

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2011

Contents

		<u>Page</u>
Officials		3
Independent Auditor's Report		5-6
Management's Discussion and Analysis (MD&A)		7-16
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Assets	A	18
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets	D	21
Statement of Revenues, Expenditures and Changes in Fund Balances	E	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F	23
Proprietary Fund Financial Statements:		
Statement of Net Assets	G	24
Statement of Revenues, Expenses and Changes in Net Assets	H	25
Statement of Cash Flows	I	26
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Assets	J	27
Statement of Changes in Fiduciary Net Assets	K	28
Notes to Basic Financial Statements		29-42
Required Supplementary Information:		
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund		44
Notes to Required Supplementary Information - Budgetary Reporting		45
Schedule of Funding Progress for the Retiree Health Plan		46
Other Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	2	49
Capital Project Accounts:		
Combining Balance Sheet	3	50
Combining Statement of Revenues, Expenditures and Changes in Balances	4	51
Schedule of Changes in Special Revenue Funds, Student Activity Accounts	5	52
Schedule of Revenues by Source and Expenditures by Function - All Governmental Fund Types	6	53
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		54-55
Schedule of Findings and Questioned Costs		56-58

Woodbury Central Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Marc Boothby	President	2011
Gary Frafjord	Vice President	2011
Kari Bappe	Board Member	2011
Eric Nelson	Board Member	2011
Steve Steffen	Board Member	2013
Chad Hayes	Board Member	2013
Thomas Conolly	Board Member	2013
School Officials		
Doug Glackin	Superintendent	2011
Christen Howrey	District Secretary/ Business Manager	2011
James Hanks	Attorney	2011

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

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

Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the
Woodbury Central 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 Woodbury Central Community School District, Merville, Iowa as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Woodbury Central Community School District at June 30, 2011, and the respective changes in financial position and cash flows, where applicable, 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 January 31, 2012 on our consideration of the Woodbury Central Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 16 and 44 through 46 are not required parts of the

Members American Institute & Iowa Society of Certified Public Accountants

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Woodbury Central Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the year ended June 30, 2010 (which is not presented herein and expressed unqualified opinions on those financial statements. Another auditor previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the six years ended June 30, 2009 (which are not presented herein) and expressed an unqualified opinion on those financial statements. The supplementary information included in Schedules 1 through 6, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



NOLTE, CORNMAN & JOHNSON, P.C.

January 31, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Woodbury Central Community School District provides this Management's Discussion and Analysis of the Woodbury Central Community School District. This narrative overview analysis of the financial activities of the Woodbury Central Community School District 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

- ❖ \$5,956,416 in general fund revenue
- ❖ \$5,214,238 in general fund expenses
- ❖ The District's General Fund balance increased to a balance of \$859,295 in fiscal 2011 as compared to \$117,117 in fiscal year 2010. This increase in fund balance is largely due to the District's conscious effort to decrease expenditures combined with an increase in local tax revenue and federal funds from the American's Recovery and Reinvestment Act of 2009, as well as additional federal jobs in education funds.
- ❖ The District reported a deficit of \$144,128 in the Special Education Program compared to a deficit \$27,406 in 2010. The district is required by law to maintain a certain level of funding per pupil in the area of Special Education.
- ❖ The district purchased a piece of property connected to current school property on contract in 2009 for an initial payment of \$60,000 and three annual payments of \$20,000 each. This year was the second annual payment of \$20,000, leaving a balance due of \$20,000.
- ❖ The District initiated a \$1.7 million heating and air conditioning project in the spring of fiscal year 2011 to be completed in 2012. The project was financed by monies available in the Sales, Service and Use Tax Fund and a \$1 million loan through a local bank, to be paid with future revenue from the Sales, Service and Use Tax Fund. Interest on the loan is 4.0% annually.
- ❖ The District's solvency ratio increased as compared to fiscal 2010. At June 30, 2010 the District's solvency ratio was 0.78% as compared to a 11.38% at June 30, 2011. The Iowa Association of School Board suggests that smaller school districts may benefit from a higher solvency target up to two months revenues, given the greater vulnerability of smaller budgets to finance shortfalls.

Using This Annual Report

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

- ❖ Management 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 the 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 the 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 the District acts solely as an agent or custodial for the benefit of those outside of the School District.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the schedule of funding progress for the retiree health plan.

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

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

Figure A-1

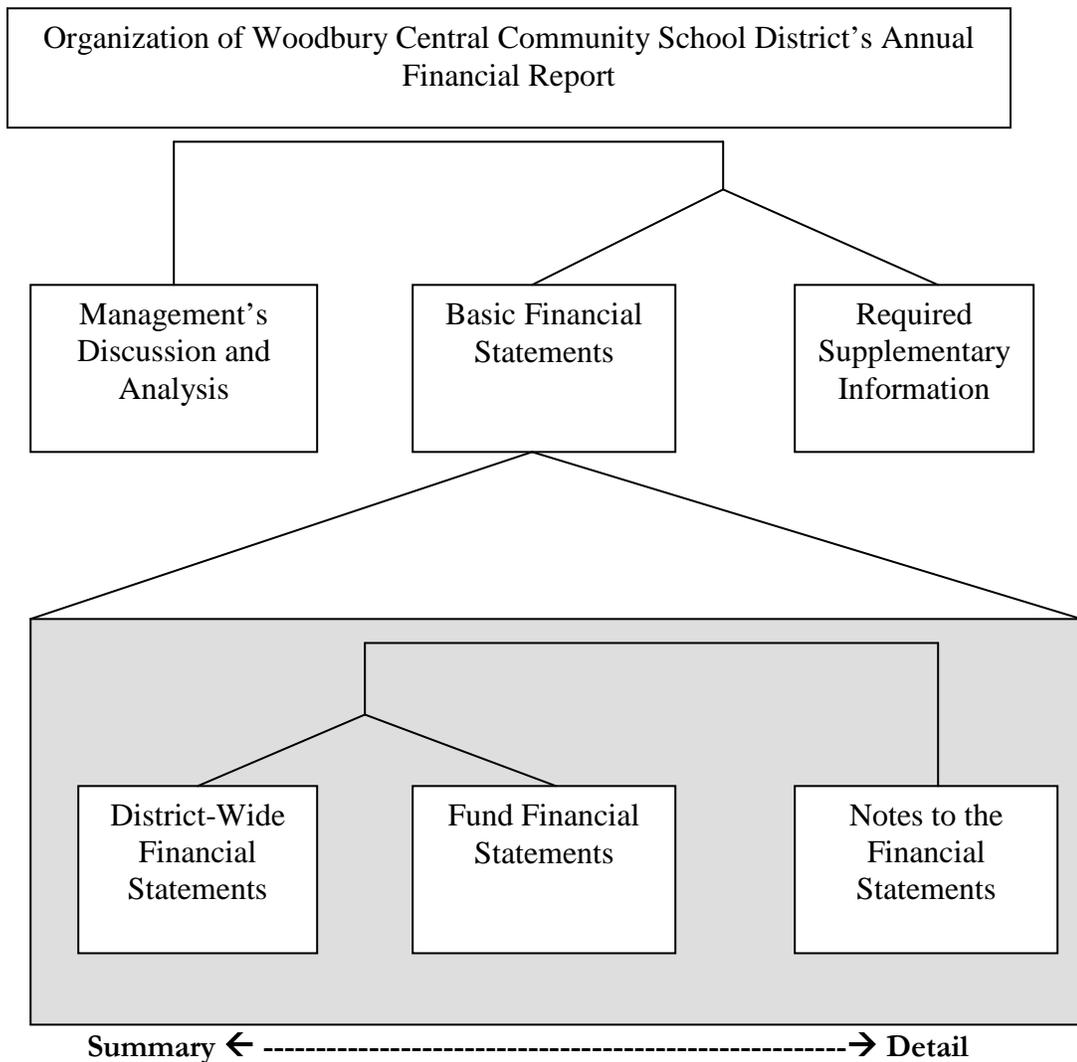


Figure A-2 below summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of District-Wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of revenues, expenses and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Reporting the District's Financial Activities

Government-wide Financial Statements - The Government-wide 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 the 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, respectively. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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 taxes 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 would be 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 three kinds of funds:

- ❖ *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 funds statements provide a detailed short-term view that helps you 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 the Capital Projects Fund.

