

ANAMOSA COMMUNITY SCHOOL DISTRICT
ANAMOSA, IOWA

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

JUNE 30, 2013

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ANAMOSA COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
Lowell Tiedt	President	2013
Rich Crump	Vice President	2015
Connie McKean	Board Member	2013
Kandi Behnke	Board Member	2013
Anna Mary Riniker	Board Member	2015
Kristine Kilburg	Board Member	2015
Shaun Lambertsen	Board Member	2015
<u>School Officials</u>		
Brian Ney	Superintendent	2013
Don L. Folkerts	District Secretary	2013
Linda Von Behren	District Treasurer	2013
Brian Gruhn	Attorney	2013
Adrian Knuth Law Firm	Attorney	2013

DOUGLAS T. HUNT, CPA
DONALD D. KAIN
CHUCK C. CONVERSE, CPA
RUSSELL S. TERPSTRA, CPA
MICHAEL G. STANLEY, CPA
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Anamosa Community School District:

Report on the Financial Statements

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 Anamosa Community School District, Anamosa Iowa, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. 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 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 from 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 the 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 District'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 District'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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Anamosa Community School District as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters*Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 21 and 62 through 64 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 which 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 U.S. generally accepted auditing standards, 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 audit 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Anamosa Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the eight years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements. The supplementary information included in Schedules 1 through 11, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financials statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2013 on our consideration of Anamosa Community School District's internal control over financial reporting and on 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 in considering Anamosa Community School District's internal control over financial reporting and compliance.

Oskaloosa, Iowa
November 19, 2013

Hunt & Associates, P.C.

Management's Discussion and Analysis

Anamosa Community School District provides this discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. Please consider this information in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The District completed a new 80,000 square foot \$16 million middle school. The new middle school serves grades 5 through 8 and is 33% larger than the former middle school and uses geothermal heating and cooling.
- Residents of the District passed a \$16.95 million bond issue. The bonds will finance projects at each of the district's educational building sites including heating and cooling, security, and playground upgrades at the elementary building, constructing athletic facilities at the middle school, and building a Performing Arts Center and renovations at the high school.
- The State legislature set the allowable growth rate at 2% for 2012-2013. With an enrollment decrease of 69.62 student FTE's, the District was eligible for \$342,306 in budget guarantee which was levied. The District also levied \$149,012 in cash reserve.
- The District entered into a Whole Grade Sharing Agreement with Olin Consolidated School District beginning July 1, 2012 through June 30, 2015 unless terminated by joint agreement. The agreement includes Grades 7 through 12 attending Anamosa Community School District with each district maintaining their current K-6 programs in their respective communities. The Anamosa Community School District receives 75% of the Olin regular program district cost per pupil for each student attending Anamosa.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates *like businesses*, such as food services.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

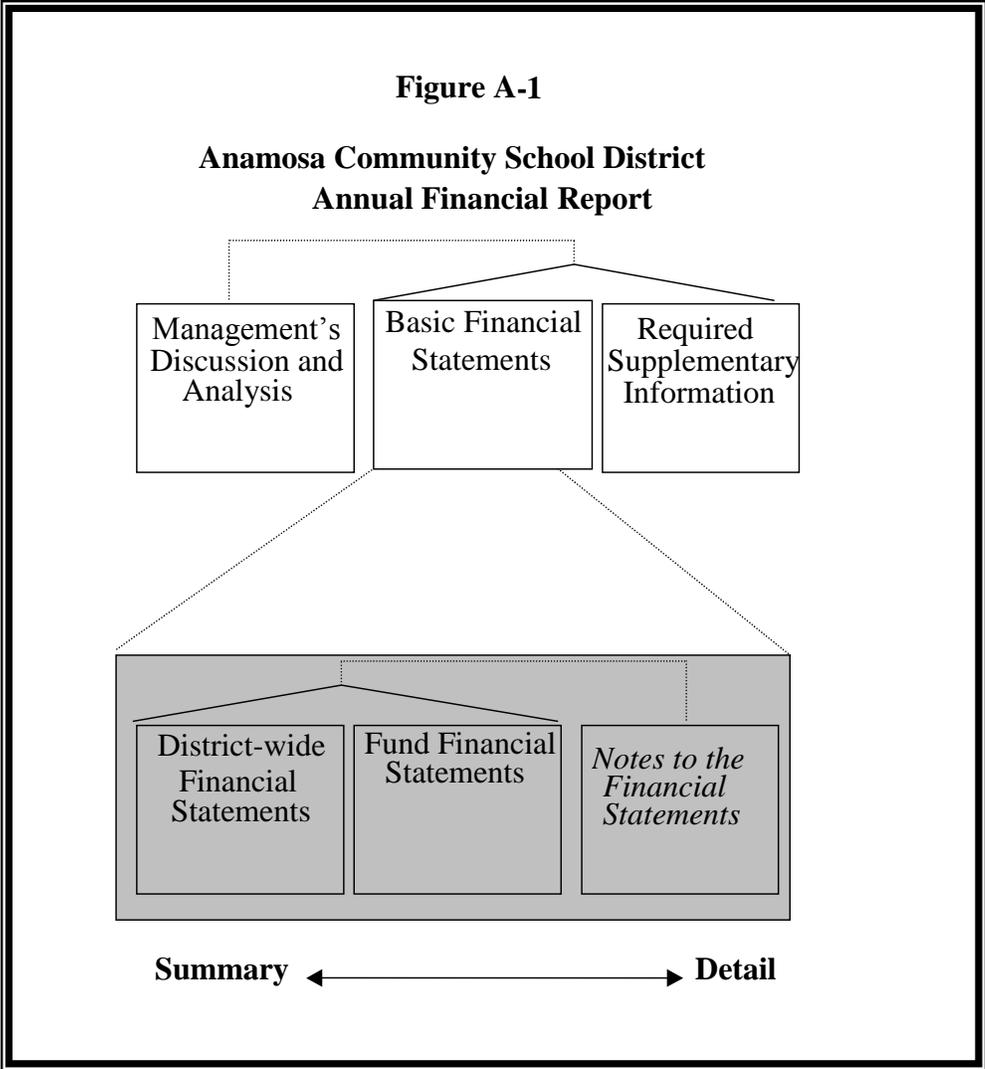


Figure A-2 below summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents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

Figure A-2: Major Features of the District Wide and Fund Financial Statements				
	District-wide Statements	Fund Financial 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: nutrition services, day care and 3 year old preschool are included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and agency fund monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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 and payable	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

District-wide Financial Statements

The district-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 position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how it has changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its 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 district-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 it cover the costs of certain services it provides. The District's nutrition services, day care, construction trades, and preschool programs are 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 repaying its long-term debts) 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 the reader determine whether there are more or fewer financial resources that can be spent in

the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship or differences between the two statements.

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

- *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 district-wide 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 has four enterprise funds, the School Nutrition Fund, the Construction Trades Fund, the Three-Year Old Preschool Fund and the Day Care Fund, consisting of Rainbow Day Care and Kids Quest.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others. These funds include Private-Purpose Trust and Agency funds.
 - Private Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.
 - Agency Fund – These are funds for which the District administers and accounts for certain federal and/or state grants on behalf of other entities.

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 district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Figure A-3 below provides a summary of the District's net position at June 30, 2013 compared to June 30, 2012.

	Governmental Activities		Business Activities		Total	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Current and other assets	\$16,890,214	\$16,193,321	\$ 120,779	\$130,402	\$17,010,993	\$16,323,723
Capital assets	<u>20,074,817</u>	<u>22,596,260</u>	<u>94,824</u>	<u>280,374</u>	<u>20,169,641</u>	<u>22,876,634</u>
Total assets	<u>\$36,965,031</u>	<u>\$38,789,581</u>	<u>\$ 215,603</u>	<u>\$410,776</u>	<u>\$37,180,634</u>	<u>\$39,200,357</u>
Long-term obligations	\$15,106,928	\$15,107,132	\$ 11,294	\$ 30,005	\$15,118,222	\$15,137,137
Other liabilities	<u>6,684,659</u>	<u>6,882,556</u>	<u>34,613</u>	<u>39,239</u>	<u>6,719,272</u>	<u>6,921,795</u>
Total liabilities	<u>\$21,791,587</u>	<u>\$21,989,688</u>	<u>\$ 45,907</u>	<u>\$ 69,244</u>	<u>\$21,837,494</u>	<u>\$22,058,932</u>
Net position						
Net Investment in capital assets	\$ 8,524,247	\$ 7,706,260	\$94,824	\$280,374	\$8,619,071	\$7,986,634
Restricted	2,961,105	4,966,862	-	-	2,961,105	\$4,966,862
Unrestricted	<u>3,688,092</u>	<u>4,126,771</u>	<u>74,872</u>	<u>61,158</u>	<u>3,762,964</u>	<u>\$4,187,929</u>
Total net position	<u>\$ 15,173,444</u>	<u>\$16,799,893</u>	<u>\$169,696</u>	<u>\$341,532</u>	<u>\$15,343,140</u>	<u>\$17,141,425</u>

Net position from governmental activities increased by \$1,626,449 in FY '13. This is primarily due to the increase in capital assets from the construction of the new middle school. The net position of the District's business-type activities increased by \$171,836 which is primarily due to the capitalization of new assets in the Nutrition Services program, specifically in the new middle school. (See Figure A-4)

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-type Activities		Total School District	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Revenues						
Program revenues						
Charges for services	\$ 1,712,432	\$1,762,489	\$ 991,669	\$ 779,412	\$2,704,101	\$ 2,541,901
Operating Grants & Contributions	1,906,551	1,768,192	275,710	272,849	2,182,261	2,041,041
Capital Grants & Contributions	241,215	567,439	42,340	213,711	283,555	781,150
General revenues						
Property taxes	4,065,809	3,987,611	-	-	4,065,809	3,987,611
Other taxes	1,470,784	1,516,004	-	-	1,470,784	1,516,004
Unrestricted Grants/Entitlements & Interest	6,495,169	6,112,498	218	158	6,495,387	6,112,656
Total revenues	\$ 15,891,960	\$15,714,233	\$1,309,937	\$1,266,130	\$17,201,897	\$16,980,363
Expenses						
Instruction	\$ 9,128,951	\$9,198,206	\$ 12,066	21,457	\$ 9,141,017	\$ 9,219,663
Support Services	3,645,853	3,687,337	122,443	12,508	3,768,296	3,699,845
Non-instructional Programs	-	-	1,172,061	1,060,329	1,172,061	1,060,329
Other	719,193	1,202,241	-	-	719,193	1,202,241
Total expenses	\$ 13,493,997	\$14,087,784	\$1,306,570	\$1,094,294	\$14,800,567	\$15,182,078
Change in net position	\$ 2,397,963	\$ 1,626,449	\$ 3,367	\$ 171,836	\$2,401,330	\$1,798,285

Figure A-5 shows the sources of revenues of governmental activities for fiscal year 2013. State Aid made up 37.2% of total revenues, down from 39.9% in fiscal year 2012. Property Taxes made up 25.4% of revenues, down slightly from 25.6% last year. Federal & State categorical grants made up 14.9% of the revenues, up from 13.5% last year. Most of this was due to revenues from the Safe Room grant for the new middle school. Charges for services as a percentage of total revenues increased slightly from 10.8% to 11.2%. Other taxes, which consist of SILO and Income Surtax, made up 9.6% of governmental revenues, up from 9.2% last year. Investment earnings and other general revenues made up 1.7% of total revenues compared to 1.0% in fiscal year 2012.

