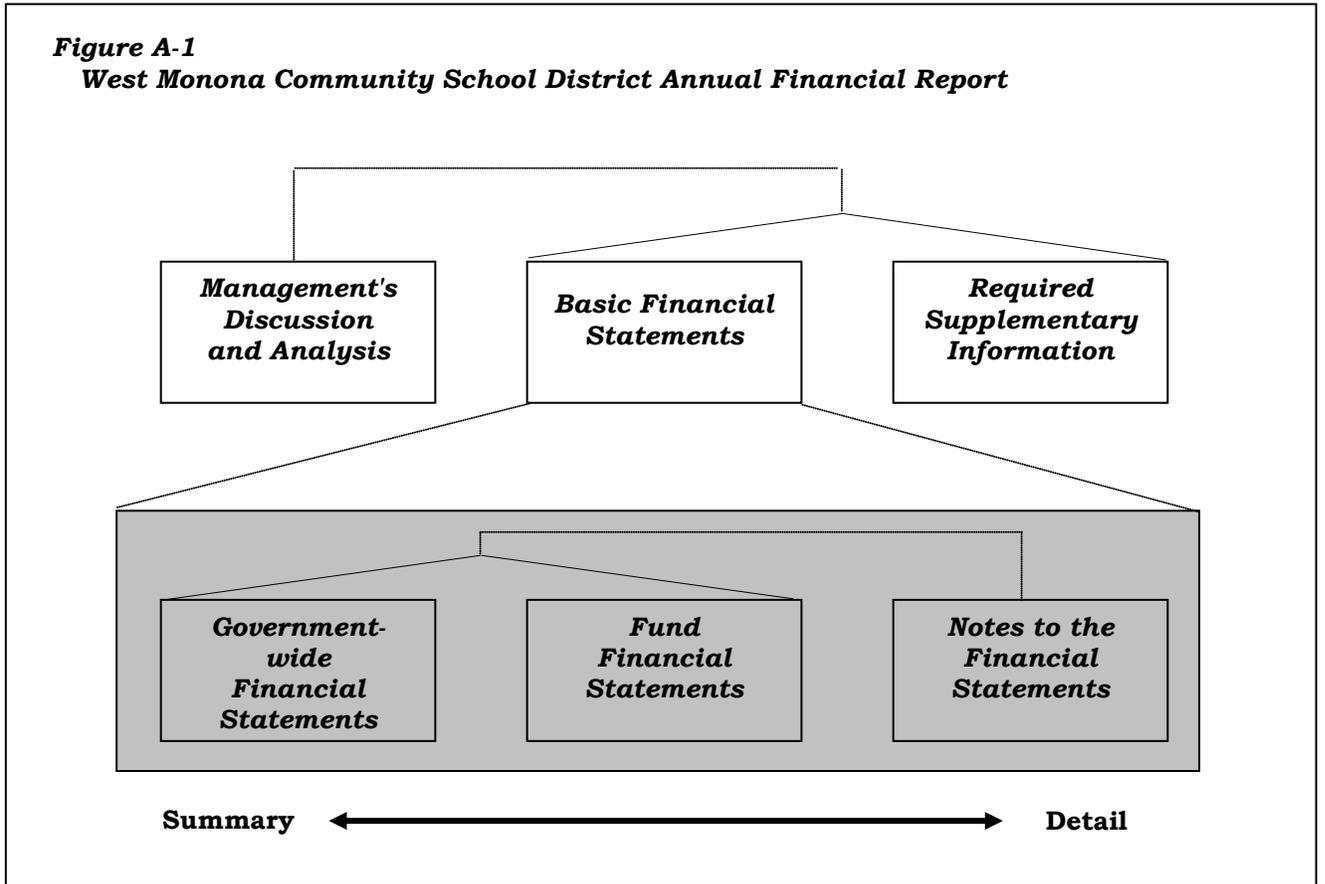


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

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

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

REPORTING THE DISTRICT’S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The two government-wide financial statements report the District’s net assets and how they have changed. Net assets – the difference between the District’s assets and liabilities – are one way to measure the District’s financial health or position. Over time, increases or decreases in the District’s net assets are an indicator of whether financial position is improving or deteriorating. To assess the District’s overall health, additional non-financial factors, such as changes in the District’s property tax base and the condition of school buildings and other facilities, need to be considered.

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Figure A-3 Condensed Statement of Net Assets							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
Current and other assets	\$ 7,627,269	9,884,816	95,705	77,069	7,722,974	9,961,885	-22.47%
Capital assets	4,684,172	2,302,571	39,756	43,454	4,723,928	2,346,025	101.36%
Total assets	<u>12,311,441</u>	<u>12,187,387</u>	<u>135,461</u>	<u>120,523</u>	<u>12,446,902</u>	<u>12,307,910</u>	1.13%
Long-term obligations	4,005,895	4,020,591	824	409	4,006,719	4,021,000	-0.36%
Other liabilities	3,811,205	3,890,978	7,109	7,531	3,818,314	3,898,509	-2.06%
Total liabilities	<u>7,817,100</u>	<u>7,911,569</u>	<u>7,933</u>	<u>7,940</u>	<u>7,825,033</u>	<u>7,919,509</u>	-1.19%
Net assets:							
Invested in capital assets, net of related debt	1,396,467	1,340,433	39,756	43,454	1,436,223	1,383,887	3.78%
Restricted	2,362,865	2,062,023	0	0	2,362,865	2,062,023	14.59%
Unrestricted	735,009	873,362	87,772	69,129	822,781	942,491	-12.70%
Total net assets	<u>\$ 4,494,341</u>	<u>4,275,818</u>	<u>127,528</u>	<u>112,583</u>	<u>4,621,869</u>	<u>4,388,401</u>	5.32%

The District's combined net assets increased by 5.32%, or \$233,468, over the prior year. A large portion of the District's net assets is the invested in capital assets, net of related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets increased \$300,842, or 14.59% over the prior year. This was the result on an increase in carryover state categorical funding and an increase in the Debt Service fund balance.

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 – decreased \$119,710, or 12.70%.

