IOWA SCHOOLS
EMPLOYEE BENEFITS ASSOCIATION

FINANCIAL STATEMENTS

YEARS ENDED
JUNE 30, 2013 AND 2012

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IOWA SCHOOLS EMPLOYEE BENEFITS ASSOCIATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For Fiscal Year Ended June 30, 2013

This narrative overview and analysis of the financial activities of the Iowa Schools Employee Benefits Association (ISEBA) is presented by ISEBA's management and is for the fiscal year ended June 30, 2013. The reader is encouraged to consider the information presented herein in conjunction with ISEBA's financial statements, which follow this overview.

Financial Highlights

ISEBA's total net assets for fiscal year June 30, 2013 increased $169,399 compared to June 30, 2012, primarily due to premium income exceeding expenses of the program for the year. Net assets at June 30, 2013 totaled $4,643,290, while net assets at June 30, 2012 were $4,473,891.

This discussion and analysis is intended to serve as an introduction to ISEBA's basic financial statements. ISEBA's basic financial statements consist of: the statements of net assets, the statements of revenues, expenses and changes in net assets, and the statements of cash flows. These basic financial statements also include the notes to the basic financial statements and explain some of the information in the statements and provide more detail.

Overview of the Financial Statements

Statements of net assets: The statements of net assets present the assets, liabilities, and net assets of ISEBA as of the end of the year for the past two years. The statements of net assets are a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of ISEBA. The statements of net assets includes year-end information concerning current assets that can reasonably be expected to be collected or consumed within a year. Readers of the financial statements are able to determine ISEBA's financial position over time by analyzing the increases and decreases in net assets. This statement is a reliable source for readers to determine how much ISEBA owes to outside vendors and creditors. The statements also present the available assets that can be used to satisfy those liabilities.

All of ISEBA's net assets are unrestricted and can be used to meet ISEBA's obligations.

Overview of the Financial Statements *(Continued)*

	2013	2012	2011
Current assets	$ 6,767,996	$ 7,145,265	$ 6,648,317
Non-current assets	-	-	-
Total assets	$ 6,767,996	$ 7,145,265	$ 6,648,317
Current liabilities:			
Advanced premiums	$ 2,110,462	$ 2,623,990	$ 2,366,475
Accounts payable	14,244	47,384	45,839
Total current liabilities	$ 2,124,706	$ 2,671,374	$ 2,412,314
Net assets, unrestricted	$ 4,643,290	$ 4,473,891	$ 4,236,003
Total liabilities and net assets	$ 6,767,996	$ 7,145,265	$ 6,648,317

Statement of revenues, expenses and changes in net assets: Changes in total net assets, as presented on the statement of net assets, are based on the activity presented in the statement of revenues, expenses, and changes in net assets. The purpose of this statement is to present the revenues received by ISEBA, both operating and non-operating, and the expenses paid by ISEBA, both operating and non-operating, and any other revenues, expenses, gains and losses received or incurred by ISEBA.

Operating revenues are received as premiums and commissions, and comprised $65,182,948 of the $65,183,204 in total revenues. Operating expenses were incurred for claims and administration, and comprised $64,647,137 in total expenses. Non-operating revenues and non-operating expenses consisted of interest income on cash accounts.

	2013	2012	2011
Operating revenues	$65,182,948	$67,310,168	$59,472,702
Non-operating revenues	256	1,009	3,258
Total revenues	$65,183,204	$67,311,177	$59,475,960
Operating expenses	$65,013,805	$67,073,289	$59,358,185
Non-operating expenses	-	-	-
Total expenses	$65,013,805	$67,073,289	$59,358,185
Change in net assets	$ 169,399	$ 237,888	$ 117,775
Net assets, unrestricted, beginning	$ 4,473,891	$ 4,236,003	$ 4,118,228
Net assets, unrestricted, ending	$ 4,643,290	$ 4,473,891	$ 4,236,003

Overview of the Financial Statements *(Continued)*

Statement of cash flows: The statement of cash flows is an important tool in helping the reader to assess an entity's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The statement of cash flows presents information related to cash inflows and outflows, summarized by operating and investment activities.