Figure A-5 Governmental Activities - Sources of Revenues for 2013

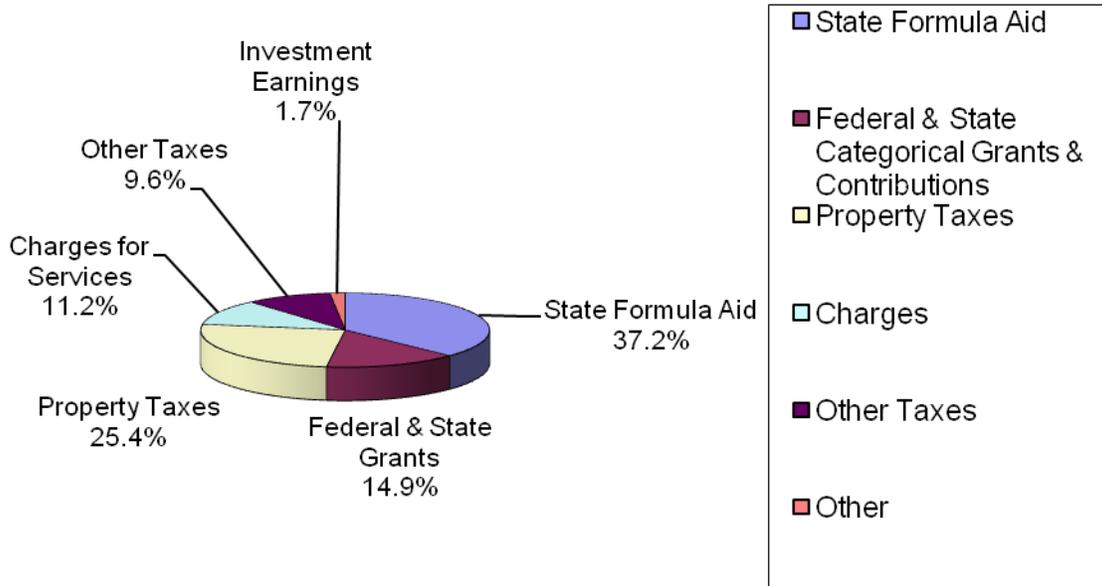


Figure A-6 illustrates the expenses of the District’s governmental activities divided into seven categories and presents them as a percent of all governmental activities expenses. Instructional expenses made up 65.3% of all governmental activities expenses. This is down from 67.7% in 2012. Pupil and Instructional Support, which includes media, guidance, and technology support, made up 6.4% of all expenses. Administration represented 7.8% of all expenses, down from 8.7%. Maintenance and Transportation accounted for 6.8% and 5.2% respectively of all expenses. This compares to 7.2% for Maintenance in 2012 and 4.9% for Transportation last year. All Other was 8.5% of total expenses. All Other includes Facilities Acquisition, Debt & Interest Charges, AEA Flowthrough and Unallocated Depreciation.

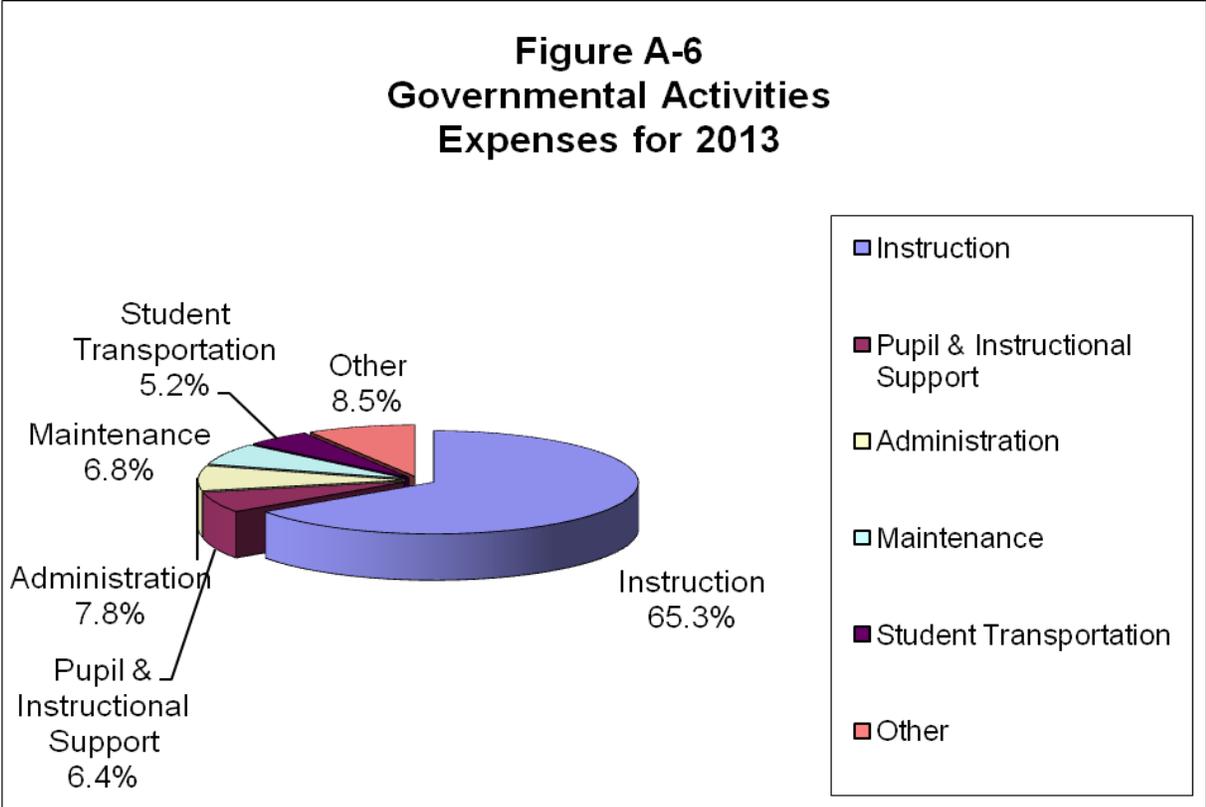


Figure A-7 presents the cost of four major district activities: instruction, support services including maintenance and transportation, non-instructional programs, and other. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Figure A-7

Total and Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Instruction	\$ 9,128,951	\$ 9,198,206	\$ 6,089,050	\$ 6,244,074
Support Services	3,645,853	3,687,337	3,550,374	3,589,729
Non-instructional Programs	-	-	-	-
Other	<u>719,193</u>	<u>1,202,241</u>	<u>(5,625)</u>	<u>155,861</u>
Total	\$13,493,997	\$14,087,784	\$ 9,633,799	\$ 9,989,664

- The cost of all governmental activities for FY '13 was \$14,087,784, an increase of 4.4% from FY '12.
- Some of the cost was financed by the users of the District's programs (see Figure A-4)
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$1,768,192, and charges for district services financed \$1,762,489.
- Most of the District's costs (\$9,989,664), however, were financed by District and state taxpayers.
- This portion of governmental activities was financed with \$3,987,611 in property taxes, \$6,112,498 of unrestricted state aid based on the statewide finance formula, and investment earnings. The state aid portion decreased by \$503,954 or 7.9%, due to a decrease in certified enrollment.

Business-Type Activities

Program revenues of the District's business-type activities decreased from \$1,309,937 to \$1,266,130, a decrease of \$43,807, or 3.3%. Though capital contributions totaled \$213,711 in the Nutrition Services fund in FY '13, the proceeds from sale of the student-built home in FY '12 were greater than the FY '13 capital contributions. Expenses for business-type activities decreased by \$212,276 to \$1,094,294 from \$1,306,570 due to the recognition of the expenses associated with the sale of the student-built home in FY '12. (Refer to Figure A-4.)

Financial Analysis of the District's Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$8,858,386. This is down from a combined governmental fund balance of \$9,742,379 at June 30, 2012. This decrease of approximately \$884,000 is primarily due to construction of the middle school and the use of bond proceeds for this construction.

Governmental Fund Highlights

- The General Fund balance increased by \$342,014 or 8.4% from \$4,050,204 to \$4,392,218. The increase is attributed to a budget guarantee in the amount of \$342,306 and a cash reserve levy in the amount of \$149,012.
- The Capital Projects Fund balance decreased from \$4,543,637 to \$2,593,487 due to the use of these funds to construct the new middle school.

Proprietary Fund Highlights

The School Nutrition Fund net position increased by \$154,912 from last year to \$255,401 at June 30, 2013. While the Nutrition Fund would have a negative change in net position of (\$58,799) without capital contributions, capital contributions totaled \$213,711 primarily due to equipment purchased for the new middle school.

The Construction Trades Fund experienced an increase in net position of \$6,627 from the previous year primarily due to rent collected on the student –built home still in inventory.

The Preschool Fund net position increased by \$2,742 from June 30, 2012. This is due to more program expenses covered by other sources.

The Daycare Fund net position increased by \$7,555 from the previous year. This is due to a decrease in expenses.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except its private-purpose trust and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a basis consistent with generally accepted accounting principles (GAAP).

Over the course of the year, the District amended its annual operating budget one time in the areas of Total Support Services, to allow for the expenditures related to the Safe & Supportive Schools Grant as well as for the purchase of a 65 passenger propane bus; and Total Other Expenditures, to allow for sufficient budgetary room for costs related to the construction of the new middle school and deconstruction costs of the old middle school.

With the amendment of the budget, none of the function areas exceeded the certified budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report.