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

Figure A-4 Changes of Net Assets							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
Revenues:							
Program revenues:							
Charges for services	\$ 349,948	432,984	132,835	128,040	482,783	561,024	-13.95%
Operating grants, and contributions and restricted interest	847,329	1,455,355	182,087	176,485	1,029,416	1,631,840	-36.92%
Capital grants, and contributions and restricted interest	12,920	0	0	0	12,920	0	100.00%
General revenues:							
Property tax	2,758,290	2,605,158	0	0	2,758,290	2,605,158	5.88%
Income surtax	186,184	125,104	0	0	186,184	125,104	48.82%
Statewide sales, services and use tax	461,780	352,883	0	0	461,780	352,883	30.86%
Unrestricted state grants	3,082,622	2,238,692	0	0	3,082,622	2,238,692	37.70%
Nonspecific program federal grants	230,243	0	0	0	230,243	0	100.00%
Unrestricted investment earnings	2,343	42,930	0	0	2,343	42,930	-94.54%
Other	95,904	20,394	1,198	953	97,102	21,347	354.87%
Total revenues	<u>8,027,563</u>	<u>7,273,500</u>	<u>316,120</u>	<u>305,478</u>	<u>8,343,683</u>	<u>7,578,978</u>	<u>10.09%</u>
Program expenses:							
Governmental activities:							
Instruction	4,905,495	4,537,016	0	0	4,905,495	4,537,016	8.12%
Support services	2,319,455	1,937,441	0	0	2,319,455	1,937,441	19.72%
Non-instructional programs	11,575	12,507	301,175	271,858	312,750	284,365	9.98%
Other expenses	572,515	377,857	0	0	572,515	377,857	51.52%
Total expenses	<u>7,809,040</u>	<u>6,864,821</u>	<u>301,175</u>	<u>271,858</u>	<u>8,110,215</u>	<u>7,136,679</u>	<u>13.64%</u>
Changes in net assets	218,523	408,679	14,945	33,620	233,468	442,299	-47.21%
Beginning net assets, as restated	<u>4,275,818</u>	<u>3,867,139</u>	<u>112,583</u>	<u>78,963</u>	<u>4,388,401</u>	<u>3,946,102</u>	<u>11.21%</u>
Ending net assets	<u>\$ 4,494,341</u>	<u>4,275,818</u>	<u>127,528</u>	<u>112,583</u>	<u>4,621,869</u>	<u>4,388,401</u>	<u>5.32%</u>

In fiscal 2011, property tax, income surtax, statewide sales and services tax and unrestricted state grants account for 80.83% of the revenue from governmental activities while charges for services and operating grants and contributions account for 99.62% of the revenue from business type activities.

The District's total revenues were approximately \$8.34 million of which \$8.03 million was for governmental activities and \$.31 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 10.09% increase in revenues and a 13.64% increase in expenses. The increase in expenses was related to increases in the negotiated salary and benefits.

Governmental Activities

Revenues for governmental activities were \$8,027,563 and expenses were \$7,809,040 for the year ended June 30, 2011.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2011 compared to the year ended June 30, 2010.

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2011	2010	Change 2010-11	2011	2010	Change 2010-11
Instruction	\$ 4,905,495	4,537,016	8.12%	4,002,991	2,942,684	36.03%
Support services	2,319,455	1,937,441	19.72%	2,304,672	1,937,370	18.96%
Non-instructional programs	11,575	12,507	-7.45%	6,707	(2,852)	335.17%
Other expenses	572,515	377,857	51.52%	284,473	99,280	186.54%
Totals	\$ 7,809,040	6,864,821	13.75%	6,598,843	4,976,482	32.60%

For the year ended June 30, 2011:

- The cost financed by users of the District's programs was \$349,948.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$860,249.
- The net cost of governmental activities was financed with \$2,758,290 in property tax, \$186,184 in income surtax, \$461,780 in statewide sales, services and use tax, \$3,082,622 in unrestricted state grants, \$230,243 in nonspecific program federal grants, \$2,343 in interest income and \$95,904 in other general revenues.

Business Type Activities

Revenues of the District's business type activities were \$316,120 and expenses were \$301,175. The District's business type activities include the School Nutrition Fund. Revenues of these activities were mostly comprised of charges for service and federal and state reimbursements.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$3,723,122, below last year's ending fund balances of \$5,901,965. The primary reason for the decrease was renovations to District buildings.

Governmental Fund Highlights

- The District's General Fund financial position is the product of many factors. Increases during the year in local tax and State sources of revenue helped increase revenues. Although the District experienced an increase in revenues, the District also experienced an increase in expenditures; total revenues were less than expenses resulting in the District's General Fund balance decreasing by \$5,698.
- The General Fund balance decreased from \$1,036,294 in fiscal 2010 to \$1,030,596 in fiscal 2011.

- The Capital Projects Fund balance decreased from a restated balance of \$4,382,451 at the beginning of the fiscal year 2011 to \$2,012,146. The beginning balance was restated as a result of the Physical Plant and Equipment Levy Fund reclassification as a Capital Projects Fund account in accordance with GASB Statement No. 54. This decrease was a result of the ongoing renovations throughout the District.

Proprietary Fund Highlights

The School Nutrition Fund net assets increased from \$112,583 at June 30, 2010 to \$127,528 at June 30, 2011, representing an increase of 13.27%.

BUDGETARY HIGHLIGHTS

The District's revenues were \$18,398 more than budgeted revenues, a variance of less than 1%. The most significant variance resulted from the District receiving more in Federal sources than originally anticipated.

Total expenditures were less than budgeted, due primarily to the District's budget for the General Fund. It is the District's practice to budget disbursements 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 disbursements for the year.

In spite of the District's budgetary practice, the certified budget was exceeded in the instruction functional area.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011, the District had invested approximately \$4.72 million, 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 amount represents a net increase of 101.36% from last year. More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation expense for the year was \$221,610.

The original cost of the District's capital assets was \$8,852,141. Governmental funds account for \$8,608,107 with the remainder of \$244,034 in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the buildings category. The District's buildings, totaled \$3,666,890 at June 30, 2011, compared to \$988,373 reported at June 30, 2010. This increase resulted from various renovation projects throughout the District.

Figure A-6
Capital Assets, Net of Depreciation

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
Land	\$ 92,549	92,549	0	0	92,549	92,549	0.00%
Construction in progress	587,581	906,558	0	0	587,581	906,558	-35.19%
Buildings	3,666,890	988,373	0	0	3,666,890	988,373	271.00%
Land improvements	69,674	75,278	0	0	69,674	75,278	-7.44%
Machinery and equipment	267,478	239,813	39,756	43,454	307,234	283,267	8.46%
Total	\$ 4,684,172	2,302,571	39,756	43,454	4,723,928	2,346,025	101.36%

Long-Term Debt

At June 30, 2011, the District had \$4,006,719 in revenue bonds and other long-term debt outstanding. This represents a decrease of 0.36% from last year. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

The District had outstanding Capital Loan Notes payable from the Special Revenue, Physical Plant and Equipment Levy Fund of \$45,000 at June 30, 2011.

The District had outstanding Revenue Bonds payable of \$3,900,000 at June 30, 2011.

The District had a net OPEB liability payable of \$61,719 at June 30, 2011.