	2013	2012	2011
Cash (used in) provided by:			
Operating activities	$ (352,305)	$ 463,179	$ 2,573,845
Investing activities	256	1,009	295,448
Net increase (decrease) in cash	$ (352,049)	$ 464,188	$ 2,869,293
Cash, beginning of year	7,032,958	6,568,770	3,699,477
Cash, end of year	$ 6,680,909	$ 7,032,958	$ 6,568,770

Economic Factors

ISEBA continues its contractual relationships with Reynolds & Reynolds, Inc. and LGS for its Third Party Administration and Accounting services, respectively. The program continues to bring value and delivered another excellent renewal to its participants with a renewal rate of 2.94% for FY 2014.

Contacting ISEBA's Financial Management

This financial report is designed to provide a general overview of ISEBA's finances, and to demonstrate ISEBA's accountability for the resources it receives. If you have questions about this report or need additional financial information, please contact the Iowa Schools Employee Benefits Association, 300 Walnut St., Suite 200, Des Moines, Iowa 50309.

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Iowa Schools Employee Benefits Association

Report on the Financial Statements

We have audited the accompanying financial statements of Iowa Schools Employee Benefits Association (ISEBA) which comprise the statements of net assets of as of June 30, 2013 and 2012, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ISEBA as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i-iii be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 3, 2013, on our consideration of ISEBA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* in considering ISEBA's internal control over financial reporting and compliance.

Brooks Feddersen, P.C.

West Des Moines, Iowa
December 3, 2013

IOWA SCHOOLS EMPLOYEE BENEFITS ASSOCIATION

STATEMENTS OF NET ASSETS

June 30, 2013 and 2012

CURRENT ASSETS	**2013**	**2012**
Cash and cash equivalents	**$ 6,680,909**	**$ 7,032,958**
Premiums receivable	**68,552**	**70,775**
Other receivables	**18,535**	**25,525**
Prepaid premiums	**-**	**16,007**
Total current assets	**$ 6,767,996**	**$ 7,145,265**
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Advanced premiums	**$ 2,110,462**	**$ 2,623,990**
Accounts payable	**14,244**	**47,384**
Total current liabilities	**$ 2,124,706**	**$ 2,671,374**
NET ASSETS	**$ 4,643,290**	**$ 4,473,891**
Total liabilities and net assets	**$ 6,767,996**	**$ 7,145,265**

See Notes to Financial Statements.

IOWA SCHOOLS EMPLOYEE BENEFITS ASSOCIATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Years Ended June 30, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Premiums earned	$ 64,830,111	$ 66,930,607
Commission income	352,837	379,561
Net operating revenues	$ 65,182,948	$ 67,310,168
OPERATING EXPENSES		
Premiums paid to insurance companies	$ 63,277,999	$ 65,323,504
Program administration-Reynolds & Reynolds	1,187,359	1,203,954
Program administration-Local Government Services	181,779	184,492
Sponsorship-IASB	57,566	58,265
Sponsorship-ISEA	57,566	58,265
Commissions-Reynolds & Reynolds	167,460	178,957
Accounting	10,850	10,300
Professional fees	48,081	30,811
Office supplies	696	113
Board expense	2,524	2,862
Insurance	21,450	21,766
Miscellaneous expense	475	-
Total operating expenses	$ 65,013,805	$ 67,073,289
Operating income	$ 169,143	$ 236,879
NON-OPERATING REVENUES		
Interest income	$ 256	$ 1,009
Total non-operating revenues	$ 256	$ 1,009
Change in net assets	$ 169,399	$ 237,888
Net assets, beginning of year	$ 4,473,891	$ 4,236,003
Net assets, end of year	$ 4,643,290	$ 4,473,891

See Notes to Financial Statements.