Legal Budgetary Highlights

The District's total revenues were \$52,455 more than budgeted, a variance of .3%. Local revenues were \$174,858, or 2.1% greater than budgeted. This was primarily due to the utility rebates received from the construction of the new middle school.

Total expenditures were less than the budgeted amount by 14.4%. This is primarily due to the District's practice to budget expenditures near the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should exceed the actual expenditures during the year. Total expenditures are also lower than budgeted due to actual construction expenditures for the middle school being well below that allowed in the certified budget and budget amendment.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2013, the District had invested approximately \$22.6 million in a broad range of assets, including school buildings, athletic facilities, transportation, and technology equipment. (See Figure A-8) This is a net increase of approximately \$2.5 million from last year. The increase is mainly attributed to construction of the new middle school. Land decreased in the amount of \$493,800. This included the sale of the 57.9 acres on Highway 64. This also includes the purchase of an additional 1.82 acres at the new middle school site. The District purchased technology upgrades at a total cost of \$142,590. This included access points, switches and scale cluster for the new middle school as well as an HC3 Cluster at the high school, security upgrades at a cost of \$26,151, a 2013 65 passenger propane powered school bus, a phone system for the middle school, two floor scrubbers, wrestling mats and air conditioning units for server rooms. **(More detailed information about capital assets can be found in Note 5 to the financial statements.)** Depreciation expense for the year was \$487,747 for governmental activities. Business-Type activities capital assets increased by \$185,550. This increase is due to the purchase of equipment for the new middle school kitchen.

Figure A-8

Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012-2013</u>
	Land	\$1,287,365	\$ 793,565	\$ -	\$ -	\$1,287,365	\$ 793,565
Land Improvements	356,194	323,168			356,194	323,168	-9.3%
Construction In Progress	12,474,197	172,194			12,474,197	172,194	-98.6%
Buildings	5,716,495	20,839,309	-	-	5,716,495	20,839,309	264.5%
Equipment & Furniture	<u>240,566</u>	<u>468,024</u>	<u>94,824</u>	<u>280,374</u>	<u>335,390</u>	<u>748,398</u>	123.1%
	\$ 20,074,817	\$22,596,260	\$94,824	\$280,374	\$20,169,641	\$22,876,634	13.4%

Long-Term Debt

At June 30, 2013 the District had total governmental activities long- term liabilities of \$15,107,132. This is an increase of \$204 from the previous fiscal year as can be seen in Figure A-9 below. More detailed information about the District’s long-term liabilities is available in Note 6 to the financial statements.

No new debt for infrastructure purposes was issued during fiscal year ended June 30, 2013.

Figure A-9

Outstanding Long-Term Liabilities – Governmental Activities

	Total		Total Percentage Change <u>2012-2013</u>
	School District		
	<u>2012</u>	<u>2013</u>	
Early retirement	\$ 59,815	\$ 29,908	-50.0%
Net OPEB Liability	116,145	148,543	27.9%
Compensated Absences	40,968	38,681	-5.6%
Revenue Bonds	2,290,000	2,290,000	0.0%
Qualified School Construction Bonds	<u>12,600,000</u>	<u>12,600,000</u>	0.0%
Total	\$15,106,928	\$15,107,132	0.0%

Factors Bearing on the District’s Future

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that will affect its financial condition in the future:

- The line-item budget has been prepared for 2013-2014. General fund revenues are budgeted to be approximately \$65,000 less than fiscal year 2013. General funds expenditures are budgeted to be \$478,709 greater than fiscal year 2014. The budgeted shortfall in the general fund is (\$305,142). Costs need to be adjusted to accommodate the loss in one-time funding
- The District sold \$9,850,000 in General Obligation Bonds for funding projects approved by voters in April 2013. The remaining bonds will be sold in spring 2014.
- Work began on a \$350,000 addition/renovation to the Fitness Center at the High School. Work also began on a security upgrade at Strawberry Hill Elementary.
- Certified teaching staff, represented by the Anamosa Education Association, make up approximately \$6,300,000 in wages and benefits or 49.6% of all General Fund expenditures. Salary and benefit settlements with any employee group in excess of “new money” or allowable growth in state funding has an adverse effect on the District’s General Fund budget and related fund balance.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Linda Von Behren, Business Manager, Anamosa Community School District, 200 S Garnavillo Street, Anamosa, Iowa, 52205.

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Basic Financial Statements

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled investments	\$ 9,834,928	\$ 113,176	\$ 9,948,104
Receivables:			
Property tax:			
Current year	38,225	-	38,225
Succeeding year	4,777,647	-	4,777,647
Income surtax	458,845	-	458,845
Accounts	9,786	30,899	40,685
Due from other governments	776,934	-	776,934
Interfund balances (note 4)	237,890	(237,890)	-
Inventories	-	224,217	224,217
Prepaid expenses	59,066	-	59,066
Capital assets, net of accumulated depreciation (note 5)	22,596,260	280,374	22,876,634
Total assets	38,789,581	410,776	39,200,357
Liabilities			
Accounts payable	817,231	7,498	824,729
Salaries and benefits payable	1,181,185	24,359	1,205,544
Bond deposit payable	98,500	-	98,500
Accrued interest payable	6,466	-	6,466
Deferred revenue:			
Succeeding year property tax	4,777,647	-	4,777,647
Other	1,527	7,382	8,909
Long-term liabilities (note 6):			
Portion due within one year:			
Early retirement	29,908	-	29,908
Revenue bonds payable	15,000	-	15,000
Compensated absences	38,681	8,548	47,229
Portion due after one year:			
Revenue bonds payable	14,875,000	-	14,875,000
Net OPEB liability	148,543	21,457	170,000
Total liabilities	21,989,688	69,244	22,058,932

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Net Position			
Net investment in capital assets	\$ 7,706,260	\$ 280,374	\$ 7,986,634
Restricted for:			
Categorical funding	537,068	-	537,068
Management levy purposes	98,820	-	98,820
Student activities	235,160	-	235,160
Debt service	1,731,914	-	1,731,914
Physical plant and equipment levy purposes	840,545	-	840,545
Capital projects	1,523,355	-	1,523,355
Unrestricted	4,126,771	61,158	4,187,929
	<u>\$ 16,799,893</u>	<u>\$ 341,532</u>	<u>\$ 17,141,425</u>

See notes to financial statements.

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 9,198,206	\$ 1,726,436	\$ 1,227,696	\$ -
Support services:				
Student	518,988	-	36,424	-
Instructional staff	386,382	-	12,149	-
Administration	1,095,747	-	-	-
Operation and maintenance of plant	957,265	9,602	-	-
Transportation	728,955	26,451	12,982	-
	<u>3,687,337</u>	<u>36,053</u>	<u>61,555</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	251,906	-	-	567,439
Long-term debt interest and fiscal charges	92,798	-	-	-
AEA flowthrough	478,941	-	478,941	-
Depreciation (unallocated) *	378,596	-	-	-
	<u>1,202,241</u>	<u>-</u>	<u>478,941</u>	<u>567,439</u>
Total governmental activities	<u>14,087,784</u>	<u>1,762,489</u>	<u>1,768,192</u>	<u>567,439</u>
Business-Type Activities:				
Instruction	\$ 21,457	\$ 16,972	\$ 7,200	\$ -
Support services:				
Student	939	-	-	-
Instructional staff	103	-	-	-
Administration	5,702	-	-	-
Operation and maintenance of plant	4,756	-	-	-
Transportation	1,008	-	-	-
	<u>12,508</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (6,244,074)	\$ -	\$ (6,244,074)
(482,564)	-	(482,564)
(374,233)	-	(374,233)
(1,095,747)	-	(1,095,747)
(947,663)	-	(947,663)
(689,522)	-	(689,522)
(3,589,729)	-	(3,589,729)
315,533	-	315,533
(92,798)	-	(92,798)
-	-	-
(378,596)	-	(378,596)
(155,861)	-	(155,861)
(9,989,664)	-	(9,989,664)
\$ -	\$ 2,715	\$ 2,715
-	(939)	(939)
-	(103)	(103)
-	(5,702)	(5,702)
-	(4,756)	(4,756)
-	(1,008)	(1,008)
-	(12,508)	(12,508)

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-Type Activities (continued):				
Non-instructional programs:				
Food service operations	\$ 680,155	\$ 365,085	\$ 265,649	\$ 213,711
Construction trades operations	3,380	10,800	-	-
Preschool operations	818	-	-	-
Daycare operations	375,976	386,555	-	-
	<u>1,060,329</u>	<u>762,440</u>	<u>265,649</u>	<u>213,711</u>
Total business-type activities	<u>1,094,294</u>	<u>779,412</u>	<u>272,849</u>	<u>213,711</u>
Total	<u>\$ 15,182,078</u>	<u>\$ 2,541,901</u>	<u>\$ 2,041,041</u>	<u>\$ 781,150</u>

General revenues:

Property tax levied for:
 General purposes
 Capital outlay
 Income surtax
 Statewide sales, services and use tax
 Unrestricted state grants
 Unrestricted investment earnings
 Other

Total general revenues

Change in net position

Net position beginning of year

Net position end of year

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

See notes to financial statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ -	\$ 164,290	\$ 164,290
-	7,420	7,420
-	(818)	(818)
-	10,579	10,579
-	181,471	181,471
-	171,678	171,678
(9,989,664)	171,678	(9,817,986)
\$ 3,674,016	\$ -	\$ 3,674,016
313,595	-	313,595
471,115	-	471,115
1,044,889	-	1,044,889
5,844,409	-	5,844,409
54,243	158	54,401
213,846	-	213,846
11,616,113	158	11,616,271
1,626,449	171,836	1,798,285
15,173,444	169,696	15,343,140
<u>\$ 16,799,893</u>	<u>\$ 341,532</u>	<u>\$ 17,141,425</u>

ANAMOSA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 5,248,039	\$ 1,508,793	\$ 2,710,946	\$ 367,150	\$ 9,834,928
Receivables:					
Property tax:					
Current year	32,673	-	2,962	2,590	38,225
Succeeding year	3,119,663	1,075,218	325,767	256,999	4,777,647
Income surtax	458,845	-	-	-	458,845
Interfund receivable (note 4)	238,386	-	-	-	238,386
Accounts	7,690	-	600	1,496	9,786
Due from other governments	454,483	-	322,451	-	776,934
Prepaid expenses	59,066	-	-	-	59,066
	<hr/>				
Total assets	<u>\$ 9,618,845</u>	<u>\$ 2,584,011</u>	<u>\$ 3,362,726</u>	<u>\$ 628,235</u>	<u>\$ 16,193,817</u>