Figure A-7
Outstanding Long-Term Obligations

	Governmental Activities		Business type Activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
Capital Loan Notes	\$ 45,000	90,000	0	0	45,000	90,000	-50.00%
Revenue Bonds	3,900,000	3,900,000	0	0	3,900,000	3,900,000	0.00%
Net OPEB liability	60,895	30,591	824	409	61,719	31,000	99.09%
Total	\$ 4,005,895	4,020,591	824	409	4,006,719	4,021,000	-0.36%

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:

- The state's economy is showing limited signs of economic recovery. A weaker economy adversely impacts the amount of new general fund money available to the District.
- With the reduction in state revenues, the District will continue to implement cost-saving measures and develop a plan for the remainder of the 2010/2011 year. The Board of Education will determine what cost-saving measures we will implement and how much we can spend from our reserves.
- Historically, the District has entered into annual contracts with its collective bargaining units. The District will negotiate new agreements during fiscal 2011. Settlements in

excess of “new money” or allowable growth in state funding will have an adverse effect on the District’s General Fund budget and related fund balance. Corresponding cost reductions will be made to offset the cost of negotiated settlements and other cost increases.

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 Roxane Bales, District Secretary/Treasurer, West Monona Community School District, 1314 15th St, Onawa, Iowa, 51040.

WEST MONONA COMMUNITY SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

WEST MONONA COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 4,331,281	86,783	4,418,064
Receivables:			
Property tax:			
Delinquent	41,922	0	41,922
Succeeding year	2,839,312	0	2,839,312
Income surtax	175,448	0	175,448
Accounts	25,210	0	25,210
Due from other governments	214,096	0	214,096
Inventories	0	8,922	8,922
Capital assets, net of accumulated depreciation	4,684,172	39,756	4,723,928
Total assets	12,311,441	135,461	12,446,902
Liabilities			
Accounts payable	263,550	0	263,550
Salaries and benefits payable	623,784	4,969	628,753
Accrued interest payable	82,506	0	82,506
Deferred revenue:			
Succeeding year property tax	2,839,312	0	2,839,312
Other	2,053	0	2,053
Unearned revenue	0	2,140	2,140
Long-term liabilities:			
Portion due within one year:			
Capital loan notes payable	45,000	0	45,000
Revenue bonds payable	100,000	0	100,000
Portion due after one year:			
Revenue bonds payable	3,800,000	0	3,800,000
Net OPEB liability	60,895	824	61,719
Total liabilities	7,817,100	7,933	7,825,033
Net Assets			
Invested in capital assets, net of related debt	1,396,467	39,756	1,436,223
Restricted for:			
Categorical funding	327,634	0	327,634
School infrastructure	1,267,621	0	1,267,621
Physical plant and equipment levy	87,230	0	87,230
Management levy purposes	131,385	0	131,385
Student activities	49,625	0	49,625
Debt service	499,370	0	499,370
Unrestricted	735,009	87,772	822,781
Total net assets	\$ 4,494,341	127,528	4,621,869

SEE NOTES TO FINANCIAL STATEMENTS.

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

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Total
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	\$ 2,984,036	160,568	237,802	0	(2,585,666)	0	(2,585,666)
Special	1,265,497	41,925	146,791	0	(1,076,781)	0	(1,076,781)
Other	655,962	147,112	168,306	0	(340,544)	0	(340,544)
	<u>4,905,495</u>	<u>349,605</u>	<u>552,899</u>	<u>0</u>	<u>(4,002,991)</u>	<u>0</u>	<u>(4,002,991)</u>
Support services:							
Student	222,019	0	20	0	(221,999)	0	(221,999)
Instructional staff	243,526	0	0	0	(243,526)	0	(243,526)
Administration	787,901	0	1,500	0	(786,401)	0	(786,401)
Operation and maintenance of plant	811,519	0	0	12,920	(798,599)	0	(798,599)
Transportation	254,490	343	0	0	(254,147)	0	(254,147)
	<u>2,319,455</u>	<u>343</u>	<u>1,520</u>	<u>12,920</u>	<u>(2,304,672)</u>	<u>0</u>	<u>(2,304,672)</u>
Non-instructional programs	11,575	0	4,868	0	(6,707)	0	(6,707)
Other expenditures:							
Long-term debt interest	171,194	0	0	0	(171,194)	0	(171,194)
AEA flowthrough	288,042	0	288,042	0	0	0	0
Depreciation (unallocated)*	113,279	0	0	0	(113,279)	0	(113,279)
	<u>572,515</u>	<u>0</u>	<u>288,042</u>	<u>0</u>	<u>(284,473)</u>	<u>0</u>	<u>(284,473)</u>
Total governmental activities	7,809,040	349,948	847,329	12,920	(6,598,843)	0	(6,598,843)
Business Type activities:							
Non-instructional programs:							
Nutrition services	301,175	132,835	182,087	0	0	13,747	13,747
Total	\$ 8,110,215	482,783	1,029,416	12,920	(6,598,843)	13,747	(6,585,096)
General Revenues:							
Property tax levied for:							
General purposes					\$ 2,628,917	0	2,628,917
Capital outlay					129,373	0	129,373
Income surtax					186,184	0	186,184
Statewide sales, services and use tax					461,780	0	461,780
Unrestricted state grants					3,082,622	0	3,082,622
Nonspecific program federal grants					230,243	0	230,243
Unrestricted investment earnings					2,343	0	2,343
Other					95,904	1,198	97,102
Total general revenues					<u>6,817,366</u>	<u>1,198</u>	<u>6,818,564</u>
Changes in net assets					218,523	14,945	233,468
Net assets beginning of year					4,275,818	112,583	4,388,401
Net assets end of year					<u>\$ 4,494,341</u>	<u>127,528</u>	<u>4,621,869</u>

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

SEE NOTES TO FINANCIAL STATEMENTS.

WEST MONONA COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Capital Projects	Other Nonmajor Governmental Funds	Total
Assets				
Cash and pooled investments	\$ 1,802,876	1,848,393	680,012	4,331,281
Receivables:				
Property tax:				
Delinquent	38,448	1,948	1,526	41,922
Succeeding year	2,601,983	137,329	100,000	2,839,312
Income surtax	116,965	58,483	0	175,448
Accounts	25,210	0	0	25,210
Due from other governments	46,818	167,275	3	214,096
Total assets	\$ 4,632,300	2,213,428	781,541	7,627,269
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 256,919	5,470	1,161	263,550
Salaries and benefits payable	623,784	0	0	623,784
Deferred revenue:				
Succeeding year property tax	2,601,983	137,329	100,000	2,839,312
Income surtax	116,965	58,483	0	175,448
Other	2,053	0	0	2,053
Total liabilities	3,601,704	201,282	101,161	3,904,147
Fund balances:				
Restricted for:				
Categorical funding	327,634	0	0	327,634
School infrastructure	0	1,267,621	0	1,267,621
Construction	0	657,295	0	657,295
Physical plant and equipment	0	87,230	0	87,230
Management levy purposes	0	0	131,385	131,385
Student activities	0	0	49,625	49,625
Debt service	0	0	499,370	499,370
Assigned for Wellness fund	22,229	0	0	22,229
Unassigned	680,733	0	0	680,733
Total fund balances	1,030,596	2,012,146	680,380	3,723,122
Total liabilities and fund balances	\$ 4,632,300	2,213,428	781,541	7,627,269

SEE NOTES TO FINANCIAL STATEMENTS.