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

- ❖ *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 proprietary funds include a statement of revenues, expenses and changes in fund net assets and a statement of cash flows.

- ❖ *Fiduciary Funds:* The District is the trustee, or fiduciary, for assets that belong to others. This fund is the Private Purpose Trust Fund. The District accounts for outside donations for scholarships for individual students in this fund.

The District is responsible for ensuring that the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds include the statement of fiduciary net assets and the statement of changes in fiduciary net assets.

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

Government-Wide Financial Analysis

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

Figure A-3 Condensed Statement of Net Assets							
	Governmental Activities		Business Type Activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2011	2010	2011	2010	2011	2010	2010-11
Current and other assets	\$ 4,537,031	3,784,561	5,434	29,455	4,542,465	3,814,016	19.10%
Capital assets	6,025,351	5,285,789	20,467	23,760	6,045,818	5,309,549	13.87%
Total assets	<u>10,562,382</u>	<u>9,070,350</u>	<u>25,901</u>	<u>53,215</u>	<u>10,588,283</u>	<u>9,123,565</u>	<u>16.05%</u>
Long-term obligations	112,234	138,436	904	484	113,138	138,920	-18.56%
Other liabilities	3,002,257	2,479,994	3,477	27,742	3,005,734	2,507,736	19.86%
Total liabilities	<u>3,114,491</u>	<u>2,618,430</u>	<u>4,381</u>	<u>28,226</u>	<u>3,118,872</u>	<u>2,646,656</u>	<u>17.84%</u>
Net assets:							
Invested in capital assets, net of related debt	6,005,351	5,245,789	20,467	23,760	6,025,818	5,269,549	14.35%
Restricted	691,155	1,075,047	0	0	691,155	1,075,047	-35.71%
Unrestricted	751,385	131,084	1,053	1,229	752,438	132,313	468.68%
Total net assets	<u>\$ 7,447,891</u>	<u>6,451,920</u>	<u>21,520</u>	<u>24,989</u>	<u>7,469,411</u>	<u>6,476,909</u>	<u>15.32%</u>

The District's combined net assets increased by \$992,502 or 15.32% over the prior year. The largest portion of the District's net assets is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the invested in capital assets is liquidated with sources other than capital assets.

Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets decreased \$383,892 or 35.71% over the prior year. This decrease is due primarily to the decrease in fund balance of the reclassified Capital Projects Fund that includes, Physical Plant and Equipment Fund and Local Option/Statewide Sales and Services Tax Fund.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements, increased \$620,125 or 468.68%. The increase in unrestricted net assets can be attributed to the increase in General Fund balance.

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

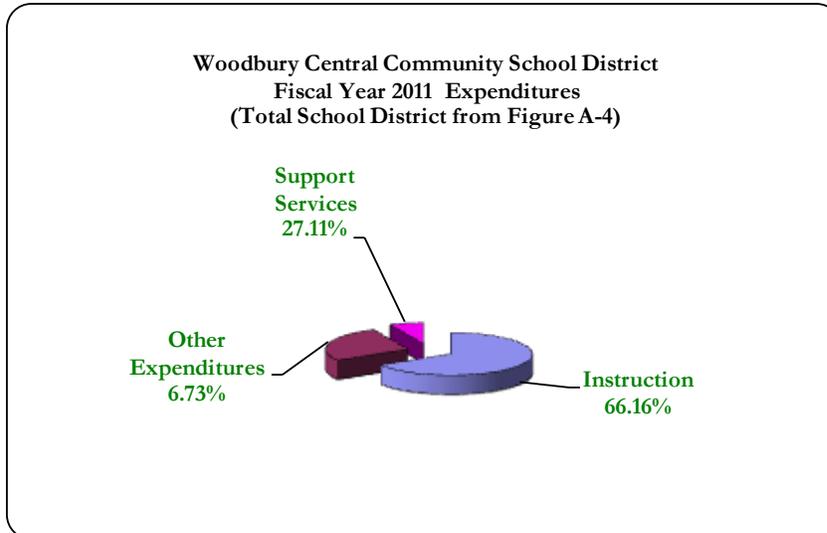
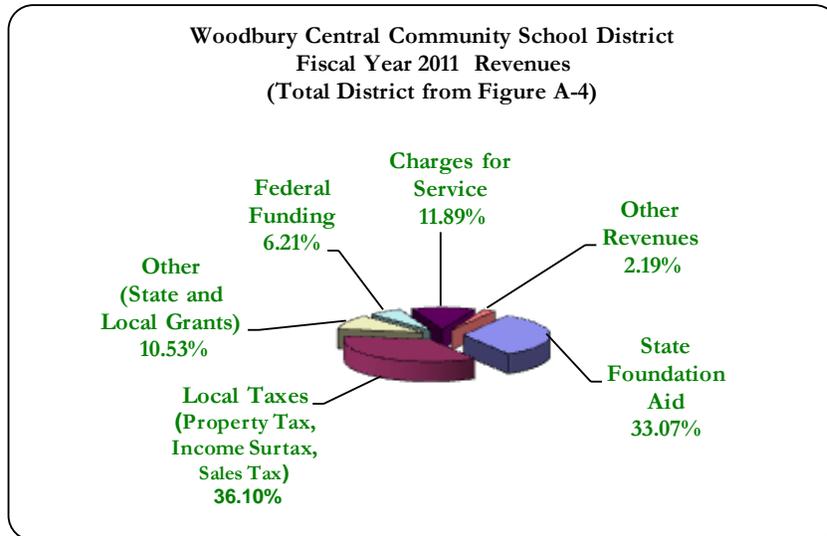
	Figure A-4 Changes in Net Assets						
	Governmental Activities		Business Type Activities		Total School District		Total Change
	2011	2010	2011	2010	2011	2010	2010-11
Revenues & Transfers:							
Program revenues:							
Charges for services	\$ 691,907	609,877	163,725	154,921	855,632	764,798	11.88%
Operating grants and contributions and restricted interest	578,105	1,067,093	95,077	102,757	673,182	1,169,850	-42.46%
General revenues:							
Property tax	1,955,569	1,833,600	0	0	1,955,569	1,833,600	6.65%
Income surtax	142,163	238,212	0	0	142,163	238,212	-40.32%
Statewide sales, service and use tax	469,728	476,918	0	0	469,728	476,918	-1.51%
Unrestricted state grants	2,698,725	1,981,226	0	0	2,698,725	1,981,226	36.21%
Nonspecific federal funding	170,711	0	0	0	170,711	0	100.00%
Unrestricted investment earnings	5,613	14,057	25	23	5,638	14,080	-59.96%
Other	137,996	142,753	1,899	1,085	139,895	143,838	-2.74%
Transfers	0	(16,159)	0	16,159	0	0	0.00%
Total revenues & transfers	<u>6,850,517</u>	<u>6,347,577</u>	<u>260,726</u>	<u>274,945</u>	<u>7,111,243</u>	<u>6,622,522</u>	<u>7.38%</u>
Program expenses:							
Governmental activities:							
Instruction	3,872,729	3,969,335	0	0	3,872,729	3,969,335	-2.43%
Support services	1,586,785	1,276,246	0	0	1,586,785	1,276,246	24.33%
Non-instructional programs	967	0	264,195	261,041	265,162	261,041	1.58%
Other expenses	394,065	908,644	0	0	394,065	908,644	-56.63%
Total expenses	<u>5,854,546</u>	<u>6,154,225</u>	<u>264,195</u>	<u>261,041</u>	<u>6,118,741</u>	<u>6,415,266</u>	<u>-4.62%</u>
Change in net assets	995,971	193,352	(3,469)	13,904	992,502	207,256	-378.88%
Net assets beginning of year, as restated	<u>6,451,920</u>	<u>6,258,568</u>	<u>24,989</u>	<u>11,085</u>	<u>6,476,909</u>	<u>6,269,653</u>	<u>-3.31%</u>
Net assets end of year	<u>\$ 7,447,891</u>	<u>6,451,920</u>	<u>21,520</u>	<u>24,989</u>	<u>7,469,411</u>	<u>6,476,909</u>	<u>15.32%</u>