ANAMOSA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 466,396	\$ -	\$ 344,470	\$ 6,365	\$ 817,231
Salaries and benefits payable	1,179,791	-	502	892	1,181,185
Bond deposit payable	-	-	98,500	-	98,500
Interfund payable (note 4)	405	-	-	91	496
Deferred revenue:					
Succeeding year property tax	3,119,663	1,075,218	325,767	256,999	4,777,647
Other	460,372	-	-	-	460,372
Total liabilities	<u>5,226,627</u>	<u>1,075,218</u>	<u>769,239</u>	<u>264,347</u>	<u>7,335,431</u>
Fund balances:					
Nonspendable:					
Prepaid expenses	59,066	-	-	-	59,066
Restricted for:					
Categorical funding (note 11)	537,068	-	-	-	537,068
Revenue bonds sinking funds	-	1,508,793	-	-	1,508,793
Revenue bonds	-	-	229,000	-	229,000
School infrastructure	-	-	1,596,026	-	1,596,026
Physical plant and equipment	-	-	840,545	-	840,545
Management levy purposes	-	-	-	128,728	128,728
Student activities	-	-	-	235,160	235,160
Assigned for wellness	20,696	-	-	-	20,696
Unassigned	3,775,388	-	(72,084)	-	3,703,304
Total fund balances	<u>4,392,218</u>	<u>1,508,793</u>	<u>2,593,487</u>	<u>363,888</u>	<u>8,858,386</u>
Total liabilities and fund balances	<u>\$ 9,618,845</u>	<u>\$ 2,584,011</u>	<u>\$ 3,362,726</u>	<u>\$ 628,235</u>	<u>\$ 16,193,817</u>

See notes to financial statements.

ANAMOSA COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 June 30, 2013

Total fund balances of governmental funds	\$ 8,858,386
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	22,596,260
Other long-term assets, including income surtax receivable, are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	458,845
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(6,466)
Long-term liabilities, including compensated absences, early retirement, bonds payable, and net OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(15,107,132)</u>
Net position of governmental activities	<u>\$ 16,799,893</u>

See notes to financial statements.

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	General	Debt Service	Capital Projects	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 3,889,431	\$ -	\$ 1,358,248	\$ 266,081	\$ 5,513,760
Tuition	914,302	-	-	-	914,302
Other	264,761	12,957	216,464	550,548	1,044,730
State sources	7,251,135	-	44,059	204	7,295,398
Federal sources	528,432	-	328,674	-	857,106
Total revenues	<u>12,848,061</u>	<u>12,957</u>	<u>1,947,445</u>	<u>816,833</u>	<u>15,625,296</u>
Expenditures:					
Current:					
Instruction	8,522,506	-	13,108	626,109	9,161,723
Support services:					
Student	518,988	-	-	-	518,988
Instructional staff	411,833	-	4,046	-	415,879
Administration	1,039,117	-	162,092	4,895	1,206,104
Operation and maintenance of plant	871,519	-	22,593	85,123	979,235
Transportation	671,400	-	80,491	21,274	773,165
	<u>3,512,857</u>	<u>-</u>	<u>269,222</u>	<u>111,292</u>	<u>3,893,371</u>
Other expenditures:					
Facilities acquisition	-	-	3,475,990	-	3,475,990
Long term debt:					
Interest and fiscal charges	-	80,383	14,813	-	95,196
AEA flowthrough	478,941	-	-	-	478,941
	<u>478,941</u>	<u>80,383</u>	<u>3,490,803</u>	<u>-</u>	<u>4,050,127</u>
Total expenditures	<u>12,514,304</u>	<u>80,383</u>	<u>3,773,133</u>	<u>737,401</u>	<u>17,105,221</u>
Excess (deficiency) of revenues over (under) expenditures	<u>333,757</u>	<u>(67,426)</u>	<u>(1,825,688)</u>	<u>79,432</u>	<u>(1,479,925)</u>

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Other financing sources (uses):					
Sale of equipment	\$ 6,412	\$ -	\$ -	\$ -	\$ 6,412
Compensation for loss of capital assets	1,845	-	-	-	1,845
Interfund transfers in (note 3)	-	712,137	-	-	712,137
Interfund transfers out (note 3)	-	-	(712,137)	-	(712,137)
Total other financing sources (uses)	<u>8,257</u>	<u>712,137</u>	<u>(712,137)</u>	<u>-</u>	<u>8,257</u>
Special item- Proceeds from sale of land	-	-	587,675	-	587,675
Net change in fund balances	342,014	644,711	(1,950,150)	79,432	(883,993)
Fund balances beginning of year	<u>4,050,204</u>	<u>864,082</u>	<u>4,543,637</u>	<u>284,456</u>	<u>9,742,379</u>
Fund balances end of year	<u>\$ 4,392,218</u>	<u>\$ 1,508,793</u>	<u>\$ 2,593,487</u>	<u>\$ 363,888</u>	<u>\$ 8,858,386</u>

See notes to financial statements.

ANAMOSA 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, 2013

Net change in fund balances - total governmental funds \$ (883,993)

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 not reported in the Statement of Net Position and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Expenditures for capital assets	\$ 3,502,990	
Capital assets donated by others	27,300	
Depreciation expense	<u>(487,747)</u>	3,042,543

Proceeds from the sale of capital assets are reported in governmental funds as an increase in financial resources. However, only the gain on sale of capital assets is reported in the Statement of Activities. (521,100)

Income surtax revenue not received until several months after the District's fiscal year end is not considered available revenue and is deferred in the governmental funds. It is, however, recorded as revenue in the Statement of Activities. (13,195)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 2,398

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement	29,907	
Compensated absences	2,287	
Net OPEB liability	<u>(32,398)</u>	<u>(204)</u>

Change in net position of governmental activities \$ 1,626,449

See notes to financial statements.

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2013

	School Nutrition	Nonmajor Enterprise Funds	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 9,056	\$ 104,120	\$ 113,176
Accounts receivable	1,972	28,927	30,899
Interfund receivable (note 4)	405	-	405
Inventories	14,559	209,658	224,217
Total current assets	<u>25,992</u>	<u>342,705</u>	<u>368,697</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation (note 5)	280,374	-	280,374
Total assets	<u>306,366</u>	<u>342,705</u>	<u>649,071</u>
Liabilities			
Current liabilities:			
Accounts payable	3,224	4,274	7,498
Salaries and benefits payable	7,966	16,393	24,359
Interfund payable (note 4)	23,238	215,057	238,295
Deferred revenue	6,602	780	7,382
Total current liabilities	<u>41,030</u>	<u>236,504</u>	<u>277,534</u>
Noncurrent liabilities:			
Compensated absences	-	8,548	8,548
Net OPEB liability	9,935	11,522	21,457
Total noncurrent liabilities	<u>9,935</u>	<u>20,070</u>	<u>30,005</u>
Total liabilities	<u>50,965</u>	<u>256,574</u>	<u>307,539</u>
Net Position			
Net investment in capital assets	280,374	-	280,374
Unrestricted	(24,973)	86,131	61,158
Total net position	<u>\$ 255,401</u>	<u>\$ 86,131</u>	<u>\$ 341,532</u>

See notes to financial statements.

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2013

	School Nutrition	Nonmajor Enterprise Funds	Total
Operating revenues:			
Local sources:			
Charges for services	\$ 365,085	\$ 414,327	\$ 779,412
Operating expenses:			
Instruction	-	21,457	21,457
Support services:			
Student	-	939	939
Instructional staff	-	103	103
Administration	4,666	1,036	5,702
Operation and maintenance of plant	4,756	-	4,756
Transportation	-	1,008	1,008
Non-instructional programs	680,155	380,174	1,060,329
	<u>689,577</u>	<u>404,717</u>	<u>1,094,294</u>
Operating income (loss)	(324,492)	9,610	(314,882)
Non-operating revenues:			
Interest on investments	44	114	158
Capital contributions	213,711	-	213,711
State sources	4,798	7,200	11,998
Federal sources	260,851	-	260,851
Total non-operating revenues	<u>479,404</u>	<u>7,314</u>	<u>486,718</u>
Change in net position	154,912	16,924	171,836
Net position beginning of year	<u>100,489</u>	<u>69,207</u>	<u>169,696</u>
Net position end of year	<u>\$ 255,401</u>	<u>\$ 86,131</u>	<u>\$ 341,532</u>

See notes to financial statements.

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2013

	School Nutrition	Nonmajor Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 332,147	\$ -	\$ 332,147
Cash received from miscellaneous operating activities	32,687	415,344	448,031
Cash payments to employees for services	(318,114)	(345,441)	(663,555)
Cash payments to suppliers for goods or services	(302,951)	(44,764)	(347,715)
Net cash provided by (used by) operating activities	<u>(256,231)</u>	<u>25,139</u>	<u>(231,092)</u>
Cash flows from non-capital financing activities:			
State grants received	4,798	7,200	11,998
Federal grants received	225,846	-	225,846
Net cash provided by non-capital financing activities	<u>230,644</u>	<u>7,200</u>	<u>237,844</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(2,942)	-	(2,942)
Cash flows from investing activities:			
Interest on investments	44	114	158
Net increase (decrease) in cash and cash equivalents	(28,485)	32,453	3,968
Cash and cash equivalents beginning of year	<u>37,541</u>	<u>(139,677)</u>	<u>(102,136)</u>
Cash and cash equivalents end of year	<u>\$ 9,056</u>	<u>\$ (107,224)</u>	<u>\$ (98,168)</u>

ANAMOSA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2013

	School Nutrition	Nonmajor Enterprise Funds	Total
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:			
Operating income (loss)	\$ (324,492)	\$ 9,610	\$ (314,882)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:			
Depreciation	31,103	-	31,103
Commodities used	35,005	-	35,005
(Increase) decrease in accounts receivable	(1,972)	1,587	(385)
Decrease in interfund receivable	2,712	-	2,712
(Increase) in inventories	(24)	-	(24)
Decrease in prepaid expenses	-	2,010	2,010
Increase in accounts payable	1,478	3,834	5,312
Increase in salaries and benefits payable	142	733	875
(Decrease) in interfund payable	(7,644)	(2,324)	(9,968)
(Decrease) in deferred revenue	(991)	(570)	(1,561)
Increase in compensated absences	-	1,109	1,109
Increase in net OPEB liability	8,452	9,150	17,602
Net cash provided by (used by) operating activities	<u>\$ (256,231)</u>	<u>\$ 25,139</u>	<u>\$ (231,092)</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2013, the District received \$35,005 of federal commodities and \$213,711 of contributed equipment.