WEST MONONA COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 JUNE 30, 2011

Total fund balances of governmental funds(page 20)	\$ 3,723,122
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in in the governmental funds.	4,684,172
Accounts receivable income surtax, are not yet available to finance expenditures of the current fiscal period.	175,448
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.	(82,506)
Long-term liabilities, including capital loan notes payable, revenue bonds payable and other postemployment benefits payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(4,005,895)</u>
Net assets of governmental activities(page 18)	<u><u>\$ 4,494,341</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

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

	General	Capital Projects	Other Nonmajor Governmental Funds	Total
REVENUES:				
Local sources:				
Local tax	\$ 2,586,234	648,811	100,341	3,335,386
Tuition	202,493	0	0	202,493
Other	111,800	1,755	139,318	252,873
State sources	3,545,521	102	79	3,545,702
Federal sources	607,321	12,920	0	620,241
Total revenues	<u>7,053,369</u>	<u>663,588</u>	<u>239,738</u>	<u>7,956,695</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	2,994,570	30,883	0	3,025,453
Special	1,261,123	0	0	1,261,123
Other	520,573	0	130,300	650,873
	<u>4,776,266</u>	<u>30,883</u>	<u>130,300</u>	<u>4,937,449</u>
Support services:				
Student	215,089	0	0	215,089
Instructional staff	224,553	0	0	224,553
Administration	708,648	11,933	61,093	781,674
Operation and maintenance of plant	613,431	36,691	22,159	672,281
Transportation	221,463	25,335	9,974	256,772
	<u>1,983,184</u>	<u>73,959</u>	<u>93,226</u>	<u>2,150,369</u>
Non-instructional programs:				
Other enterprise operations	6,383	0	0	6,383
Community service and education operations	5,192	0	0	5,192
	<u>11,575</u>	<u>0</u>	<u>0</u>	<u>11,575</u>
Other expenditures:				
Facilities acquisition	0	2,601,708	0	2,601,708
Long-term debt:				
Principal	0	0	45,000	45,000
Interest and fiscal charges	0	750	100,645	101,395
AEA flowthrough	288,042	0	0	288,042
	<u>288,042</u>	<u>2,602,458</u>	<u>145,645</u>	<u>3,036,145</u>
Total expenditures	<u>7,059,067</u>	<u>2,707,300</u>	<u>369,171</u>	<u>10,135,538</u>
Deficiency of revenues under expenditures	(5,698)	(2,043,712)	(129,433)	(2,178,843)
Other financing sources(uses):				
Transfers in	0	0	326,593	326,593
Transfers out	0	(326,593)	0	(326,593)
Total other financing sources(uses)	<u>0</u>	<u>(326,593)</u>	<u>326,593</u>	<u>0</u>
Net change in fund balances	(5,698)	(2,370,305)	197,160	(2,178,843)
Fund balance beginning of year, as restated	1,036,294	4,382,451	483,220	5,901,965
Fund balance end of year	<u>\$ 1,030,596</u>	<u>2,012,146</u>	<u>680,380</u>	<u>3,723,122</u>

SEE NOTES TO FINANCIAL STATEMENTS.

WEST MONONA COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2011

Net change in fund balances - total governmental funds(page 22) \$ (2,178,843)

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

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

Expenditures for capital assets	\$ 2,597,182	
Depreciation expense	<u>(215,581)</u>	2,381,601

Income surtax account receivable is not available to finance expenditures of the current year period in the governmental funds. 70,868

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 45,000

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. (69,799)

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.
 Other postemployment benefits (30,304)

Changes in net assets of governmental activities(page 19) \$ 218,523

WEST MONONA COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2011

	School Nutrition
Assets	
Cash and cash equivalents:	\$ 86,783
Inventories	8,922
Capital assets, net of accumulated depreciation	39,756
Total assets	135,461
 Liabilities	
Salaries and benefits payable	4,969
Unearned revenues	2,140
Net OPEB liability	824
Total liabilities	7,933
 Net Assets	
Invested in capital assets	39,756
Unrestricted	87,772
Total net assets	\$ 127,528

SEE NOTES TO FINANCIAL STATEMENTS.

WEST MONONA COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2011

	School Nutrition
OPERATING REVENUE:	
Local sources:	
Charges for services	\$ 132,835
Miscellaneous	1,198
TOTAL OPERATING REVENUES	134,033
OPERATING EXPENSES:	
Non-instructional programs:	
Food service operations:	
Salaries	112,144
Benefits	24,057
Services	1,323
Supplies	157,589
Other	33
Depreciation	6,029
TOTAL OPERATING EXPENSES	301,175
OPERATING LOSS	(167,142)
NON-OPERATING REVENUES:	
State sources	3,072
Federal sources	179,015
TOTAL NON-OPERATING REVENUES	182,087
Change in net assets	14,945
Net assets beginning of year	112,583
Net assets end of year	\$ 127,528

SEE NOTES TO FINANCIAL STATEMENTS.

WEST MONONA COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2011

	School Nutrition
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 132,424
Cash received from miscellaneous operating activities	1,198
Cash payments to employees for services	(135,568)
Cash payments to suppliers for goods or services	(138,009)
Net cash used in operating activities	(139,955)
Cash flows from non-capital financing activities:	
State grants received	3,072
Federal grants received	160,290
Net cash provided by non-capital financing activities	163,362
Cash flows from capital financing activities:	
Acquisition of capital assets	(2,331)
Net increase in cash and cash equivalents	21,076
Cash and cash equivalents at beginning of year	65,707
Cash and cash equivalents at end of year	\$ 86,783
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (167,142)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities consumed	18,725
Depreciation	6,029
Decrease in inventories	2,440
Decrease in accounts payable	(229)
Increase in salaries and benefits payable	218
Decrease in unearned revenue	(411)
Increase in other postemployment benefits	415
Net cash used in operating activities	\$ (139,955)

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2011, the District received federal commodities valued at \$18,725.

SEE NOTES TO FINANCIAL STATEMENTS.

WEST MONONA COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(1) Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

The Statement of Net Assets presents the District's

nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets. Any unused revenue bond proceeds are added into invested in capital assets, net of related debt.

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

Unrestricted net asset consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management 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 that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The District reports the following major governmental funds:

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

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for

enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities and Fund Balances

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 the governmental funds are accounted for using the modified accrual basis of accounting.

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

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

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

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and government

commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

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

Asset Class	Amount
Land	\$ 0
Buildings	1,000
Land improvements	1,000
Intangibles	25,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,000

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

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

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

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

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

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

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.