In fiscal year 2011, property tax, income surtax, unrestricted state grants, and nonspecific federal funding accounted for 72.51% (63.85% in fiscal 2010) of governmental activities revenue while charges for service and operating grants, contributions and restricted interest accounted for 99.26% (93.72% in fiscal 2010) of business type activities revenue.

The District's total revenues were approximately \$7.11 million, of which approximately \$6.85 million was for governmental activities and approximately \$0.26 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 7.38% increase in revenues and a 4.62% decrease in expenses. The District's expenses primarily relate to instruction and support services, which account for 89.23% of the total expenses (81.77 % in 2010).

Figure A-5



Governmental Activities - Revenues for governmental activities were \$6,850,517, while expenses were \$5,854,546 for the year ended June 30, 2011.

Figure A-6 presents the total and net cost of the District’s major governmental activities, instruction, support services and other expenses for the years ended June 30, 2011 compared to the year ended June30, 2010.

Figure A-6
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	\$ 3,872,729	3,969,335	-2.43%	2,845,527	2,536,072	12.20%
Support services	1,586,785	1,276,246	24.33%	1,579,679	1,264,568	24.92%
Non-instructional	967	0	100.00%	967	0	100.00%
Other expenses	394,065	908,644	-56.63%	158,361	676,615	-76.60%
Totals	\$ 5,854,546	6,154,225	-4.87%	4,584,534	4,477,255	2.40%

- The cost financed by users of the District's programs was \$691,907 (\$609,877 in 2010).
- The federal and state governments subsidized certain programs with grants and contributions totaling \$578,105 (\$1,067,093 in 2010).
- The net cost of governmental activities was financed with \$2,567,460 in property and other taxes (\$2,548,730 in 2010) and \$2,698,725 in unrestricted state grants (\$1,981,226 in 2010).

Business type Activities - Revenues of the District's business type activities were \$260,726 (\$274,945 in 2010) and expenses were \$264,195 (\$261,041 in 2010). The District's business type activities consist of the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

Governmental Fund Analysis

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,411,536, higher than last year's ending fund balances of \$1,189,563. The District's proprietary fund reported end of year net assets of \$21,520, less than last year's ending net assets of \$24,989.

Governmental Fund Highlights

The District's General Fund ended fiscal 2011 with a positive fund balance of \$859,295. The General Fund balance increase of \$742,178 from last year is due primarily to a decrease in overall expenses and additional federal funding. The District continued the previous year's efforts to decrease expenditures by maintaining the 2010 custodial levels and other reductions.

Due to reclassification by GASB 54, the Capital Projects Fund now includes the Physical Plant and Equipment Levy Fund as well as the Statewide Sales, Services and Use Tax Fund. The Statewide Sales, Services and Use Tax Fund balance decreased from \$591,961 at June 30, 2010 to \$95,404 at June 30, 2011. The Physical Plant and Equipment Levy Fund balance decreased from \$120,088 at June 30, 2010 to \$80,348 at June 30, 2011. The Capital Project Fund had \$1,030,381 in expenditures; \$957,438 was for facilities upgrades and repairs including a portion of the heating and air-conditioning project. Other expenditures of \$72,943 included a small bus, technology, and property payment on contract.

Proprietary Fund Highlights

Revenues for business type activities were \$260,726 and expenses were \$264,195. The District's business type activities included the School Nutrition Fund. Revenues of these activities were comprised of charges for services, federal and state reimbursements and investment income.

Budgetary Highlights

The Districts actual receipts were \$114,677 more than budgeted receipts due primarily to unexpected federal funding.

The District's actual disbursements were \$224,693 under budgeted amounts in the instructional, support services, non-instructional and other expenditures functions.

The District does attempt to budget as closely as possible to what management believes actual receipts and expenditures will be. Ideally, management attempts to exceed all revenue budgets and under spend all expenditure budgets. During the year end June 30, 2011, the expenditures in the non-instructional program and other expenditures functional areas continued to exceed the budgeted amounts after the District amended their budget in the facilities and acquisition and construction area.

Capital Assets and Debt Administration

Capital Assets - **Figure A-7** shows that at June 30, 2011, the District had invested \$6,045,818, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. More detailed information about the District's capital assets is presented in Note 6 to the financial statements. Depreciation expense for the year was \$266,595.

The original cost of the District's capital assets was \$10,774,507. Governmental funds account for \$10,650,684 with the remainder of \$123,823 accounted for in the Proprietary, School Nutrition Fund.

	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
Land	\$ 208,204	208,204	0	0	208,204	208,204	0.00%
Construction in progress	897,977	0	0	0	897,977	0	100.00%
Buildings	3,985,359	4,109,950	0	0	3,985,359	4,109,950	-3.03%
Land improvements	425,486	450,656	0	0	425,486	450,656	-5.59%
Machinery and equipment	508,325	516,979	20,467	23,760	528,792	540,739	-2.21%
Total	\$ 6,025,351	5,285,789	20,467	23,760	6,045,818	5,309,549	13.87%

Long-Term Debt - **Figure A-8** shows that at June 30, 2011, the District had land contract payable of \$20,000 with one payment remaining of \$20,000 to be paid in fiscal 2012. Also, during the year ended June 30, 2011, the District has a Net OPEB liability payable of \$48,569.

	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
Land contract payable	\$ 20,000	40,000	0	0	20,000	40,000	-50.00%
Early retirement	44,569	72,920	0	0	44,569	72,920	-38.88%
Net OPEB liability	47,665	25,516	904	484	48,569	26,000	86.80%
Total	\$ 112,234	138,436	904	484	113,138	138,920	-18.56%

Economic Factors Bearing on the District's Future

At the time these financial statements were prepared, the District was aware of the following existing circumstances that could affect its financial health in the future.

- The District also is contracted to pay an annual amount of \$20,000 on a property purchase for the next fiscal years.