See notes to financial statements.

ANAMOSA COMMUNITY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2013

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Cash and pooled investments	\$ 67,552	\$ 90,472
Liabilities:		
Accounts payable	-	53,258
Other payables	-	37,214
Total liabilities	-	90,472
Net position:		
Restricted for scholarships	\$ 67,552	\$ -

See notes to financial statements.

ANAMOSA COMMUNITY SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 Year Ended June 30, 2013

		Private Purpose Trust
		<u>Scholarship</u>
Additions:		
Local sources:		
Gifts and contributions	\$	2,000
Interest		<u>1,049</u>
Total additions		<u>3,049</u>
Deductions:		
Non-instructional programs:		
Scholarships awarded		<u>3,246</u>
Change in net position		(197)
Net position beginning of year		<u>67,749</u>
Net position end of year	\$	<u><u>67,552</u></u>
See notes to financial statements.		

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies

Anamosa Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve, special education pre-kindergarten, and a preschool program for three and four year olds. The geographic area served includes the Cities of Anamosa, Martelle, Viola, Morley, Fairview, and Stone City, Iowa, and agricultural territory in Jones County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Anamosa 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. Anamosa 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 does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Jones County Assessor's Conference Board.

B. Basis of Presentation

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

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

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

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

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

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

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

The District reports the following major governmental funds:

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

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

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

The District reports the following major proprietary fund:

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

The District also reports fiduciary funds which focus on net position and changes in net position. 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 with restrictions of income earned to be used to benefit individuals through scholarship awards.

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the 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 the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position 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.

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

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

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Current year property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the 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 District-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2011 assessed property valuations; is for the tax accrual period July 1, 2012 through June 30, 2013 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2012.

Income Surtax Receivable – Income surtax budgeted for the fiscal year ended June 30, 2013 will not be received by the District until several months after the fiscal year end. Accordingly, income surtax is recorded as a receivable and included in deferred revenue on the modified accrual basis for the governmental funds. For the District-wide statements, on the Statement of Activities the income surtax revenue is recognized.

Interfund Receivables and Payables – During the course of its operations, the District may have certain transactions between funds or pooled cash balances. To the extent that these transactions between funds had not been paid or received as of June 30, 2013, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

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

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the District-wide Statement of Net Position. 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	\$ 2,500
Buildings	2,500
Improvements other than buildings	2,500
Intangibles	150,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500

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

Asset Class	Estimated Useful Lives
Buildings	20-50 years
Improvements other than buildings	20 years
Furniture and equipment	5-12 years

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

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

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Deferred revenue for governmental activities in the Statement of Net Position consists of unspent grant proceeds, preschool deposits, and the succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Deferred revenue for proprietary funds and business-type activities consists of unearned meal and preschool revenues.

Long-term Liabilities – In the District-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 Position.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the District-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2013. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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 are imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the Board of Education intends to use for specific purposes.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2013, expenditures did not exceed the amounts budgeted.

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2013 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.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 2. Cash and Pooled Investments (continued)

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, 2013, the District had investments as follows:

	Amortized Cost/ Fair Value
Iowa Schools Joint Investment Trust, Diversified Portfolio	\$ 19,153
Money Market Mutual Fund	236,231
	\$ 255,384

The investments in the Iowa Schools Joint Investment Trust are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the money market mutual fund is valued at fair value.

Credit Risk – The investments in the Iowa Schools Joint Investment Trust and the money market mutual fund were rated AAAM by Standard & Poor’s Financial Services.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2013 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects	\$ 712,137

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

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 4. Interfund Receivables and Payables

At June 30, 2013, interfund receivables and payables consisted of the following:

Receivable Fund	Payable Fund	Amount
Interfund balances between governmental funds:		
Other receivables:		
General	Special Revenue - Student Activity	\$ <u>91</u>
Interfund balances between governmental and proprietary funds:		
Pooled cash balances:		
General	Enterprise - Construction Trades	<u>211,344</u>
Other receivables:		
General	Enterprise - School Nutrition	23,238
General	Enterprise - Construction Trades	3,713
Enterprise - School Nutrition	General	<u>405</u>
		<u>27,356</u>
Total		\$ <u><u>238,791</u></u>

Pooled cash balances are temporary financing between funds which is necessary due to the timing of expected revenues from the sale of the student built house and the related expenses.

The balances between governmental funds are not included on the District-wide Statement of Net Position. The balances between governmental and proprietary funds have been eliminated on the face of the District-wide Statement of Net Position.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2013 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,287,365	\$ 27,300	\$ 521,100	\$ 793,565
Construction in progress	12,474,197	172,194	12,474,197	172,194
Total capital assets not being depreciated	<u>13,761,562</u>	<u>199,494</u>	<u>12,995,297</u>	<u>965,759</u>
Capital assets being depreciated:				
Buildings	8,937,230	15,465,317	-	24,402,547
Improvements other than buildings	710,568	-	-	710,568
Furniture and equipment	2,158,198	339,676	154,226	2,343,648
Total capital assets being depreciated	<u>11,805,996</u>	<u>15,804,993</u>	<u>154,226</u>	<u>27,456,763</u>
Less accumulated depreciation for:				
Buildings	3,220,735	342,503	-	3,563,238
Improvements other than buildings	354,374	33,026	-	387,400
Furniture and equipment	1,917,632	112,218	154,226	1,875,624
Total accumulated depreciation	<u>5,492,741</u>	<u>487,747</u>	<u>154,226</u>	<u>5,826,262</u>
Total capital assets being depreciated, net	<u>6,313,255</u>	<u>15,317,246</u>	<u>-</u>	<u>21,630,501</u>
Governmental activities capital assets, net	<u>\$ 20,074,817</u>	<u>\$ 15,516,740</u>	<u>\$ 12,995,297</u>	<u>\$ 22,596,260</u>
Business-type activities:				
Furniture and equipment	\$ 291,232	\$ 216,653	-	\$ 507,885
Less accumulated depreciation	196,408	31,103	-	227,511
Business-type activities capital assets, net	<u>\$ 94,824</u>	<u>\$ 185,550</u>	<u>\$ -</u>	<u>\$ 280,374</u>

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 5. Capital Assets (continued)

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction	\$ 52,834
Support services:	
Instructional staff	1,949
Operation and maintenance of plant	17,143
Transportation	<u>37,225</u>
	109,151
Unallocated depreciation	<u>378,596</u>
Total depreciation expense - governmental activities	\$ <u>487,747</u>
Business-type activities:	
Food service operations	\$ <u>31,103</u>

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 6. Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2013 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Compensated absences	\$ 40,968	\$ 38,681	\$ 40,968	\$ 38,681	\$ 38,681
Early retirement	59,815	-	29,907	29,908	29,908
Qualified school construction revenue bonds	12,600,000	-	-	12,600,000	-
Revenue bonds	2,290,000	-	-	2,290,000	15,000
Net OPEB liability	116,145	32,398	-	148,543	-
Total	\$ 15,106,928	\$ 71,079	\$ 70,875	\$ 15,107,132	\$ 83,589
Business-type activities:					
Compensated absences	\$ 7,439	\$ 8,548	\$ 7,439	\$ 8,548	\$ 8,548
Net OPEB liability	3,855	17,602	-	21,457	-
Total	\$ 11,294	\$ 26,150	\$ 7,439	\$ 30,005	\$ 8,548

Early Retirement

The District offered a voluntary early retirement plan to its employees for fiscal year 2010 only. Under the plan, eligible employees had to be at least age fifty-five and employees had to have completed fifteen years of full-time contracted service to the District. Employees had to complete an application which was required to be approved by the Board of Education.

The early retirement incentive for each eligible classified employee is equal to 45% of the employee's 2009-10 annualized wage excluding overtime. The early retirement incentive for each eligible certified employee is equal to 45% of the employee's 2009-10 salary schedule, excluding extra-curricular, Phase II, or other payments not included in the salary schedule and subject to a maximum of \$20,000 per individual. Early retirement benefits will be paid in four equal annual payments into a 403(b) retirement plan or a health reimbursement arrangement (HRA).

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 6. Long-Term Liabilities (continued)

Early Retirement (continued)

At June 30, 2013, the District has obligations to six participants with a total liability of \$29,908. Actual early retirement expenditures for the year ended June 30, 2013 totaled \$29,907. Early retirement is recorded as a long-term liability of the Governmental Activities in the District-wide financial statements.

Qualified School Construction Revenue Bonds

Details of the District's June 30, 2013 qualified school construction school infrastructure sales and services tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ -	\$ 7,042	\$ 7,042
2015	-	7,042	7,042
2016	-	7,042	7,042
2017	-	7,042	7,042
2018	-	7,042	7,042
2019-2023	-	21,126	21,126
2024-2028	8,800,000	-	8,800,000
2029	3,800,000	-	3,800,000
	<u>\$ 12,600,000</u>	<u>\$ 56,336</u>	<u>\$ 12,656,336</u>

The resolution providing for the issuance of the qualified school construction school infrastructure sales, services and use tax revenue bonds includes the following provisions:

- a) The qualified school construction revenue bonds are interest-free to the District. For all issuances except the May 2012 issuance, the issuer banks will receive a tax credit for federal taxes at the following rates: 5.49% for series 2010A, 2010B and 2010C; 5.39% for series 2011A; 5.29% for series 2011B; and 5.27% for series 2011C. For the May 2012 issuance, the District will receive from the U.S. Treasury subsidy payments equal to the interest on the bonds at a rate of 4.83%. However, the subsidy is subject to the federal sequester through 2021. The District is responsible for the difference between the interest due and the federal subsidy payment.
- b) All proceeds from the statewide sales and services tax shall be placed in a Revenue Fund.
- c) Annual deposits of \$624,625 shall be made to the Sinking Fund at each issuer bank for the purpose of accumulating money to make the bond principal payment when due at maturity for all issuances except the May 2012 issuance. For the May 2012 issuance, annual required deposits to the Sinking Fund range from \$50,000 to \$470,000. Each bank will pay interest of 1.00 to 1.25% on Sinking Fund deposits.
- d) Any monies remaining in the Revenue Fund after the required transfer to the Sinking Fund may be transferred to the Project Fund to be used for any lawful purpose.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 6. Long-Term Liabilities (continued)