IOWA SCHOOLS EMPLOYEE BENEFITS ASSOCIATION

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from premiums	$ 64,322,196	$ 67,131,133
Cash received from commissions	359,827	367,037
Cash payments to insurance companies	(63,249,386)	(65,283,366)
Cash payments for program and administration services	(1,484,282)	(1,499,722)
Cash payments for general and administrative expenses	(300,660)	(251,903)
Net cash (used in) provided by operating activities	$ (352,305)	$ 463,179
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	$ 256	$ 1,009
Net cash provided by investing activities	$ 256	$ 1,009
Net (decrease) increase in cash and cash equivalents	$ (352,049)	$ 464,188
Cash and cash equivalents at beginning of year	7,032,958	6,568,770
Cash and cash equivalents at end of year	$ 6,680,909	$ 7,032,958
Reconciliation of operating income to net cash (used in) provided by operating activities:		
Operating income	$ 169,143	$ 236,879
Adjustments to reconcile operating income to net cash (used in) provided by operating activities:		
Changes in assets and liabilities:		
Decrease (increase) in receivables	9,213	(79,124)
Decrease in prepaids	16,007	46,364
(Decrease) increase in advanced premiums	(513,528)	257,515
(Decrease) increase in accounts payable	(33,140)	1,545
Net cash (used in) provided by operating activities	$ (352,305)	$ 463,179

See Notes to Financial Statements.

Note 1. Nature of Business and Significant Accounting Policies

Nature of business:

Iowa Schools Employee Benefits Association (ISEBA) was formed July 1, 1999 under Chapter 28E of the Code of Iowa and provides insurance for medical, vision, life, dental, accidental death coverage, and other voluntary benefit products to Iowa school districts and area education agencies.

Significant accounting policies:

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as they apply to governmental entities pursuant to the Governmental Accounting Standards Board (GASB) Codification Standards.

Measurement focus and basis of accounting: The 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.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: For purposes of the statements of cash flows, ISEBA considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Premiums paid to insurance companies: Premiums paid to insurance companies consist of premiums for medical, vision, life, dental, accidental death coverage, and other voluntary benefit product premiums paid by ISEBA on behalf of the participants.

Operating revenues and expenses: Operating revenues result from exchange transactions associated with the principle activity of ISEBA, the providing of insurance coverage. Operating expenses are defined as expenses directly related to, or incurred in support of, the providing of insurance coverage to participating members. Interest income is classified as a non-operating revenue.

Income taxes: ISEBA was formed under Chapter 28E of the Iowa Code and is tax-exempt as it is an instrumentality of the state of Iowa.

Note 2. Cash and Cash Equivalents

ISEBA's deposits as of June 30, 2013 and 2012 were invested in the Iowa Schools Joint Investment Trust in accordance with Chapters 12B and 12C, Code of Iowa. These Chapters provide for additional assessments against the depositories to ensure there will be no loss of public funds. As of June 30, 2013 and 2012, the carrying amounts of ISEBA's cash deposits were $6,680,909 and $7,032,958, respectively.

Note 3. Related Party Transactions

ISEBA is a related party to the IASB through common board members. ISEBA has an accounting and sponsorship services agreement with LGS, a wholly-owned subsidiary of IASB, The fee is calculated as .50% of monthly billed medical premiums. For the years ended June 30, 2013 and 2012, $296,911 and $301,022 were paid to LGS under this agreement. LGS has an agreement with both IASB and Iowa State Education Association (ISEA) for LGS to pay 10 basis points of the medical premiums collected by ISEBA for sponsoring the program. Amounts paid by LGS to both IASB and ISEA for June 30, 2013 and 2012 were $57,566 and $58,265, respectively.

ISEBA has entered into an agreement with Reynolds & Reynolds, Inc. to provide certain administrative services to ISEBA. The administrative service fee is calculated as 2% of monthly billed medical premiums. For the years ended June 30, 2013 and 2012, $1,187,359 and $1,203,954 was paid to Reynolds & Reynolds, Inc. for administrative services. In addition, the agreement calls for 50/50 sharing of commissions between ISEBA and Reynolds & Reynolds for non-medical products. For any commissions earned on any other services the sharing is 25/75 for ISEBA and Reynolds & Reynolds, and commissions earned on any new non-medical business acquired after the effective date of the agreement, the sharing is 20/80 ISEBA and Reynolds & Reynolds. For the years ended June 30, 2013 and 2012, $167,460 and $178,957, respectively, were paid to Reynolds & Reynolds, Inc. for commissions. Total amount due to Reynolds & Reynolds, Inc. at June 30, 2013 and 2012 was $5,243 and $5,254, respectively.