- The District has plans to sell the Superintendent's house and the Climbing Hill's school and grounds as is it no longer used.
- The District plans to maintain spending at or near current levels.

Contacting the District's Financial Management

The financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability of the money it receives. If you have questions about this report or need additional financial information, contact Christen Howrey, Woodbury Central Community School District, 408 South 4th, Merville, Iowa 51039.

BASIC FINANCIAL STATEMENTS

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 2,184,082	15,577	2,199,659
Receivables:			
Property tax:			
Delinquent	24,430	-	24,430
Succeeding year	1,940,976	-	1,940,976
Income surtax	123,238	-	123,238
Interfund	26,418	(26,418)	-
Accounts	3,680	-	3,680
Due from other governments	223,078	-	223,078
Inventories	11,129	16,275	27,404
Capital assets, net of accumulated depreciation	6,025,351	20,467	6,045,818
Total assets	10,562,382	25,901	10,588,283
Liabilities			
Accounts payable	546,355	57	546,412
Salaries and benefits payable	514,926	-	514,926
Deferred revenue:			
Succeeding year property tax	1,940,976	-	1,940,976
Unearned revenue	-	3,420	3,420
Long-term liabilities:			
Portion due within one year:			
Land contract payable	20,000	-	20,000
Early retirement payable	26,866	-	26,866
Portion due after one year:			
Early retirement payable	17,703	-	17,703
Net OPEB liability	47,665	904	48,569
Total liabilities	3,114,491	4,381	3,118,872
Net Assets			
Invested in capital assets, net of related debt	6,005,351	20,467	6,025,818
Restricted for:			
Categorical funding	181,636	-	181,636
Management levy	206,441	-	206,441
Student activities	127,325	-	127,325
School infrastructure	95,405	-	95,405
Physical plant & equipment levy	80,348	-	80,348
Unassigned:	751,385	1,053	752,438
Total net assets	\$ 7,447,891	21,520	7,469,411

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Contributions and Restricted Interest	Govern- mental Activities	Business Type Activities	Total
Functions/Programs:						
Governmental activities:						
Instruction:						
Regular	\$ 2,492,212	385,608	130,992	(1,975,612)	-	(1,975,612)
Special	540,378	84,344	56,359	(399,675)	-	(399,675)
Other	840,139	215,039	154,860	(470,240)	-	(470,240)
	<u>3,872,729</u>	<u>684,991</u>	<u>342,211</u>	<u>(2,845,527)</u>	<u>-</u>	<u>(2,845,527)</u>
Support services:						
Student	135,370	-	-	(135,370)	-	(135,370)
Instructional staff	74,268	-	-	(74,268)	-	(74,268)
Administration	557,869	-	-	(557,869)	-	(557,869)
Operation and maintenance of plant	529,903	-	-	(529,903)	-	(529,903)
Transportation	289,375	6,916	190	(282,269)	-	(282,269)
	<u>1,586,785</u>	<u>6,916</u>	<u>190</u>	<u>(1,579,679)</u>	<u>-</u>	<u>(1,579,679)</u>
Non-instructional programs:						
Food service operations	967	-	-	(967)	-	(967)
Other expenditures:						
Facilities acquisitions	-	-	-	-	-	-
Long-term debt interest	-	-	-	-	-	-
AEA flowthrough	235,704	-	235,704	-	-	-
Depreciation(unallocated)*	158,361	-	-	(158,361)	-	(158,361)
	<u>394,065</u>	<u>-</u>	<u>235,704</u>	<u>(158,361)</u>	<u>-</u>	<u>(158,361)</u>
Total governmental activities	5,854,546	691,907	578,105	(4,584,534)	-	(4,584,534)
Business Type activities:						
Non-instructional programs:						
Nutrition services	264,195	163,725	95,077	-	(5,393)	(5,393)
Total business type activities	<u>264,195</u>	<u>163,725</u>	<u>95,077</u>	<u>-</u>	<u>(5,393)</u>	<u>(5,393)</u>
Total	\$ 6,118,741	855,632	673,182	(4,584,534)	(5,393)	(4,589,927)
General Revenues & Transfers:						
General Revenues:						
Property tax levied for:						
General purposes				\$ 1,912,334	-	1,912,334
Capital outlay				43,235	-	43,235
Income surtax				142,163	-	142,163
Statewide sales, services and use tax				469,728	-	469,728
Unrestricted state grants				2,698,725	-	2,698,725
Non specific federal grants				170,711	-	170,711
Unrestricted investment earnings				5,613	25	5,638
Other				137,996	1,899	139,895
Total general revenues				<u>5,580,505</u>	<u>1,924</u>	<u>5,582,429</u>
Changes in net assets				995,971	(3,469)	992,502
Net assets beginning of year				<u>6,451,920</u>	<u>24,989</u>	<u>6,476,909</u>
Net assets end of year				<u>\$ 7,447,891</u>	<u>21,520</u>	<u>7,469,411</u>

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

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and pooled investments	\$ 1,237,365	567,298	379,419	2,184,082
Receivables:				
Property tax:				
Delinquent	22,382	540	1,508	24,430
Succeeding year	1,766,301	44,675	130,000	1,940,976
Income surtax	123,238	-	-	123,238
Interfund	26,419	492	154	27,065
Accounts	3,680	-	-	3,680
Due from other governments	146,557	76,521	-	223,078
Inventories	11,129	-	-	11,129
Total assets	\$ 3,337,071	689,526	511,081	4,537,678
Liabilities and Fund Balances				
Liabilities				
Interfund payable	\$ 154	-	493	647
Accounts payable	73,157	469,099	4,099	546,355
Salaries and benefits payable	514,926	-	-	514,926
Deferred revenue:				
Succeeding year property tax	1,766,301	44,675	130,000	1,940,976
Income surtax	123,238	-	-	123,238
Total liabilities	2,477,776	513,774	134,592	3,126,142
Fund Balances:				
Restricted for:				
Categorical funding	181,636	-	-	181,636
Management levy purposes	-	-	251,010	251,010
Student activities	-	-	127,325	127,325
School infrastructure	-	95,404	-	95,404
Physical plant and equipment	-	80,348	-	80,348
Unassigned:				
General fund	677,659	-	-	677,659
Student activities	-	-	(1,846)	(1,846)
Total fund balances	859,295	175,752	376,489	1,411,536
Total liabilities and fund balances	\$ 3,337,071	689,526	511,081	4,537,678

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

WOODBURY CENTRAL 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) \$ 1,411,536

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 6,025,351

Accounts receivable income surtax, are not yet available to finance expenditures of the current fiscal period. 123,238

Long-term liabilities, including land contract payable, early retirement 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. (112,234)