Unassigned - All amounts not included in other spendable classifications.

Assigned - Amounts the Board intends to use for specific purposes.

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

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2011 expenditures in the instructional function exceeded the budgeted amount.

(2) **Cash and Pooled Investments**

The District's deposits at June 30, 2011 were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the District or the District's agent in the District's name, or by multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2011 the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio

which are valued at an amortized cost of \$692,413 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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

(3) Transfers

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

Transfer to	Transfer from	Amount
Debt Sinking	Capital Projects: Statewide, Sales, Services and Use Tax	\$ 276,778
Debt Service	Capital Projcets: Physical Plant & Equipment Levy	49,815
Total		<u>\$ 326,593</u>

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Sinking Fund was for principal and interest payments on the District's revenue bond indebtedness.

The transfer from the Capital Projects: Physical Plant and Equipment Levy Fund to the Debt Service Fund was for principal and interest payments on the District's capital loan indebtedness.

(4) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 92,549	0	0	92,549
Construction in progress	906,558	2,467,215	2,786,192	587,581
Total capital assets not being depreciated	<u>999,107</u>	<u>2,467,215</u>	<u>2,786,192</u>	<u>680,130</u>
Capital assets being depreciated:				
Buildings	2,829,871	2,786,192	0	5,616,063
Land improvements	806,006	0	0	806,006
Machinery and equipment	1,375,941	129,967	0	1,505,908
Total capital assets being depreciated	<u>5,011,818</u>	<u>2,916,159</u>	<u>0</u>	<u>7,927,977</u>
Less accumulated depreciation for:				
Buildings	1,841,498	107,675	0	1,949,173
Land improvements	730,728	5,604	0	736,332
Machinery and equipment	1,136,128	102,302	0	1,238,430
Total accumulated depreciation	<u>3,708,354</u>	<u>215,581</u>	<u>0</u>	<u>3,923,935</u>
Total capital assets being depreciated, net	<u>1,303,464</u>	<u>2,700,578</u>	<u>0</u>	<u>4,004,042</u>
Governmental activities capital assets, net	<u>\$ 2,302,571</u>	<u>5,167,793</u>	<u>0</u>	<u>4,684,172</u>

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Machinery and equipment	\$ 241,703	2,331	0	244,034
Less accumulated depreciation	198,249	6,029	0	204,278
Business type activities capital assets, net	\$ 43,454	(3,698)	0	39,756

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 9,981
Other	3,929

Support services:

Support staff	6,162
Instructional support	18,044
Administration	3,770
Operation and maintenance of plant	19,380
Transportation	41,036
	<u>102,302</u>

Unallocated depreciation	<u>113,279</u>
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Total governmental activities depreciation expense	<u>\$ 215,581</u>
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Business type activities:

Food service operations	<u>\$ 6,029</u>
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(5) Long-Term Liabilities

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

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
Governmental activities:					
Capital Loan Notes	\$ 90,000	0	45,000	45,000	45,000
Revenue Bonds	3,900,000	0	0	3,900,000	100,000
Net OPEB liability	30,591	30,304	0	60,895	0
Total	\$ 4,020,591	30,304	45,000	4,005,895	145,000
Business type activities:					
Net OPEB liability	\$ 409	415	0	824	0

Capital Loan Notes Payable

Details of the District's June 30, 2011 capital loan notes indebtedness are as follows:

Year Ending June 30,	Loan Issue of May 1, 2001			
	Interest Rate	Principal	Interest	Total
2012	4.95	% \$ 45,000	2,227	47,227

Revenue Bonds Payable

Details of the District's June 30, 2011 revenue bonds indebtedness are as follows:

Year Ending June 30,	Bond Issue of June 03, 2010			
	Interest Rate	Principal	Interest	Total
2012	4.00	100,000	162,280	262,280
2013	4.00	100,000	158,280	258,280
2014	4.00	100,000	154,280	254,280
2015	4.00	125,000	149,780	274,780
2016	4.00	155,000	144,180	299,180
2017-2021	4.00	895,000	618,900	1,513,900
2022-2026	4.00-4.20	1,115,000	418,110	1,533,110
2027-2030	4.30-4.80	1,310,000	145,515	1,455,515
Total		\$ 3,900,000	1,951,325	5,851,325

The District has pledged future statewide sales, services and use tax revenues to repay the \$3,900,000 bonds issued in June 2011. The statewide sales, services and use tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. 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 limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 27 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$5,851,325. For the current year \$95,830 of interest was paid on the bonds and statewide sales, services and use tax revenues were \$461,780.

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

- a) \$317,070 of the proceeds from the issuance of the revenue bonds shall be deposited to the Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Project Account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a Revenue Account.
- c) Monies in the Revenue Account shall be disbursed to make deposits into a Sinking Account to pay the principal and interest requirements of the revenue bonds for the fiscal year.

d) Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

(6) Pension and Retirement Benefits

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

Plan members are required to contribute 4.50% of their annual salary and the District is required to contribute 6.95% of annual covered salary. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$287,304, \$258,446, and \$233,685, respectively, equal to the required contributions for each year.

(7) Other Postemployment Benefits

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 78 active and 9 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with ISEBA. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which result in an implicit rate subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree 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 which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize and unfunded actuarial liabilities over a period not to exceed 30 years.

The following table shows the components of the District's 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	\$ 84,000
Interest on net OPEB obligation	1,395
Adjustment to annual required contribution	<u>(3,676)</u>
Annual OPEB cost	81,719
Contributions made	<u>(51,000)</u>
Increase in net OPEB obligation	30,719
Net OPEB obligation beginning of year	<u>31,000</u>
Net OPEB obligation end of year	<u><u>\$ 61,719</u></u>

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

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 84,000	63.10 %	\$ 31,000
2011	81,719	62.41	61,719

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 \$683,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$683,000. The covered payroll (annual payroll of active employees covered by the plan) was \$3,390,288, and the ratio of the UAAL to covered payroll was 20.15%. 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 event 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 July 1, 2009 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions includes a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 5%. The medical trend rate is reduced by a percentage each year until reaching the 5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were based upon national termination studies performed by the Society of Actuaries.

The projected claim costs of the medical plan for retirees are illustrated per month in the following table.

	Plan 11	Plan 13	Plan 29
Less than 65 years old	\$ 929.19	870.94	776.37

The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(8) Risk Management

The West Monona Community School District is a member in the Iowa School Employees Benefits Association, fully insured pool covered by Wellmark Blue Cross Blue Shield of Iowa. ISEBA is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. The Association was formed July 1999 for the purpose of managing and funding employee benefits. The Association provides coverage and protection in the following categories: health, dental, vision, life and long-term disability.

The District's contributions to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to ISEBA for the year ended June 30, 2011 were \$777,219.

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

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

(9) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$288,042 for the year ended June 30, 2011 and is recorded in the General Fund

by making a memorandum adjusting entry to the cash basis financial statements.