Revenue Bonds

Details of the District's June 30, 2013 school infrastructure sales and services tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2014	2.000 %	\$ 15,000	\$ 70,553	\$ 85,553
2015	2.000	20,000	70,252	90,252
2016	2.000	20,000	69,853	89,853
2017	2.000	20,000	69,452	89,452
2018	2.500	20,000	69,053	89,053
2019-2023	2.500-2.800	100,000	337,762	437,762
2024-2028	2.800-3.125	855,000	318,470	1,173,470
2029-2030	3.200	1,240,000	48,960	1,288,960
		<u>\$ 2,290,000</u>	<u>\$ 1,054,355</u>	<u>\$ 3,344,355</u>

The resolution for the issuance of the school infrastructure sales and services tax revenue bonds includes the following provisions:

- a) \$229,000 of the proceeds from the issuance of the revenue bonds shall be deposited to a Reserve Fund to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Fund. The balance of the proceeds shall be deposited to the Project Fund.
- b) All proceeds from the statewide sales and services tax shall be placed in a Revenue Fund.
- c) Sufficient monthly deposits amounting to one twelfth of the next principal payment and one sixth of the next interest payment shall be made to the Sinking Fund for the purpose of making the bond principal and interest payments when due.
- d) Any monies remaining in the Revenue Fund after the required transfer to the Sinking Fund may be transferred to the Project Fund to be used for any lawful purpose.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 6. Long-Term Liabilities (continued)

Revenue Bonds (continued)

The District pledged future statewide sales and services tax revenues to repay the \$12,600,000 qualified school construction revenue bonds issued in December 2010, March 2011, April 2011, July 2011, and May 2012, and the \$2,290,000 revenue bonds issued in May 2012. The bonds were issued for the purpose of financing a portion of the costs of a new middle school and safe room. The bonds are payable solely from the proceeds of the statewide sales and services tax revenues received by the District and are payable through 2029. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitation of the District. Annual required transfers to the bond sinking fund and principal and interest payments are expected to require approximately 60 to 80 percent of the statewide sales and services tax revenues. The total principal and interest remaining to be paid on the bonds is \$16,000,691. For the current year, interest of \$77,383 was paid on the bonds, \$624,625 was transferred to the qualified school construction sinking funds, and total statewide sales and services tax revenues were \$1,044,889.

Note 7. Other Postemployment Benefits (OPEB)

Plan Description – The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 107 active and 16 retired members in the plan. Retired participants must be age 55 or older at retirement.

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

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

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

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 7. Other Postemployment Benefits (OPEB) (continued)

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 81,000
Interest on net OPEB obligation	3,000
Adjustment to annual required contribution	<u>(17,000)</u>
Annual OPEB cost	67,000
Contributions made	<u>(17,000)</u>
Increase in net OPEB obligation	50,000
Net OPEB obligation beginning of year	<u>120,000</u>
Net OPEB obligation end of year	<u><u>\$ 170,000</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2013.

For the year ended June 30, 2013, the District contributed \$17,000 to the medical plan.

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

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2011	\$ 60,000	38.3%	\$ 77,000
2012	67,000	35.8%	120,000
2013	67,000	25.4%	170,000

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$500,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$500,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$8,321,000, and the ratio of the UAAL to covered payroll was 6.0%. As of June 30, 2013, there were no trust fund assets.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 7. Other Postemployment Benefits (OPEB) (continued)

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

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

As of the July 1, 2012 actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table projected to 2000, applied on a 2/3 female, 1/3 male basis. The UAAL is being amortized as a level dollar cost over service of the group on a closed basis over 30 years.

Note 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 5.78% of their annual covered salary and the District is required to contribute 8.67% of annual covered payroll for the year ended June 30, 2013. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2013, 2012, and 2011 were \$702,628, \$668,571, and \$561,684, respectively, equal to the required contributions for each year.

Note 9. Risk Management

Anamosa 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.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$478,941 for the year ended June 30, 2013 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 11. Categorical Funding

The District's fund balance restricted for categorical funding at June 30, 2013 is comprised of the following programs:

Program	Amount
Limited English proficient	\$ 8,392
Home school assistance program	6,026
Gifted and talented programs	60,797
Four year old preschool state aid	273,684
Teacher salary supplement	169,373
Market factor	5,409
Textbook aid for nonpublic students	1,027
Math and science education improvement	2,200
Market factor incentives	10,160
Total	\$ 537,068

Note 12. Deficit Balance

The Construction Trades Fund within the Nonmajor Enterprise Funds had a deficit net position of \$5,399 at June 30, 2013.

Note 13. Subsequent Events

On July 15, 2013, the District issued \$9,850,000 of general obligation bonds. The bonds are payable through the year ending June 30, 2033 with interest rates ranging from 2.0% to 3.6%.

In August 2013, the District approved contracts totaling \$249,360 for the athletic facility addition and renovation project.

In September 2013, the District approved a contract totaling \$181,800 for the deconstruction of the former middle school building.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 14. Early Childhood Iowa Area Board

The District is the fiscal agent for the Cedar/Jones Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial transactions of the Area Board are included in the District's financial statements as an Agency Fund because of the District's fiduciary relationship with the organization. The Area Board's financial data for the year ended June 30, 2013 is as follows:

	Early Childhood	School Ready	Total
Revenues:			
State grants:			
Early childhood	\$ 33,909	\$ -	\$ 33,909
Family support and parent education	-	159,086	159,086
Preschool support for low income families	-	69,850	69,850
Quality improvement	-	41,314	41,314
Allocation for administration	1,785	8,871	10,656
Other grant programs	-	16,758	16,758
Total state grants	<u>35,694</u>	<u>295,879</u>	<u>331,573</u>
Interest	19	168	187
Total revenues	<u>35,713</u>	<u>296,047</u>	<u>331,760</u>
Expenditures:			
Program services:			
Early childhood	38,230	-	38,230
Family support and parent education	-	168,025	168,025
Preschool support for low income families	-	80,062	80,062
Quality improvement	-	31,092	31,092
Other program services	-	13,066	13,066
Total program services	<u>38,230</u>	<u>292,245</u>	<u>330,475</u>
Administration	<u>2,816</u>	<u>10,289</u>	<u>13,105</u>
Total expenditures	<u>41,046</u>	<u>302,534</u>	<u>343,580</u>
Net change in fund balances	(5,333)	(6,487)	(11,820)
Balances beginning of year	<u>5,333</u>	<u>40,241</u>	<u>45,574</u>
Balances end of year	<u>\$ -</u>	<u>\$ 33,754</u>	<u>\$ 33,754</u>

Findings related to the operations of the Early Childhood Iowa Area Board are included as item IV-M-13 in the Schedule of Findings and Questioned Costs.

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Required Supplementary Information

ANAMOSA COMMUNITY SCHOOL DISTRICT

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

Required Supplementary Information

Year Ended June 30, 2013

	Governmental Funds - Actual	Proprietary Funds - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
REVENUES:						
Local sources	\$ 7,472,792	\$ 993,281	\$ 8,466,073	\$ 8,291,215	\$ 8,291,215	\$ 174,858
State sources	7,295,398	11,998	7,307,396	7,363,759	7,363,759	(56,363)
Federal sources	857,106	260,851	1,117,957	1,183,997	1,183,997	(66,040)
Total revenues	15,625,296	1,266,130	16,891,426	16,838,971	16,838,971	52,455
EXPENDITURES/EXPENSES:						
Instruction	9,161,723	21,457	9,183,180	10,418,509	10,418,509	1,235,329
Support services	3,893,371	12,508	3,905,879	4,348,353	4,598,353	692,474
Non-instructional programs	-	1,060,329	1,060,329	1,132,269	1,132,269	71,940
Other expenditures	4,050,127	-	4,050,127	3,321,540	5,121,540	1,071,413
Total expenditures/expenses	17,105,221	1,094,294	18,199,515	19,220,671	21,270,671	3,071,156
Excess (deficiency) of revenues over (under) expenditures/ expenses	(1,479,925)	171,836	(1,308,089)	(2,381,700)	(4,431,700)	3,123,611
Other financing sources, net and special items	595,932	-	595,932	-	-	595,932
Excess (deficiency) of revenues and other financing sources and special items over (under) expenditures/expenses	(883,993)	171,836	(712,157)	(2,381,700)	(4,431,700)	3,719,543
Balance beginning of year	9,742,379	169,696	9,912,075	6,649,822	6,649,822	3,262,253
Balance end of year	<u>\$ 8,858,386</u>	<u>\$ 341,532</u>	<u>\$ 9,199,918</u>	<u>\$ 4,268,122</u>	<u>\$ 2,218,122</u>	<u>\$ 6,981,796</u>

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
Year Ended June 30, 2013

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a 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 or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$2,050,000.

During the year ended June 30, 2013, expenditures did not exceed the amounts budgeted.

ANAMOSA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
(In Thousands)

Required Supplementary Information
Year Ended June 30, 2013

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	\$ -	\$ 481	\$ 481	0.0%	\$ 8,466	5.7%
2011	July 1, 2009	-	464	464	0.0%	8,279	5.6%
2012	July 1, 2009	-	459	459	0.0%	8,492	5.4%
2013	July 1, 2012	-	500	500	0.0%	8,321	6.0%

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

See accompanying independent auditor's report.