Net assets of governmental activities(page 18) \$ 7,447,891

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

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

	General	Capital Projects	Nonmajor Governmental Funds	Total Other Total
Revenues:				
Local sources:				
Local tax	\$ 1,915,093	512,963	131,170	2,559,226
Tuition	359,875	-	-	359,875
Other	241,883	1,094	240,968	483,945
State sources	3,089,476	26	73	3,089,575
Federal sources	349,662	-	-	349,662
Total revenues	5,955,989	514,083	372,211	6,842,283
Expenditures:				
Current:				
Instruction:				
Regular	2,475,715	-	25,190	2,500,905
Special	536,863	-	-	536,863
Other	598,728	-	271,699	870,427
	3,611,306	-	296,889	3,908,195
Support services:				
Student	133,946	-	-	133,946
Instructional staff	67,046	-	-	67,046
Administration	522,305	20,436	3,674	546,415
Operation and maintenance of plant	409,922	4,607	48,403	462,932
Transportation	233,042	47,900	7,152	288,094
	1,366,261	72,943	59,229	1,498,433
Non-instructional programs:				
Other enterprise operations	967	-	-	967
Other expenditures:				
Facilities acquisitions	-	957,438	-	957,438
Long-term debt:				
Principal	-	-	20,000	20,000
AEA flowthrough	235,704	-	-	235,704
	235,704	957,438	20,000	1,213,142
Total expenditures	5,214,238	1,030,381	376,118	6,620,737
Excess(deficiency) of revenues over(under) expenditures	741,751	(516,298)	(3,907)	221,546
Other financing sources(uses):				
Transfer in	-	-	19,999	19,999
Transfer out	-	(19,999)	-	(19,999)
Sale of equipment	427	-	-	427
Total other financing sources(uses)	427	(19,999)	19,999	427
Net change in fund balances	742,178	(536,297)	16,092	221,973
Fund balance beginning of year, as restated	117,117	712,049	360,397	1,189,563
Fund balance end of year	\$ 859,295	175,752	376,489	1,411,536

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

WOODBURY CENTRAL 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) \$ 221,973

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

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

Capital outlays	\$ 1,002,864	
Depreciation expense	(263,302)	739,562

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. Current year repayments are as follows:

Repayments		20,000
------------	--	--------

Income surtax account receivable is not available to finance expenditures of the current year period in the governmental funds.		8,234
---	--	-------

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 fund.

Early retirement	\$ 28,351	
Other postemployment benefits	(22,149)	6,202

Changes in net assets of governmental activities(page 19)		\$ 995,971

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

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

	School Nutrition
Assets	
Current assets:	
Cash and pooled investments	\$ 15,577
Inventories	16,275
Total current assets	31,852
Non-current assets:	
Capital assets:	
Machinery and equipment, net of accumulated depreciation	20,467
Total assets	52,319
Liabilities	
Current liabilities:	
Interfund payable	26,418
Accounts payable	57
Unearned revenue	3,420
Total current liabilities	29,895
Long-term liabilities:	
Net OPEB liability	904
Total long-term liabilities	904
Total liabilities	30,799
Net Assets	
Invested in capital assets	20,467
Unrestricted	1,053
Total net assets	\$ 21,520

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

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

	<u>School Nutrition</u>
Operating revenues:	
Local sources:	
Charges for services	\$ 163,725
Miscellaneous	1,899
Total operating revenues	<u>165,624</u>
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	94,115
Benefits	18,196
Supplies	148,591
Depreciation	3,293
Total operating expenses	<u>264,195</u>
Operating loss	<u>(98,571)</u>
Non-operating revenues:	
State sources	2,789
Federal sources	92,288
Interest income	25
Total non-operating revenues	<u>95,102</u>
Change in net assets	(3,469)
Net assets beginning of year	<u>24,989</u>
Net assets end of year	<u>\$ 21,520</u>

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

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

	School Nutrition
Cash flows from operating activities:	
Cash received from charges for services	\$ 166,299
Cash received from miscellaneous operating activities	1,899
Cash payments to employees for services	(111,891)
Cash payments to suppliers for goods or services	(133,038)
Net cash used in operating activities	(76,731)
Cash flows from non-capital financing activities:	
Repayments to the General Fund	(9)
State grants received	2,789
Federal grants received	80,590
Net cash provided by non-capital financing activities	83,370
Cash flows from investing activities:	
Interest on investment	25
Net increase in cash and cash equivalents	6,664
Cash and cash equivalents at beginning of year	8,913
Cash and cash equivalents at end of year	\$ 15,577
Reconciliation of operating loss to net cash provided by(used in) operating activities:	
Operating loss	\$ (98,571)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities consumed	11,698
Depreciation	3,293
Decrease in inventories	4,267
Decrease in accounts payable	(412)
Increase in unearned revenues	2,574
Increase in other postemployment benefits	420
Net cash used by operating activities	\$ (76,731)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
During the year ended June 30, 2011, the District received Federal commodities valued at \$11,698.	

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2011

	Private Purpose Trust Scholarship
Assets	
Cash and pooled investments	\$ 101,008
Liabilities	-
Net Assets	
Reserved for scholarships	\$ 101,008

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 YEAR ENDED JUNE 30, 2011

	<u>Private Purpose</u> <u>Trust</u> <u>Scholarship</u>
Additions:	
Interest income	\$ 1,008
Deductions:	
Scholarships awarded	-
Net assets beginning of year	100,000
Net assets end of year	\$ 101,008

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(1) Summary of Significant Accounting Policies

The Woodbury Central Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served includes the City of Merville, Iowa, and the predominate agricultural territory in Woodbury County in Iowa. 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, Woodbury Central 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 Woodbury Central 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 Woodbury County Assessor's Conference Board.

B. Basis of Presentation

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

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

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

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

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

The District reports the following proprietary fund:

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

The District also reports fiduciary funds which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

The proprietary fund of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these

pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from 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.

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2009 assessed property valuations; is for the tax

accrual period July 1, 2010 through June 30, 2011 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2010.

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

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

Capital Assets - Capital assets, which include property, machinery and equipment and intangibles, are reported in the applicable 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	\$ 1,000
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 over the following estimated useful lives:

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

Salaries and benefits payable - Payroll and related expenditures for 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 Revenues - 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 Balances - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

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

Committed - Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Unassigned - All amounts not included in other spendable classifications.

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

E. Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. For the year ended June 30, 2011, District expenditures in the non-instructional expenditures and other expenditures functional area exceed the budgeted amounts.

(2) Cash and Pooled Investments

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

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; 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 \$12,122 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 Investors Service.

(3) Iowa School Cash Anticipation Program (ISCAP)

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

The District pledges its state foundation aid payments and General Fund receipts as security for the warrants issued. Repayments must be made when General Fund receipts are received. The District must make minimum warrant repayments on the 25th of each month immediately following the final date the warrant proceeds may be used in an amount equal to 25% of the warrant amount. The interest rate on the Series 2010-11A warrants was 1.20% plus the one-month LIBOR rate, adjusted daily. A summary of the District's ISCAP activity for the year ended June 30, 2011 is as follows:

Series	Warrant Date	Final Warrant Maturity	Balance Beginning of Year	Advances Received	Advances Repaid	Balance End of Year
2010-11A	6/30/2010	6/25/2011	\$ 0	375,000	375,000	0

During the year ended June 30, 2011, the District paid \$614 of interest on the ISCAP warrants.

(4) Due From and Due to Other Funds

The detail of interfund receivables and payables at June 30, 2011 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nutrition	\$ 26,419
Management Levy	General	154
Capital Projects: Statewide Sales, Service and Use Tax	Management Levy	492
Total		<u>\$ 27,065</u>

The Nutrition Fund is repaying the General Fund for salaries and benefits paid in the prior year.

The General Fund is repaying the Management Levy Fund for monies that were not placed in the proper fund from the deletion of a vehicle on the insurance policy.

The Management Levy Fund is repaying the Capital Projects: Statewide Sales, Service and Use Tax Fund for an expense that was not paid from the proper fund.

(5) Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects: Statewide Sales, Service and Use Tax	\$ 19,999

The transfer from the Capital Projects: Statewide Sales, Service and Use Tax Fund to the Debt Service Fund was needed to make the payment on the land contract payable.