(10) Categorical Funding

The District's ending balances for categorical funding by project as of June 30, 2011 are as follows:

Project	Amount
Weighted at-risk programs	\$ 25,284
Limited english proficient	5,863
Statewide voluntary preschool	67,302
Dropouts and dropout prevention programs	25,138
Beginning administrator mentoring and induction program	1,503
Gifted and talented programs	137,189
Educator quality, professional development	204
Home school assistance program	33,301
Salary improvement program	31,850
	\$ 327,634
Total reserved for categorical funding	\$ 327,634

(11) Construction Commitment

The District has entered into a contract totaling \$1,300,544 for the renovation of the District's buildings. As of June 30, 2011, costs \$587,581, had been incurred against the contract. The balance of \$1,106,554 remaining at June 30, 2011, will be paid as work on the project progresses.

(12) Budget Overexpenditure

Per the Code of Iowa, expenditures may not legally exceed budgeted appropriations at the functional area level. During the year ended June 30, 2011, expenditures in the instructional function exceeded the budgeted amount.

(13) Accounting Change/Restatement

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

	Capital Projects	Special Revenue, Physical Plant and Equipment Levy
Balances June 30, 2010 as previously reported	\$ 4,266,413	\$ 116,038
Change in fund type classification per implementation of GASB Statement No. 54	116,038	(116,038)
	\$ 4,382,451	\$ 0

WEST MONONA COMMUNITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

WEST MONONA COMMUNITY SCHOOL DISTRICT
 BUDGETARY COMPARISON OF REVENUES, EXPENDITURES/EXPENSES
 AND CHANGES IN BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
 AND PROPRIETARY FUNDS
 REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED JUNE 30, 2011

	Governmental	Proprietary	Total	Budgeted Amounts		Final to
	Funds	Fund		Original	Final	Actual
	Actual	Actual				Actual
Revenues:						
Local sources	\$ 3,790,752	134,033	3,924,785	4,011,847	4,011,847	(87,062)
State sources	3,545,702	3,072	3,548,774	3,730,570	3,730,570	(181,796)
Federal sources	620,241	179,015	799,256	512,000	512,000	287,256
Total revenues	<u>7,956,695</u>	<u>316,120</u>	<u>8,272,815</u>	<u>8,254,417</u>	<u>8,254,417</u>	<u>18,398</u>
Expenditures/Expenses:						
Instruction	4,937,449	0	4,937,449	4,662,827	4,662,827	(274,622)
Support services	2,150,369	0	2,150,369	3,466,287	2,566,287	415,918
Non-instructional programs	11,575	301,175	312,750	456,623	456,623	143,873
Other expenditures	3,036,145	0	3,036,145	2,309,191	3,209,191	173,046
Total expenditures/expenses	<u>10,135,538</u>	<u>301,175</u>	<u>10,436,713</u>	<u>10,894,928</u>	<u>10,894,928</u>	<u>458,215</u>
Excess(deficiency) of revenues over(under) expenditures/expenses	(2,178,843)	14,945	(2,163,898)	(2,640,511)	(2,640,511)	476,613
Other financing sources, net	0	0	0	18,500	18,500	(18,500)
Excess(deficiency) of revenues and other financing sources over(under) expenditures/expenses	(2,178,843)	14,945	(2,163,898)	(2,622,011)	(2,622,011)	458,113
Balance beginning of year	5,901,965	112,583	6,014,548	3,110,650	3,110,650	2,903,898
Balance end of year	<u>\$ 3,723,122</u>	<u>127,528</u>	<u>3,850,650</u>	<u>488,639</u>	<u>488,639</u>	<u>3,362,011</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST MONONA 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 Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year end.

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

During the year ended June 30, 2011, expenditures in the instruction function exceeded the amounts budgeted.

WEST MONONA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2011

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	\$ 0	\$ 683,000	\$ 683,000	0.00 %	\$ 3,245,586	21.04 %
2011	July 1, 2009	0	683,000	683,000	0.00	3,390,288	20.15

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

OTHER SUPPLEMENTARY INFORMATION

WEST MONONA COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Special Revenue Funds				Total
	Manage- ment Levy	Student Activity	Total Special Revenue Funds	Debt Sinking	Other Nonmajor Governmental Funds
Assets					
Cash and pooled investments	\$ 129,856	50,786	180,642	499,370	680,012
Receivables:					
Property tax:					
Delinquent	1,526	0	1,526	0	1,526
Succeeding year	100,000	0	100,000	0	100,000
Due from other governments	3	0	3	0	3
Total assets	\$ 231,385	50,786	282,171	499,370	781,541
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 0	1,161	1,161	0	1,161
Deferred revenue:					
Succeeding year property tax	100,000	0	100,000	0	100,000
Total liabilities	100,000	1,161	101,161	0	101,161
Fund balances:					
Restricted for:					
Management levy purposes	131,385	0	131,385	0	131,385
Student activities	0	49,625	49,625	0	49,625
Debt service	0	0	0	499,370	499,370
Total fund balances	131,385	49,625	181,010	499,370	680,380
Total liabilities and fund balances	\$ 231,385	50,786	282,171	499,370	781,541

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST MONONA COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2011

	Special Revenue Funds			Debt Service Funds			Total Other Nonmajor Governmental Funds
	Manage- ment Levy	Student Activity	Total	Debt Service	Debt Sinking	Total	
REVENUES:							
Local sources:							
Local tax	\$ 100,341	0	100,341	0	0	0	100,341
Other	1,493	137,386	138,879	0	439	439	139,318
State sources	79	0	79	0	0	0	79
TOTAL REVENUES	101,913	137,386	239,299	0	439	439	239,738
EXPENDITURES:							
Current:							
Instruction:							
Other	0	130,300	130,300	0	0	0	130,300
Support services:							
Administration	61,093	0	61,093	0	0	0	61,093
Operation and maintenance of plant	22,150	9	22,159	0	0	0	22,159
Transportation	9,974	0	9,974	0	0	0	9,974
Other expenditures:							
Long-term debt:							
Principal	0	0	0	45,000	0	45,000	45,000
Interest	0	0	0	4,815	95,830	100,645	100,645
TOTAL EXPENDITURES	93,217	130,309	223,526	49,815	95,830	145,645	369,171
Excess(deficiency) of revenues over(under) expenditures	8,696	7,077	15,773	(49,815)	(95,391)	(145,206)	(129,433)
Other financing sources:							
Transfers in	0	0	0	49,815	276,778	326,593	326,593
Total other financing sources	0	0	0	49,815	276,778	326,593	326,593
Net change in fund balances	8,696	7,077	15,773	0	181,387	181,387	197,160
Fund balances beginning of year, as restated	122,689	42,548	165,237	0	317,983	317,983	483,220
Fund balances end of year	\$ 131,385	49,625	181,010	0	499,370	499,370	680,380