Supplementary Information

ANAMOSA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

	Special Revenue		Total
	Management Levy	Student Activity	
Assets			
Cash and pooled investments	\$ 126,632	\$ 240,518	\$ 367,150
Receivables:			
Property tax:			
Current year	2,590	-	2,590
Succeeding year	256,999	-	256,999
Accounts	-	1,496	1,496
Total assets	\$ 386,221	\$ 242,014	\$ 628,235
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 494	\$ 5,871	\$ 6,365
Salaries and benefits payable	-	892	892
Interfund payable	-	91	91
Deferred revenue:			
Succeeding year property tax	256,999	-	256,999
Total liabilities	257,493	6,854	264,347
Fund balances:			
Restricted for:			
Management levy purposes	128,728	-	128,728
Student activities	-	235,160	235,160
Total fund balances	128,728	235,160	363,888
Total liabilities and fund balances	\$ 386,221	\$ 242,014	\$ 628,235

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2013

	Special Revenue		Total
	Management Levy	Student Activity	
Revenues:			
Local sources:			
Local tax	\$ 266,081	\$ -	\$ 266,081
Other	6,424	544,124	550,548
State sources	204	-	204
Total revenues	<u>272,709</u>	<u>544,124</u>	<u>816,833</u>
Expenditures:			
Current:			
Instruction	151,773	474,336	626,109
Support services:			
Administration	4,895	-	4,895
Operation and maintenance of plant	85,123	-	85,123
Transportation	21,274	-	21,274
Total expenditures	<u>263,065</u>	<u>474,336</u>	<u>737,401</u>
Net change in fund balances	9,644	69,788	79,432
Fund balances beginning of year	<u>119,084</u>	<u>165,372</u>	<u>284,456</u>
Fund balances end of year	<u>\$ 128,728</u>	<u>\$ 235,160</u>	<u>\$ 363,888</u>

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
CAPITAL PROJECTS ACCOUNTS
June 30, 2013

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Assets				
Cash and pooled investments	\$ 1,746,882	\$ 934,652	\$ 29,412	\$ 2,710,946
Receivables:				
Property tax:				
Current year	-	2,962	-	2,962
Succeeding year	-	325,767	-	325,767
Accounts	600	-	-	600
Due from other governments	322,451	-	-	322,451
	<u>\$ 2,069,933</u>	<u>\$ 1,263,381</u>	<u>\$ 29,412</u>	<u>\$ 3,362,726</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 244,405	\$ 97,069	\$ 2,996	\$ 344,470
Salaries and benefits payable	502	-	-	502
Bond deposit payable	-	-	98,500	98,500
Deferred revenue:				
Succeeding year property tax	-	325,767	-	325,767
Total liabilities	<u>244,907</u>	<u>422,836</u>	<u>101,496</u>	<u>769,239</u>
Fund balances:				
Restricted for:				
Revenue bonds	229,000	-	-	229,000
School infrastructure	1,596,026	-	-	1,596,026
Physical plant and equipment	-	840,545	-	840,545
Unassigned	-	-	(72,084)	(72,084)
Total fund balances	<u>1,825,026</u>	<u>840,545</u>	<u>(72,084)</u>	<u>2,593,487</u>
	<u>\$ 2,069,933</u>	<u>\$ 1,263,381</u>	<u>\$ 29,412</u>	<u>\$ 3,362,726</u>

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS ACCOUNTS
 Year Ended June 30, 2013

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ 1,044,889	\$ 313,359	\$ -	\$ 1,358,248
Other	202,044	14,420	-	216,464
State sources	43,823	236	-	44,059
Federal sources	328,674	-	-	328,674
Total revenues	<u>1,619,430</u>	<u>328,015</u>	<u>-</u>	<u>1,947,445</u>
Expenditures:				
Current:				
Instruction	3,123	7,340	2,645	13,108
Support services:				
Instructional staff	1,050	-	2,996	4,046
Administration	106,210	1,607	54,275	162,092
Operation and maintenance of plant	6,000	16,593	-	22,593
Transportation	-	80,491	-	80,491
Other expenditures:				
Facilities acquisition	3,164,564	311,426	-	3,475,990
Long term debt:				
Interest and fiscal charges	-	-	14,813	14,813
Total expenditures	<u>3,280,947</u>	<u>417,457</u>	<u>74,729</u>	<u>3,773,133</u>
Excess (deficiency) of revenues over (under) expenditures	(1,661,517)	(89,442)	(74,729)	(1,825,688)
Other financing uses:				
Interfund transfers out	(712,137)	-	-	(712,137)
Special item - Proceeds from sale of land	-	587,675	-	587,675
Net change in fund balances	(2,373,654)	498,233	(74,729)	(1,950,150)
Fund balances beginning of year	<u>4,198,680</u>	<u>342,312</u>	<u>2,645</u>	<u>4,543,637</u>
Fund balances end of year	<u>\$ 1,825,026</u>	<u>\$ 840,545</u>	<u>\$ (72,084)</u>	<u>\$ 2,593,487</u>

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

June 30, 2013

	Construction			
	Trades	Preschool	Daycare	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ -	\$ 7,401	\$ 96,719	\$ 104,120
Accounts receivable	-	-	28,927	28,927
Inventories	209,658	-	-	209,658
Total assets	<u>209,658</u>	<u>7,401</u>	<u>125,646</u>	<u>342,705</u>
Liabilities				
Current liabilities:				
Accounts payable	-	-	4,274	4,274
Salaries and benefits payable	-	3,879	12,514	16,393
Interfund payable	215,057	-	-	215,057
Deferred revenue	-	780	-	780
Total current liabilities	<u>215,057</u>	<u>4,659</u>	<u>16,788</u>	<u>236,504</u>
Noncurrent liabilities:				
Compensated absences	-	-	8,548	8,548
Net OPEB liability	-	-	11,522	11,522
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>20,070</u>	<u>20,070</u>
Total liabilities	<u>215,057</u>	<u>4,659</u>	<u>36,858</u>	<u>256,574</u>
Net Position				
Unrestricted	\$ <u>(5,399)</u>	\$ <u>2,742</u>	\$ <u>88,788</u>	\$ <u>86,131</u>

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2013

	Construction Trades	Preschool	Daycare	Total
Operating revenues:				
Local sources:				
Charges for services	\$ 10,800	\$ 16,972	\$ 386,555	\$ 414,327
Operating expenses:				
Instruction	-	19,673	1,784	21,457
Support services:				
Student	-	939	-	939
Instructional staff	-	-	103	103
Administration	793	-	243	1,036
Transportation	-	-	1,008	1,008
Non-instructional programs	3,380	818	375,976	380,174
	<u>4,173</u>	<u>21,430</u>	<u>379,114</u>	<u>404,717</u>
Operating income (loss)	6,627	(4,458)	7,441	9,610
Non-operating revenues:				
Interest on investments	-	-	114	114
State sources	-	7,200	-	7,200
Total non-operating revenues	<u>-</u>	<u>7,200</u>	<u>114</u>	<u>7,314</u>
Change in net position	6,627	2,742	7,555	16,924
Net position beginning of year	<u>(12,026)</u>	<u>-</u>	<u>81,233</u>	<u>69,207</u>
Net position end of year	<u>\$ (5,399)</u>	<u>\$ 2,742</u>	<u>\$ 88,788</u>	<u>\$ 86,131</u>

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2013

	Construction Trades	Preschool	Daycare	Total
Cash flows from operating activities:				
Cash received from miscellaneous operating activities	\$ 10,800	\$ 16,402	\$ 388,142	\$ 415,344
Cash payments to employees for services	-	(21,758)	(323,683)	(345,441)
Cash payments to suppliers for goods or services	(3,380)	(167)	(41,217)	(44,764)
Net cash provided by (used by) operating activities	<u>7,420</u>	<u>(5,523)</u>	<u>23,242</u>	<u>25,139</u>
Cash flows from non-capital financing activities:				
State grants received	-	7,200	-	7,200
Cash flows from investing activities:				
Interest on investments	-	-	114	114
Net increase in cash and cash equivalents	7,420	1,677	23,356	32,453
Cash and cash equivalents beginning of year	(218,764)	5,724	73,363	(139,677)
Cash and cash equivalents end of year	<u>\$ (211,344)</u>	<u>\$ 7,401</u>	<u>\$ 96,719</u>	<u>\$ (107,224)</u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:				
Operating income (loss)	\$ 6,627	\$ (4,458)	\$ 7,441	\$ 9,610
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Decrease in accounts receivable	-	-	1,587	1,587
Decrease in prepaid expenses	-	-	2,010	2,010
Increase in accounts payable	-	-	3,834	3,834
Increase (decrease) in salaries and benefits payable	-	(495)	1,228	733
Increase (decrease) in interfund payable	793	-	(3,117)	(2,324)
(Decrease) in deferred revenue	-	(570)	-	(570)
Increase in compensated absences	-	-	1,109	1,109
Increase in net OPEB liability	-	-	9,150	9,150
Net cash provided by (used by) operating activities	<u>\$ 7,420</u>	<u>\$ (5,523)</u>	<u>\$ 23,242</u>	<u>\$ 25,139</u>

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2013

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Annual	\$ 9,670	\$ 10,207	11,787	\$ 8,090
Student Council	6,424	30,789	25,814	11,399
Class of:				
2013	4,906	7,087	9,705	2,288
2014	500	6,023	4,338	2,185
2015	500	-	105	395
2016	500	-	-	500
Drama	1,530	3,049	3,148	1,431
Speech	-	517	607	(90)
Spanish Club	1,577	-	592	985
French Club	799	-	-	799
Interact Club	4,158	-	1,453	2,705
High School Art Club	1,604	5,822	5,828	1,598
Cheerleaders	450	1,845	1,261	1,034
Archery Club	4,154	19,576	17,854	5,876
Future Farmers of America	51,488	108,950	64,124	96,314
Instrumental Music	3,969	5,892	5,053	4,808
MS Instrumental Music	1,232	13,065	10,873	3,424
High School Music Trip Fund	(5,963)	117,047	105,225	5,859
General Athletics	1,545	18,506	12,721	7,330
Middle School Concessions	1,269	948	1,662	555
Dance Squad	(198)	1,235	828	209
Football	1,614	30,682	32,556	(260)
Boys Soccer	2,382	2,440	2,186	2,636
Girls Soccer	1,348	7,003	7,513	838
Baseball	3,784	6,715	5,457	5,042
Softball	4,167	12,550	10,810	5,907
Girls Track	1,509	5,146	5,607	1,048
Boys Track	1,149	7,239	7,321	1,067
Boys Golf	2,246	3,980	4,855	1,371
Wrestling	897	6,931	6,178	1,650
Cross Country	3,816	4,268	5,181	2,903
Girls Golf	1,572	2,829	1,891	2,510
Volleyball	4,522	13,685	12,236	5,971
Girls Basketball	2,434	13,645	15,526	553
Boys Basketball	747	25,370	22,931	3,186
Vocal Music	1,074	6,799	6,694	1,179
Musicals	2,349	-	-	2,349

ANAMOSA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2013

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Strawberry Hill - Miscellaneous	\$ 20,367	\$ 21,717	\$ 23,039	\$ 19,045
Strawberry Hill Service Project	27	-	-	27
Science Club	586	989	725	850
Weight Room	1,743	2,690	2,193	2,240
ELP/SCI Store	2,245	465	1,902	808
Trapshoot Club	132	700	400	432
Parent Partner	25	-	-	25
Student Success Store	126	-	-	126
Vending Machine	9,713	6,081	9,977	5,817
Wellness - Raiders Race	3,512	3,613	1,848	5,277
Fit 4 Life	(30)	1,742	1,501	211
Cornerstone Activity	-	-	124	(124)
Veterans Day	1,172	1,284	675	1,781
NHS Fundraiser	30	1,285	662	653
FCS Club	-	838	636	202
Raiders Around the World R.A.W.	-	1,357	-	1,357
Strawberry Hill - Watch Dogs	-	1,094	182	912
Middle School - Watch Dogs	-	429	552	(123)
Total	\$ 165,372	\$ 544,124	\$ 474,336	\$ 235,160

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2013

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
Assets				
Cash	\$ 48,173	\$ 334,070	\$ 291,771	\$ 90,472
Liabilities				
Accounts payable	\$ 32,790	\$ 53,258	\$ 32,790	\$ 53,258
Other payables	15,383	280,812	258,981	37,214
Total liabilities	<u>\$ 48,173</u>	<u>\$ 334,070</u>	<u>\$ 291,771</u>	<u>\$ 90,472</u>

See accompanying independent auditor's report.