(6) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 208,204	-	-	208,204
Construction in progress	-	897,977	-	897,977
Total capital assets not being depreciated	208,204	-	-	1,106,181
Capital assets being depreciated:				
Buildings	6,834,980	-	-	6,834,980
Land improvements	990,456	8,600	-	999,056
Machinery and equipment	1,614,180	96,287	-	1,710,467
Total capital assets being depreciated	9,439,616	104,887	-	9,544,503
Less accumulated depreciation for:				
Buildings	2,725,030	124,591	-	2,849,621
Land improvements	539,800	33,770	-	573,570
Machinery and equipment	1,097,201	104,941	-	1,202,142
Total accumulated depreciation	4,362,031	263,302	-	4,625,333
Total capital assets being depreciated, net	5,077,585	(158,415)	-	4,919,170
Governmental activities capital assets, net	\$ 5,285,789	(158,415)	-	6,025,351

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business Type activities:				
Machinery and equipment	\$ 123,823	-	-	123,823
Less accumulated depreciation	100,063	3,293	-	103,356
Business Type activities capital assets, net	\$ 23,760	(3,293)	-	20,467

Depreciation expense was charged by the District as follows:

Governmental activities:		
Instruction:		
Regular		\$ 7,204
Other		14,541
Support services:		
Student		1,084
Instructional staff		7,222
Administration		11,029
Operation and maintenance of plant		14,728
Transportation		49,133
		104,941
Unallocated depreciation		158,361
Total governmental activities depreciation expense		\$ 263,302
Business Type activities:		
Food services		\$ 3,293

(7) Long-Term Liabilities

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

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
Governmental activities:					
Land contract payable	\$ 40,000	-	20,000	20,000	20,000
Early retirement	72,920	-	28,351	44,569	26,866
Net OPEB liability	25,516	22,149	-	47,665	-
Total	\$ 138,436	22,149	48,351	112,234	46,866
	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
Business type activities:					
Net OPEB liability	\$ 484	420	-	904	-

Land Contract Payable

During fiscal 2009, the District entered into a contract to purchase real estate. The annual payments are \$20,000 per year made from the Capital Projects Fund.

Details of the District's June 30, 2011 land contract payable is as follows:

Year Ending June 30,	Principal
2012	\$ 20,000

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty-nine and have ten years or more of continuous service as a licensed full-time employee of the District. Eligible employees are required to submit an application to the Superintendent by March 31st of the year the employee wishes to retire. The application is then submitted to the Board of Directors of the District for approval. The cost of early retirement payments expected to be liquidated currently are recorded as a liability of the government-wide financial statements representing the District's commitment to fund non-current early retirement of \$44,569. The District paid \$28,351 in early retirement benefits during the year ended June 30, 2011.

(8) 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 covered salary and the District is required to contribute 6.95% of annual covered salary. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2011, 2010, and 2009 were \$232,270, \$242,294, and \$232,581, respectively, equal to the required contributions for each year.

(9) Other Postemployment Benefits (OPEB)

The District implemented GASB Statement No.45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions during the year ended June 30, 2011.

Plan Description - The District operates a single-employer retiree benefit plan which provides medical/prescription drug and dental benefits for retirees and their spouses. There are 60 active and 3 retired members in the plan. Employees must be age 59 or older at retirement and have ten or more years of continuous service to the District.

The medical/prescription drug benefit, which is a self-funded medical plan, is administered by Wellmark Blue Cross Blue Shield. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit 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 of the District (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

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

Annual required contribution	\$ 41,000
Interest on net OPEB obligation	1,170
Adjustment to annual required contribution	<u>(601)</u>
Annual OPEB cost	41,569
Contributions made	<u>(19,000)</u>
Increase in net OPEB obligation	22,569
Net OPEB obligation - beginning of year	<u>26,000</u>
Net OPEB obligation - end of year	<u><u>\$ 48,569</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of the year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the plans actual contributions for the year ended June 30, 2011.

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:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 41,000	36.59%	\$ 26,000
6/30/2011	41,569	45.71%	48,569

Funded Status and Funding Progress - As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$649,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$649,000. The covered payroll (annual payroll of active employees covered by the plan) was \$2.640 million, and the ratio of the UAAL to the covered payroll was 24.6%. As of June 30, 2011, there were no trust fund assets.

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

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

As of July 1, 2009 actuarial valuation date, the alternative measurement method was used. The actuarial assumptions include a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% 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 assumptions were developed on the average retirement age of pension eligible retirees over the past five years. This valuation assumes a retirement age of 63 for all future retirees.

Projected claim costs of the medical plan are \$869 per month for retirees less than age 65. The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(10) Risk Management

The District is a member in the Iowa School Employees Benefits Association (ISEBA), an Iowa Code Chapter 28E organization. ISEBA is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. The Association was formed in July 1999 for the purpose of managing and funding employee benefits. The Association provides coverage and protection in the following categories: medical, life, accidental death and dismemberment and long-term disability.

The District's contributions, which include deficit recovery assessments, 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 \$322,283.

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 notice may withdraw.

Woodbury Central Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. 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.

(11) 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 \$235,704 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.

(12) Line of Credit

On April 14, 2011, the District entered into an agreement with The First Trust & Savings Bank of Merville, Iowa to provide the District with a Line of Credit for \$1,000,000. This note was borrowed against future revenues in the Capital Projects: Statewide, Sales, Services and Use Tax fund. The District can

make minimum advances of \$200,000 and the funds may be repaid at any time but at least one annual payment of at least \$100,000 should be made at 4.000% per year. The first draw occurred in July 2011.

(13) 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 non-instructional programs and other expenditures functions exceeded the amounts budgeted.

(14) Categorical Funding

The District's ending reserved balances for categorical funding as of June 30, 2011 are broken out by the following projects:

Project	Amount
LEP Weighting	\$ 1,015
Gifted and Talented	8,980
Dropout and Dropout Prevention	19,605
Teacher salary supplement	29,730
Statewide Voluntary Preschool	54,529
Professional development	36,561
Professional development, model core curriculum	25,297
Market factor incentives	4,334
Market factor	1,585
Total	<u>\$ 181,636</u>

(15) Accounting Change/Restatement

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

	Capital Projects	Special Revenue, Physical Plant and Equipment Levy
Balances June 30, 2010, as previously reported	\$ 591,961	120,088
Change in fund type classification per implementation of GASB Statement No. 54	120,088	(120,088)
Balances July 1, 2010, as restated	<u>\$ 712,049</u>	<u>0</u>