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST MONONA COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2011

	Capital Projects Funds			
	Statewide Sales, Services and Use Tax	Facility Improvements	Physical Plant and Equipment Levy	Total
Assets				
Cash and pooled investments	\$ 1,113,269	662,765	72,359	1,848,393
Property tax:				
Delinquent	0	0	1,948	1,948
Succeeding year	0	0	137,329	137,329
Income surtax	0	0	58,483	58,483
Due from other governments	154,352	0	12,923	167,275
Total Assets	\$ 1,267,621	662,765	283,042	2,213,428
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	0	5,470	0	5,470
Deferred revenue:				
Succeeding year property tax	0	0	137,329	137,329
Income surtax	0	0	58,483	58,483
Total liabilities	0	5,470	195,812	201,282
Fund balances:				
Restricted for:				
School infrastructure	1,267,621	0	0	1,267,621
Construction	0	657,295	0	657,295
Physical plant and equipment	0	0	87,230	87,230
Total fund balances	1,267,621	657,295	87,230	2,012,146
Total Liabilities and Fund Balances	\$ 1,267,621	662,765	283,042	2,213,428

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST MONONA COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2011

	Capital Projects Funds			
	Statewide Sales and Services Tax	Facility Improvements	Physical Plant and Equipment Levy	Total
REVENUES:				
Local sources:				
Local tax	\$ 461,780	0	187,031	648,811
Other	32	1,723	0	1,755
State sources	0	0	102	102
Federal sources	0	0	12,920	12,920
TOTAL REVENUES	461,812	1,723	200,053	663,588
EXPENDITURES:				
Current:				
Instruction:				
Regular	0	0	30,883	30,883
Support services:				
Administration	0	7,580	4,353	11,933
Operation and maintainance of plant	0	0	36,691	36,691
Transportation	0	0	25,335	25,335
Other expenditures:				
Facilities acquisitions	155,964	2,363,960	81,784	2,601,708
Long-term debt:				
Interest and fiscal charges	0	750	0	750
	155,964	2,364,710	81,784	2,602,458
TOTAL EXPENDITURES	155,964	2,372,290	179,046	2,707,300
Excess(deficiency) of revenues over(under) expenditures	305,848	(2,370,567)	21,007	(2,043,712)
Other financing uses:				
Transfers out	(276,778)	0	(49,815)	(326,593)
Total other financing uses	(276,778)	0	(49,815)	(326,593)
Change in fund balances	29,070	(2,370,567)	(28,808)	(2,370,305)
Fund balance beginning of year, as restated	1,238,551	3,027,862	116,038	4,382,451
Fund balance end of year	\$ 1,267,621	657,295	87,230	2,012,146

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

Account	Balance Beginning of Year	Revenues	Expendi- tures	Balance End of Year
Speech	\$ 3,314	58	1,647	1,725
Fall play	2,942	0	0	2,942
Vocal	4,769	2,158	71	6,856
Vocal trip	752	0	752	0
Instrumental	3,705	1,822	25	5,502
Band Uniform	1,496	0	643	853
Boys Basketball Camp	642	0	510	132
Girls Basketball Camp	854	2,693	2,673	874
General Athletics	2,477	54,412	49,324	7,565
Golf Camp	400	100	197	303
Baseball Camp	602	680	377	905
Boys Track Camp	92	0	0	92
Volleyball Club	21	2,294	2,078	237
Class of 2009	207	0	0	207
Class of 2010	601	50	318	333
Class of 2011	3,021	17,839	20,252	608
Class of 2012	0	19,890	18,113	1,777
NHS-National Spirit Club	202	0	81	121
Pep Club	339	0	131	208
HS Student Council	3,613	1,708	3,687	1,634
MS Student Council	0	1,962	0	1,962
Science Club	414	2,817	3,061	170
Art Club	262	455	583	134
Dance Team	202	2,147	2,023	326
Cheerleaders	134	0	0	134
BB Cheerleaders	799	265	274	790
FB Cheerleaders	213	0	44	169
WR Cheerleaders	188	0	0	188
Yearbook	5,668	8,547	10,097	4,118
FCCLA	1,708	2,307	2,868	1,147
Raffle Tax	14	0	0	14
Pop/Juice	(537)	8,598	6,314	1,747
Industrial Arts	114	0	0	114
Football Camp	(1,483)	2,329	0	846
Wrestling Club	627	0	452	175
Softball Camp	1,409	725	291	1,843
Weightlifting Club	579	0	0	579
HS Reward Trips	500	0	0	500
MS Reward Trips	1,477	3,432	3,118	1,791
Key Club	211	98	305	4
Total	\$ 42,548	137,386	130,309	49,625

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Modified Accrual Basis							
	Years Ended June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:								
Local sources:								
Local tax	\$ 3,335,386	3,074,799	2,951,000	2,822,147	2,814,782	2,365,190	2,064,037	2,087,616
Tuition	202,493	260,940	219,910	218,935	216,278	198,350	191,256	254,964
Other	252,873	245,931	331,617	394,558	434,636	286,709	305,143	137,331
Intermediate sources	0	0	0	0	0	0	6,510	0
State sources	3,545,702	2,961,720	3,503,916	3,629,585	3,360,010	3,353,141	3,177,181	3,012,213
Federal sources	620,241	720,883	359,789	308,242	267,709	262,205	287,310	225,846
Total	\$ 7,956,695	7,264,273	7,366,232	7,373,467	7,093,415	6,465,595	6,031,437	5,717,970
Expenditures:								
Instruction:								
Regular	\$ 3,025,453	2,710,565	2,753,050	2,643,890	2,602,390	2,336,293	2,229,304	1,938,166
Special	1,261,123	1,106,529	1,210,575	1,030,248	928,939	1,103,664	815,682	962,651
Other	650,873	644,863	477,573	438,408	573,321	391,394	406,183	371,246
Support services:								
Student	215,089	187,909	149,180	123,745	138,931	158,054	147,026	202,449
Instructional staff	224,553	205,744	164,642	152,569	97,840	115,974	82,558	92,142
Administration	781,674	695,376	735,429	800,031	857,651	845,949	709,071	730,528
Operation and maintenance of plant	672,281	614,026	599,037	566,107	610,037	743,790	645,090	574,575
Transportation	256,772	288,531	238,617	207,478	185,799	310,363	220,778	252,215
Non-instructional programs	11,575	12,507	8,585	14,827	9,142	10,199	12,046	8,031
Other expenditures:								
Facilities acquisitions	2,601,708	970,751	36,097	116,079	101,649	60,255	71,774	40,659
Long-term debt:								
Principal	45,000	200,352	180,000	170,000	160,000	150,000	145,000	146,168
Interest	101,395	12,024	21,887	30,308	39,353	48,075	58,890	67,320
AEA flow-through	288,042	278,577	251,829	247,241	225,407	219,765	210,935	208,975
Total	\$ 10,135,538	7,927,754	6,826,501	6,540,931	6,530,459	6,493,775	5,754,337	5,595,125