Note 4. Subsequent Events

Management has evaluated subsequent events through December 3, 2013, the date the audit report was available to be issued.

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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*

The Board of Directors
Iowa Schools Employee Benefits Association

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the Iowa Schools Employee Benefits Association (ISEBA) which comprise the statement of net assets as of June 30, 2013 and 2012, and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the ISEBA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ISEBA's internal control. Accordingly, we do not express an opinion on the effectiveness of ISEBA's internal control.

A *deficiency in internal contr*ol exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether ISEBA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brooks Fadden, P.C.

West Des Moines, Iowa
December 3, 2013

IOWA SCHOOLS EMPLOYEE BENEFITS ASSOCIATION

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2013

Part I: Summary of the Independent Auditor's Results

Financial Statement Section:

Type of auditor's report issued:	**Unmodified Opinion**	
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	X No
Significant deficiency(s) identified not considered to be material weaknesses?	_____ Yes	X No
Noncompliance material to financial statements noted?	_____ Yes	X No

Part II: Findings Related to the Financial Statement Audit

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards.*

None noted

Part III: Instances of Non-Compliance:

None noted

IOWA SCHOOLS EMPLOYEE BENEFITS ASSOCIATION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2013

Part I: Findings – Financial Statement Audit Reported in the Year Ended June 30, 2012 Audit

II-A-12: Supervision and Review-Financial Statements: ISEBA contracts with LGS, a wholly-owned subsidiary of IASB to provide accounting services. LGS's management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements in conformity with U.S. generally accepted accounting principles. LGS's management is also responsible for the design and implementation of programs and controls to prevent and detect fraud affecting the organization involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. During the audit, it became apparent that a thorough review of accounting documentation and financial statements had not been performed by the organization. Multiple adjusting and reclassifying entries were needed in order for the financial statements to properly reflect the activity of the organization and be in conformity with GAAP.

Recommendation: The Board should require management to review and document current internal controls regarding accounting functions and establish a process for an ongoing review of these controls. This review should be performed monthly and documented on all financial accounting records by formally noting the individual who prepared the accounting documentation and the individual who performed the review of the accounting documentation and financial statements.

Current Status: Corrective action taken.

Part II: Instances of Non-Compliance Reported in the Year Ended June 30, 2012 Audit

III-A-12: Required Government Filings: The organization is required to file IRS Form 1099-MISC on services paid to a vendor that exceeds $600. During the audit, we noted the organization paid one vendor greater than $600; however, a 1099-MISC was not prepared nor remitted to the IRS. This was also noted in the prior year and our recommendation was to amend the IRS Form 1096 and 1099-MISC for the oversight. However, this was not done.

Recommendation: We recommend the Board require management of LGS to prepare and submit this required form to the IRS for the calendar years ending in 2010 and 2011, and ensure this is done for 2012. In addition, the Board should require management of LGS to establish procedures to ensure that the organization has the controls in place to properly identify the necessary compliance requirements for ISEBA and ensure these forms are filed on behalf of ISEBA in a timely manner to avoid any penalties that might be assessed by the IRS.

Current Status: Corrective action taken.

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To the Board of Directors
Iowa Schools Employee Benefits Association
Des Moines, Iowa

We have audited the financial statements of the Iowa Schools Employee Benefits Association (ISEBA) for the year ended June 30, 2013, and have issued our report thereon dated December 3, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 14, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by ISEBA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by ISEBA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of our audit.

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Significant Audit Findings ***(Continued)***

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 3, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to ISEBA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as ISEBA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Iowa Schools Employee Benefits Association and is not intended to be and should not be used by anyone other than these specified parties.

Brooks Fuldner, P.C.

West Des Moines, Iowa
December 3, 2013