ANAMOSA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS
FOR THE LAST NINE YEARS

	Modified Accrual Basis Years Ended June 30,			
	2013	2012	2011	2010
Revenues:				
Local sources:				
Local tax	\$ 5,513,760	\$ 5,516,163	\$ 5,321,932	\$ 5,004,626
Tuition	914,302	817,867	754,048	720,134
Other	1,044,730	828,139	908,735	618,388
Intermediate sources	-	1,858	11,506	12,927
State sources	7,295,398	7,777,681	7,124,354	6,449,066
Federal sources	857,106	880,915	663,530	1,378,869
Total revenues	<u>\$ 15,625,296</u>	<u>\$ 15,822,623</u>	<u>\$ 14,784,105</u>	<u>\$ 14,184,010</u>
Expenditures:				
Instruction	\$ 9,161,723	\$ 9,133,441	\$ 8,852,480	\$ 8,748,111
Support services:				
Student	518,988	476,324	439,047	465,885
Instructional staff	415,879	341,435	483,010	484,960
Administration	1,206,104	1,399,725	1,755,379	1,265,152
Operation and maintenance of plant	979,235	983,812	969,777	957,346
Transportation	773,165	716,840	598,511	617,689
Non-instructional programs	-	-	-	-
Other expenditures:				
Facilities acquisition	3,475,990	10,695,002	1,506,504	186,973
Long-term debt:				
Principal	-	-	-	18,800
Interest and fiscal charges	95,196	123,117	39,766	12,408
AEA flowthrough	478,941	483,603	530,928	526,833
Total expenditures	<u>\$ 17,105,221</u>	<u>\$ 24,353,299</u>	<u>\$ 15,175,402</u>	<u>\$ 13,284,157</u>

See accompanying independent auditor's report.

	2009	2008	2007	2006	2005
\$	5,039,189	\$ 4,749,517	\$ 4,512,425	\$ 4,335,162	\$ 4,167,435
	779,802	735,736	651,467	537,216	491,171
	675,294	697,412	732,767	630,334	496,660
	8,569	200	-	-	-
	7,465,867	7,592,452	6,625,602	6,324,145	5,920,355
	736,779	778,013	867,161	927,975	862,619
\$	<u>14,705,500</u>	<u>14,553,330</u>	<u>13,389,422</u>	<u>12,754,832</u>	<u>11,938,240</u>
\$	9,009,836	\$ 8,763,429	\$ 7,960,603	\$ 7,359,279	\$ 6,731,909
	479,442	705,492	757,234	830,925	675,119
	521,540	611,574	559,333	398,139	347,346
	1,106,262	1,118,882	1,025,053	920,025	816,421
	967,248	936,804	869,900	883,972	740,929
	592,731	683,384	697,788	596,839	540,503
	-	32,000	-	-	28,781
	74,688	108,081	668,331	197,203	140,819
	1,028,800	1,198,800	1,037,600	1,000,000	304,000
	41,394	102,846	158,507	216,741	231,535
	490,841	484,508	432,227	403,084	378,516
\$	<u>14,312,782</u>	<u>14,745,800</u>	<u>14,166,576</u>	<u>12,806,207</u>	<u>10,935,878</u>

ANAMOSA COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2013

Grantor / Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 13	\$ 34,627
National School Lunch Program	10.555	FY 13	226,224 *
			<u>260,851</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	0234G	160,989
Title I Grants to Local Educational Agencies	84.010	0234GC	9,265
			<u>170,254</u>
Safe and Drug-Free Schools and Communities - National Programs	84.184	FY 13	26,945
Improving Teacher Quality State Grants	84.367	FY 13	41,732
Grants for State Assessments and Related Activities	84.369	FY 13	7,735
Education Jobs Fund	84.410	FY 11	39,767
Education Jobs Fund	84.410	FY 12	3,843
			<u>43,610</u>
Grant Wood Area Education Agency:			
Special Education - Grants to States	84.027	FY 13	65,398
Career and Technical Education - Basic Grants to States	84.048	FY 13	8,403
U.S. Department of Homeland Security:			
Iowa Department of Public Defense:			
Hazard Mitigation Grant	97.039	DR1880-21-01	328,674
Total			<u>\$ 953,602</u>

* = Includes \$35,005 of non-cash awards.

Basis of Presentation –

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

See accompanying independent auditor's report.

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CHUCK C. CONVERSE, CPA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of
Anamosa Community School District:

We have audited 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Anamosa Community School District as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Anamosa Community School District's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Anamosa Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Anamosa Community School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-13 and II-B-13, that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Anamosa 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, 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. However, we noted certain immaterial instances of noncompliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2013 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.

Anamosa Community School District's Responses to Findings

Anamosa Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Anamosa Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Oskaloosa, Iowa
November 19, 2013

Hunt + Associates, P.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

To the Board of Education of
Anamosa Community School District:

Report on Compliance for Each Major Federal Program

We have audited Anamosa Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. Anamosa Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Anamosa Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Anamosa Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Anamosa Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Anamosa Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The management of Anamosa Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Anamosa Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal

program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Anamosa Community School District's internal control over compliance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Anamosa Community School District as of and for the year ended June 30, 2013, and have issued our report dated November 19, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Oskaloosa, Iowa
November 19, 2013

Hunt + Associates, P.C.

ANAMOSA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

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

- (a) Unmodified opinions were issued on the financial statements.
- (b) Significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 97.039 – Hazard Mitigation Grant
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Anamosa Community School District qualified as a low-risk auditee.

ANAMOSA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

- II-A-13 School Nutrition Fund Accounts – We noted that the Enterprise, School Nutrition Fund revenue classifications as required by the Iowa Department of Education were not accurately recorded in the general ledger. The District records student meal deposits as student lunch revenue and then allocates out the breakfast, adult, and ala carte revenues and the deferred revenue amount at year end.

Recommendation – The District should record meal deposits in a deferred revenue liability account. On a monthly basis, the District should recognize the amount of meals served as revenue and record these in their applicable meal revenue category to ensure more accurate revenue classifications.

Response – We are implementing changes in procedures for fiscal year 2014 which will correct this problem.

Conclusion – Response accepted.

- II-B-13 Athletic Gate Admissions – We noted that athletic gate ticket reconciliations are not performed for every athletic event.

Recommendation – The District should establish reconciliation procedures for all athletic event gate admissions. The reconciliation should include the issuance of prenumbered tickets and the reconciling of the admissions and change box to the number of tickets issued.

Response – We will review our current procedures regarding athletic event admissions and consider implementing the recommended reconciliations.

Conclusion – Response accepted.

ANAMOSA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

ANAMOSA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-13 Certified Budget – Expenditures for the year ended June 30, 2013, did not exceed the amounts budgeted.
- IV-B-13 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-13 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-13 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Lowell Tiedt, Board President	Officiating	\$515

In accordance with Chapter 279.7A of the Code of Iowa, the transaction does not appear to represent a conflict of interest since the cumulative amount was less than \$2,500 for the fiscal year.

- IV-E-13 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 ensure that the coverage is adequate for current operations.
- IV-F-13 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.
- IV-G-13 Certified Enrollment – We noted that the number of resident pre-kindergarten four year old students in the basic enrollment data certified to the Iowa Department of Education was understated by 8.5.

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

Response – We will contact the Iowa Department of Education and Iowa Department of Management. We will also implement additional reviews to make sure this does not happen again.

Conclusion – Response accepted.
- IV-H-13 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-13 Deposits and Investments – 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 were noted.
- IV-J-13 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.

ANAMOSA COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Part IV: Other Findings Related to Statutory Reporting (continued):

- IV-K-13 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- IV-L-13 Statewide Sales and Services Tax – No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2013, the District reported the following information regarding the statewide sales, services and use tax revenue in the District’s CAR:

Beginning balance		\$ 4,198,680
Revenues:		
Sales tax revenues	\$ 1,044,889	
Interest	4,107	
Other local revenues	197,937	
State grants	43,823	
Federal grants	<u>328,674</u>	1,619,430
Expenditures/transfers out:		
School infrastructure construction	3,067,518	
Equipment	207,429	
Other	6,000	
Transfers to other funds:		
Debt Service Fund	<u>712,137</u>	<u>3,993,084</u>
Ending balance		<u><u>\$ 1,825,026</u></u>

For the year ended June 30, 2013, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

- IV-M-13 Early Childhood Iowa Area Board – Anamosa Community School District is the fiscal agent for the Cedar/Jones Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. Financial transactions of the Area Board are included in the District’s financial statements as an Agency Fund because of the District’s fiduciary relationship with the organization.

No instances of non-compliance were noted as a result of the audit procedures performed.

ANAMOSA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2013

Part IV: Other Findings Related to Statutory Reporting (continued):

IV-N-13 Financial Condition – The Enterprise, School Nutrition Fund and the Enterprise, Construction Trades Fund had deficit unrestricted net positions of \$24,973 and \$5,399, respectively, at June 30, 2013.

Recommendation – The District should continue to monitor these funds and investigate alternatives to return the funds to a sound financial condition. The District may need to consider the feasibility of continuing the construction trades program.

Response – We will continue to work on eliminating the deficits and we are evaluating the feasibility of continuing the construction trades program.

Conclusion – Response accepted.

ANAMOSA COMMUNITY SCHOOL DISTRICT
CORRECTIVE ACTION PLAN FOR FEDERAL AUDIT FINDINGS

Year Ended June 30, 2013

Comment Number	Comment Title	Corrective Action Plan	Contact Person Title Phone Number	Anticipated Date of Completion
-------------------	------------------	---------------------------	---	--------------------------------------

No matters were reported.

ANAMOSA COMMUNITY SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

Year Ended June 30, 2013

Comment Reference	Comment Title	Status	If not corrected, provide planned corrective action or other explanation
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No matters were reported.