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

GRANTOR/PROGRAM	CFDA NUMBER	GRANT NUMBER	PROGRAM EXPENDITURES
INDIRECT:			
DEPARTMENT OF AGRICULTURE:			
IOWA DEPARTMENT OF EDUCATION:			
SCHOOL NUTRITION CLUSTER PROGRAMS:			
SCHOOL BREAKFAST PROGRAM	10.553	FY 11	28,178
NATIONAL SCHOOL LUNCH PROGRAM	10.555	FY 11	150,337 *
			<u>178,515</u>
TEAM NUTRITION GRANT	10.574	FY 11	<u>500</u>
U.S. DEPARTMENT OF EDUCATION:			
IOWA DEPARTMENT OF EDUCATION:			
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	1701-G	<u>113,894 **</u>
ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT	84.389	FY 10	28,595
ARRA - TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES, RECOVERY ACT	84.389	FY 11	13,087
			<u>41,682 **</u>
REHABILITATION SERVICES - VOCATIONAL REHABILITATION GRANTS TO STATE	84.126	FY 10	<u>7,251</u>
SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES - STATE GRANTS	84.186	FY 11	<u>20</u>
FUND FOR THE IMPROVEMENT OF EDUCATION(FIRE SAFETY GRANT)	84.215	FY 11	<u>12,920</u>
READING FIRST STATE GRANTS	84.357	FY 10	9,615
READING FIRST STATE GRANTS	84.357	FY 11	17,240
			<u>26,855</u>
TITLE IIA - FEDERAL TEACHER QUALITY PROGRAMS	84.367	FY 11	<u>37,783</u>
GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES	84.369	FY 11	<u>4,115</u>
ARRA - STATE FISCAL STABILIZATION FUND(SFSF) EDUCATION STATE GRANTS, RECOVERY ACT	84.394	FY 10	21,265
ARRA - STATE FISCAL STABILIZATION FUND(SFSF) EDUCATION STATE GRANTS, RECOVERY ACT	84.394	FY 11	36,716
			<u>57,981 ***</u>
ARRA - STATE FISCAL STABILIZATION FUND(SFSF) GOVERNMENT SERVICES, RECOVERY ACT	84.397	FY 11	<u>32,749 ***</u>
ARRA - EDUCATION JOBS FUND	84.410	FY 11	<u>139,513</u>
AREA EDUCATION AGENCY:			
SPECIAL EDUCATION CLUSTER PROGRAMS:			
SPECIAL EDUCATION - GRANTS TO STATES(PART B)	84.027	FY 10	35,733
ARRA - SPECIAL EDUCATION GRANTS TO STATES, RECOVERY ACT	84.391	FY 09	38,602
			<u>74,335</u>
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES	84.048	FY 11	<u>5,938</u>
TOTAL			<u>\$ 734,051</u>

* - Includes \$18,725 of non-cash awards

** - The total Title I Cluster is \$155,576

*** - The total State Fiscal Stabilization Fund Cluster is \$90,730

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

117 West 3rd Street North, Newton, Iowa 50208-3050

Telephone (641) 792-1910

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

To the Board of Education of the
West Monona 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 West Monona Community School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated February 28, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Monona Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of West Monona Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of West Monona Community School District's internal control over financial reporting.

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

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 on a timely basis. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Finding and Questioned Costs as item II-A-11 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Monona Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do

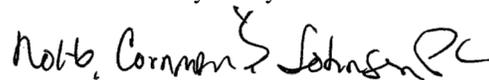
not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

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



NOLTE, CORNMAN & JOHNSON, P.C.

February 28, 2012

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
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Telephone (641) 792-1910

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

To the Board of Education of
West Monona Community School District

Compliance

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

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

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

Internal Control Over Compliance

The management of West Monona Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered West Monona Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of West Monona Community School District's internal control over compliance.

Members American Institute & Iowa Society of Certified Public Accountants

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance we consider to be a material weakness.

A deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-11 to be a material weakness.

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



NOLTE, CORNMAN & JOHNSON, P.C.

February 28, 2012

WEST MONONA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A material weakness in internal control over major programs was disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - Clustered:
 - CFDA Number 10.555 - National School Lunch Program
 - CFDA Number 10.553 - School Breakfast Program

 - CFDA Number 84.010 - Title I Grants to Local Educational Agencies
 - CFDA Number 84.389 - ARRA - Title I Grants to Local Educational Agencies, Recovery Act.
 - Individual:
 - CFDA Number 84.410 - ARRA - Education Jobs Fund
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) West Monona Community School District did not qualify as a low-risk auditee.

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

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

II-A-11 Segregation of Duties - One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted in the Nutrition Fund, that the cash receipts listing, bank deposits and the posting of the cash receipts to the cash receipts journal were all done by the same person.

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

Response - We will investigate available alternatives and implement as soon as possible.

Conclusion - Response accepted.

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

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

CFDA Number 10.553: School Breakfast Program and
CFDA Number 10.555: National School Lunch Program
Federal Award Year: 2011
U.S. Department of Agriculture
Passed through the Iowa Department of Education

III-A-11 Segregation of Duties - One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted in the Nutrition Fund, that the cash receipts listing, bank deposits and the posting of the cash receipts to the cash receipts journal were all done by the same person.

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

Response - We will investigate available alternatives and implement as soon as possible.

Conclusion - Response accepted.

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

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-11 Certified Budget - District disbursements for the year ended June 30, 2011 exceeded the certified budget amounts in the instruction functional area.

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

Response - The District will utilize a monthly report to track disbursements in all functions to ensure accurate balance. In the future if the certified budget will be exceeded the budget will be amended.

Conclusion - Response accepted.

IV-B-11 Questionable Disbursements - 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.

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

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

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

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

IV-G-11 Certified Enrollment - We noted a variance in the basic enrollment data certified to the Department of Education. The number of resident students was overstated by 1.0.

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

Response - We will contact the Iowa Department of Education and the Department of Management .

Conclusion - Response accepted.

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

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

IV-J-11 Certified Annual Report - The Certified Annual Report was filed with the Department of

Education timely, and we noted no significant deficiencies in the amounts reported.

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

IV-L-11 Statewide Sales, Service and Use Tax - During our audit, there was 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		\$	1,238,551
Revenues:			
Sales tax revenues	\$	461,780	
Other local revenues		32	461,812
		<u> </u>	<u>1,700,363</u>
Expenditures/Transfers Out:			
Other		155,964	
Transfers to other funds			
Debt service fund		276,778	432,742
		<u> </u>	<u> </u>
Ending Balance		\$	<u><u>1,267,621</u></u>

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