REQUIRED SUPPLEMENTARY INFORMATION

WOODBURY CENTRAL 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 Actual	Budgeted Amounts		Final to Actual Variance
	Funds	Fund		Original	Final	
	Actual	Actual				
Revenues:						
Local sources	\$ 3,403,046	165,649	3,568,695	3,441,649	3,441,649	127,046
State sources	3,089,575	2,789	3,092,364	3,284,383	3,284,383	(192,019)
Federal sources	349,662	92,288	441,950	262,301	262,301	179,649
Total revenues	<u>6,842,283</u>	<u>260,726</u>	<u>7,103,009</u>	<u>6,988,333</u>	<u>6,988,333</u>	<u>114,676</u>
Expenditures/Expenses:						
Instruction	3,908,195	-	3,908,195	4,225,993	4,225,993	317,798
Support services	1,498,433	-	1,498,433	1,590,893	1,590,893	92,460
Non-instructional programs	967	264,195	265,162	254,000	254,000	(11,162)
Other expenditures	1,213,142	-	1,213,142	738,739	1,038,739	(174,403)
Total expenditures/expenses	<u>6,620,737</u>	<u>264,195</u>	<u>6,884,932</u>	<u>6,809,625</u>	<u>7,109,625</u>	<u>224,693</u>
Excess(Deficiency) of revenues over(under) expenditures/expenses	221,546	(3,469)	218,077	178,708	(121,292)	339,369
Other financing sources, net	427	-	427	90,000	90,000	90,000
Excess(Deficiency) of revenues and other financing sources over(under) expenditures/expenses	221,973	(3,469)	218,504	268,708	(31,292)	429,369
Balance beginning of year	<u>1,189,563</u>	<u>24,989</u>	<u>1,214,552</u>	<u>1,090,672</u>	<u>1,090,672</u>	<u>123,880</u>
Balance end of year	<u>\$ 1,411,536</u>	<u>21,520</u>	<u>1,433,056</u>	<u>1,359,380</u>	<u>1,059,380</u>	<u>553,249</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WOODBURY CENTRAL 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 comparison for the General Fund and each major Special Revenue Fund.

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

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

During the year ended June 30, 2011, the District did amend their budget in the facilities and acquisition and construction area from \$500,000 to \$800,000; however, expenditures in the non-instructional programs and other expenditures functional areas continued to exceed the budgeted amounts.

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
(IN THOUSANDS)

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial		Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a
			Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)			Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	\$ -	\$ 649	\$ 649	0.0%	\$ 3,058	21.2%
2011	July 1, 2009	\$ -	\$ 649	\$ 649	0.0%	\$ 2,640	24.6%

See Note 9 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

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Special Revenue Funds		
	Manage- ment Levy	Student Activity	Total
Assets			
Cash and pooled investments	\$ 249,840	129,579	379,419
Receivables:			
Property tax:			
Delinquent	1,508	-	1,508
Succeeding year	130,000	-	130,000
Interfund	154	-	154
Total assets	\$ 381,502	129,579	511,081
Liabilities and Fund Balances			
Liabilities:			
Interfund payable	\$ 492	1	493
Accounts payable	-	4,099	4,099
Deferred revenue:			
Succeeding year property tax	130,000	-	130,000
Total liabilities	130,492	4,100	134,592
Fund Balances:			
Restricted for:			
Management levy purposes	251,010	-	251,010
Student activities	-	127,325	127,325
Unassigned	-	(1,846)	(1,846)
Total fund balances	251,010	125,479	376,489
Total liabilities and fund balances	\$ 381,502	129,579	511,081

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WOODBURY CENTRAL 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	Total Other Nonmajor Governmental Funds
	Manage- ment Levy	Student Activity	Total		
Revenues:					
Local sources:					
Local tax	\$ 131,170	-	131,170	-	131,170
Other	209	240,759	240,968	-	240,968
State sources	73	-	73	-	73
Total revenues	131,452	240,759	372,211	-	372,211
Expenditures:					
Current:					
Instruction:					
Regular	25,190	-	25,190	-	25,190
Other	-	271,699	271,699	-	271,699
Support services:					
Administration	3,674	-	3,674	-	3,674
Operation and maintenance of plant	48,403	-	48,403	-	48,403
Transportation	7,152	-	7,152	-	7,152
	84,419	271,699	356,118	-	356,118
Other expenditures:					
Long-term debt:					
Principal	-	-	-	20,000	20,000
Total expenditures	84,419	271,699	356,118	20,000	376,118
Excess(deficiency) of revenues over(under) expenditures	47,033	(30,940)	16,093	(20,000)	(3,907)
Other financing sources(uses):					
Transfer in	-	-	-	19,999	19,999
Net change in fund balances	47,033	(30,940)	16,093	(1)	16,092
Fund balance beginning of year, as restated	203,977	156,419	360,396	1	360,397
Fund balance end of year	\$ 251,010	125,479	376,489	-	376,489

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 487,490	79,808	567,298
Receivables:			
Property tax:			
Delinquent	-	540	540
Succeeding year	-	44,675	44,675
Interfund	492	-	492
Due from other governments	76,521	-	76,521
Total assets	\$ 564,503	125,023	689,526
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 469,099	-	469,099
Deferred revenue:			
Succeeding year property tax	-	44,675	44,675
Total liabilities	469,099	44,675	513,774
Fund Balances:			
Restricted for:			
School infrastructure	95,404	-	95,404
Physical plant and equipment	-	80,348	80,348
Total fund balances	95,404	80,348	175,752
Total liabilities and fund balances	\$ 564,503	125,023	689,526

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 CAPITAL PROJECTS ACCOUNTS
 YEAR ENDED JUNE 30, 2011

	Capital Projects		
	Statewide Sales, Service and Use Tax	Physical Plant and Equipment Levy	Total
Revenues			
Local sources:			
Local tax	\$ 469,728	43,235	512,963
Other	964	130	1,094
State sources	-	26	26
Total revenues	<u>470,692</u>	<u>43,391</u>	<u>514,083</u>
Expenditures:			
Current:			
Support services:			
Administration	20,436	-	20,436
Operation and maintenance of plant	-	4,607	4,607
Transportation	-	47,900	47,900
Other expenditures:			
Facilities acquisitions	926,814	30,624	957,438
Total expenditures	<u>947,250</u>	<u>83,131</u>	<u>1,030,381</u>
Deficiency of revenues under expenditures	(476,558)	(39,740)	(516,298)
Other financing uses:			
Transfer out	(19,999)	-	(19,999)
Net change in fund balances	(496,557)	(39,740)	(536,297)
Fund balance beginning of year, as restated	591,961	120,088	712,049
Fund balance end of year	<u>\$ 95,404</u>	<u>80,348</u>	<u>175,752</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WOODBURY CENTRAL 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	Interfund and Intrafund Transfers	Balance End of Year
Library	\$ 1,814	-	-	(1,814)	-
Theatre fund	(442)	-	-	442	-
Yearbook	7,230	7,692	6,912	-	8,010
Fine arts	(509)	7,554	7,563	935	417
Student trips	120	2,956	2,956	(120)	-
Global	7,707	30	6,900	(837)	-
Cat shop	2,825	8,512	12,192	855	-
HS choir	674	6,498	6,451	18	739
Band	3,805	8,570	6,736	45	5,684
Color guard	72	1,520	1,995	883	480
P.E. equipment	1,250	500	-	(1,750)	-
Boys and girls track	1,546	400	6,602	4,656	-
Golf	(518)	640	949	827	-
Athletics	17,631	5,653	4,742	25,429	43,971
Boys basketball	3,701	29,044	20,735	(3,701)	8,309
Football	10,389	29,264	44,703	10,639	5,589
Baseball	2,209	15,658	20,076	2,209	-
Wrestling	4,963	24,032	31,706	4,963	2,252
Wrestling mat	(3,720)	-	-	3,720	-
Girls basketball	2,645	822	1,927	(1,540)	-
Volleyball	2,357	5,056	2,886	(2,358)	2,169
Softball	(1,707)	18,284	17,828	1,707	456
Drill team	1,028	4,672	3,070	(58)	2,572
Cheerleaders	2,902	5,583	6,284	-	2,201
Athletic grounds	8,633	-	-	(8,633)	-
Petty cash	(1,150)	-	(1,150)	-	-
Weight room	8,589	9,805	11,341	-	7,053
Athletic pop fund	(1,147)	2,349	1,514	312	-
Class of 2014	156	130	32	(156)	98
Class of 2015	1,292	-	-	(1,292)	-
Class of 2011	886	225	1,073	-	38
Class of 2012	355	8,798	8,083	-	1,070
Class of 2013	157	-	-	-	157
Miscellaneous resale	3,661	3,728	3,297	(4,006)	86
Home economics resale	957	-	-	(957)	-
Drivers education	5,945	-	-	(5,945)	-
National honor society	308	2,336	2,001	(308)	335
Student council	175	1,165	1,781	441	-
Family consumer coffee shop	161	-	-	(161)	-
Renaissance	-	1,739	4,174	2,531	96
Elementary fundraiser	17,251	93	371	(16,973)	-
Coffee machine	(942)	-	26	968	-
Reserve account	8,438	-	-	(1,237)	7,201
Interest	18,213	430	-	-	18,643
School cents	(955)	-	-	955	-
School gardens	260	-	-	(260)	-
Spanish club	45	-	-	(45)	-
Moville food pantry	585	-	585	-	-
Wellness	(131)	-	-	131	-
Character Education	-	1,029	-	(1,029)	-
Middle school	7,524	7,509	8,330	-	6,703
Industrial arts	12	-	-	(12)	-
Concessions	5,517	18,213	16,969	(6,509)	252
Educational extras	3,652	6	-	(3,658)	-
Fundraisers	-	264	59	693	898
Total	\$ 156,419	240,759	271,699	-	125,479

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Modified Accrual Basis							
	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:								
Local sources:								
Local tax	\$ 2,559,226	2,433,726	2,368,304	2,300,132	2,187,089	1,984,174	1,963,383	2,038,319
Tuition	359,875	351,156	270,513	324,527	231,250	293,308	271,566	298,383
Other	483,945	413,681	417,667	472,883	539,798	449,128	393,048	358,377
State sources	3,089,575	2,582,244	3,091,406	3,157,963	2,760,912	2,757,304	2,628,864	2,314,577
Federal sources	349,662	466,050	203,575	134,105	134,510	198,690	150,870	181,976
Total	<u>\$ 6,842,283</u>	<u>6,246,857</u>	<u>6,351,465</u>	<u>6,389,610</u>	<u>5,853,559</u>	<u>5,682,604</u>	<u>5,407,731</u>	<u>5,191,632</u>
Expenditures:								
Instruction:								
Regular	\$ 2,500,905	2,655,654	2,802,025	2,889,640	2,646,504	2,363,040	2,111,127	2,141,512
Special	536,863	550,836	626,030	610,468	485,550	583,421	635,044	594,627
Other	870,427	778,329	360,405	388,271	445,464	379,421	401,815	408,801
Support services:								
Student	133,946	98,593	182,321	175,246	151,574	145,745	141,388	142,366
Instructional staff	67,046	77,127	74,557	74,968	83,174	72,562	68,508	66,163
Administration	546,415	613,734	667,293	649,883	589,661	509,217	499,501	467,476
Operation and maintenance of plant	462,932	537,858	448,908	518,160	535,530	550,229	499,483	473,330
Transportation	288,094	316,136	246,459	261,823	209,210	259,496	223,872	261,576
Non-instructional programs	967	16,159	-	-	-	-	-	-
Other expenditures:								
Facilities acquisitions	957,438	239,313	294,000	461,136	674,468	264,775	343,110	616,951
Long-term debt:								
Principal	20,000	20,000	255,000	245,000	240,000	240,000	235,000	220,000
Interest and fiscal charges	-	-	58,006	78,053	52,659	21,040	25,152	35,553
AEA flow-through	235,704	232,029	212,060	213,923	187,063	172,135	180,772	166,997
Total	<u>\$ 6,620,737</u>	<u>6,135,768</u>	<u>6,227,064</u>	<u>6,566,571</u>	<u>6,300,857</u>	<u>5,561,081</u>	<u>5,364,772</u>	<u>5,595,352</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3040
Telephone (641) 792-1910

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

To the Board of Education of the
Woodbury Central 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 Woodbury Central Community School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated January 31, 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 Woodbury Central 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 Woodbury Central Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Woodbury Central Community School District's internal control over financial reporting.

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

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 misstatement on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part I of the accompanying Schedule of Findings as item I-A-11 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Woodbury Central Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could

have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part II of the accompanying Schedule of Findings.

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

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

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

January 31, 2012

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2011

Part I: Findings Related to the Basic Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

I-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 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 - The District understands the nature of the weakness and the necessity for the Board and Superintendent to provide oversight and review functions. The District will review its procedures and implement changes as deemed necessary to achieve better segregation of duties.

Conclusion - Response accepted.

OTHER MATTERS:

I-B-11 Student Activity Fund Interest - We noted during our audit that the Student Activity Fund has an interest account. It appears that interest earned during the year has not been allocated to individual accounts in the Student Activity Fund.

Recommendation - Interest earned each year should be allocated out at least on an annual basis to the individual activity accounts.

Response - The District will allocate interest annually to individual activity accounts.

Conclusion - Response accepted.

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

Recommendation - In an effort to comply with the Department of Labor requirements on wage per hour contracts, the District should keep track of the hours worked for non-certified staff coaches. The District should also review its payroll procedures to ensure that supporting documentation is kept for all employees who receive checks.

Response - The district will keep logs for all non-certified staff coaches

Conclusion - Response accepted.

WOODBURY CENTRAL COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2011

Part II: Other Findings Related to Required Statutory Reporting:

II-A-11 Certified Budget - District expenditures for the year ended June 30, 2011, exceeded the certified budget amounts in the non-instructional programs and other expenditures functional area.

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

Response - The District will amend the Budget sufficiently before expenditures exceed amounts budgeted in the future

Conclusion - Response accepted.

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

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

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

Name, Title and Business Connection	Transaction Description	Amount
William Destigter, P.E. Teacher Owns Destigter Drywall	Drywall	\$150

In accordance with the Attorney General's Opinion dated July 2, 1990, the above transaction with the teacher does not appear to represent a conflict of interest.

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

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

II-G-11 Certified Enrollment - We noted a variance in the basic enrollment data certified to the Department of Education. We noted the District did not count one resident student and was funded for a student that should not have been included on count day. As a result, there is no effect on overall resident student count.

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

Response - The District's auditors will contact the Iowa Department of Education and Department of Management on our behalf to resolve the matter.

Conclusion - Response accepted.

- II-H-11 Supplementary Weighting - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- II-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.
- II-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.
- II-K-11 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.
- II-L-11 Statewide Sales, Services and Use Tax - No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include the 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		\$ 591,961
Revenues/transfers in:		
Sales tax revenues	\$ 469,728	
Other	965	470,693
		1,062,654
Expenditures/transfers out		
School infrastructure construction	\$ 926,814	
Equipment	20,436	
Transfers to other funds:		
Debt service fund	19,999	967,249
		967,249
Ending Balance		\$ 95,405

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 Code of Iowa.

- II-M-11 Officiating Contracts - We noted during our audit that the Athletic Director was signing Activity Fund officiating contracts. According to 291.1 of the Code of Iowa, the Board President shall sign all contracts entered into by the District.

Recommendation - The District should have the Board President sign all contracts entered into by the District to be in compliance with 291.1 of the Code of Iowa.

Response - The District will make sure the Board President signs all contracts in the future.

Conclusion - Response accepted.