

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2013

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Table of Contents
June 30, 2013

	<u>Page</u>	
Officials	1	
Independent Auditor's Report	2-4	
Management's Discussion and Analysis	5-14	
Basic Financial Statements		<u>Exhibit</u>
Government-wide Financial Statements		
Statement of Net Position	A	16
Statement of Activities	B	17-18
Governmental Fund Financial Statements		
Balance Sheet	C	19
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D	20
Statement of Revenues, Expenditures and Changes in Fund Balances	E	21-22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F	23
Proprietary Fund Financial Statements		
Statement of Net position	G	24
Statement of Revenues, Expenses and Changes in Net Assets	H	25
Statement of Cash Flows	I	26
Fiduciary Fund Financial Statements		
Statement of Fiduciary Net Position	J	27
Statement of Changes in Fiduciary Net Position	K	28
Notes to Financial Statements	29-43	
Required Supplementary Information		
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund		45
Notes to Required Supplementary Information - Budgetary Reporting		46
Schedule of Funding Progress for the Retiree Health Plan		47

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Table of Contents
June 30, 2013

Supplementary Information	<u>Schedule</u>	<u>Page</u>
Nonmajor Governmental Funds		
Combining Balance Sheet	1	49
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	50
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	3	51
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	4	52
 Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		53-54
 Schedule of Findings		55-57
 Audit Staff		58

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Officials
June 30, 2013

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Ryan Vander Heiden	Board President	2015
Shelley Weiss	Board Member	2013
Jodi Rickels	Board Member	2013
Kevin Garland	Board Member	2013
Scott Knudtson	Board Member	2013
James Knoche	Board Member	2015
Larry Banowetz	Board Member	2015
School Officials		
Lonnie Luepker	Superintendent	2013
Marika Pewe	District Secretary/Treasurer	Indefinite
Lynch Dallas PC	Attorney	Indefinite

Kay L. Chapman, CPA PC

119 W. Mississippi Drive, Suite 3
Muscatine, Iowa 52761
563-264-1385
kchapman@cpakay.com

Independent Auditor's Report

To the Board of Education
Calamus - Wheatland Community School District:

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Calamus - Wheatland Community School District, Wheatland, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Calamus - Wheatland 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 5 through 14 and 45 through 47 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. I 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 my inquiries, the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Calamus - Wheatland Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine 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 4, 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 financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In my 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, I have also issued my report dated January 23, 2014 on my consideration of Calamus - Wheatland Community School District's internal control over financial reporting and on my 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 my 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 Calamus - Wheatland Community School District's internal control over financial reporting and compliance.

Kay L. Chapman, CPA PC

Kay L. Chapman, CPA PC
January 23, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Calamus Wheatland Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2013 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$5,031,014 in fiscal 2012 to \$4,698,963 in fiscal 2013, and General Fund expenditures increased from \$4,773,488 in fiscal 2012 to \$4,922,127 in fiscal 2013. The district's General Fund balance decreased from \$1,393,645 in fiscal 2012 to \$1,174,579 in fiscal 2013, a 16% decrease.
- The district showed an increase in net position of \$167,706 during the year ended June 30, 2013.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Supplementary Information provides detailed information about the nonmajor Governmental Funds.

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

Supplementary Information provides detailed information about the nonmajor Governmental Funds.

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

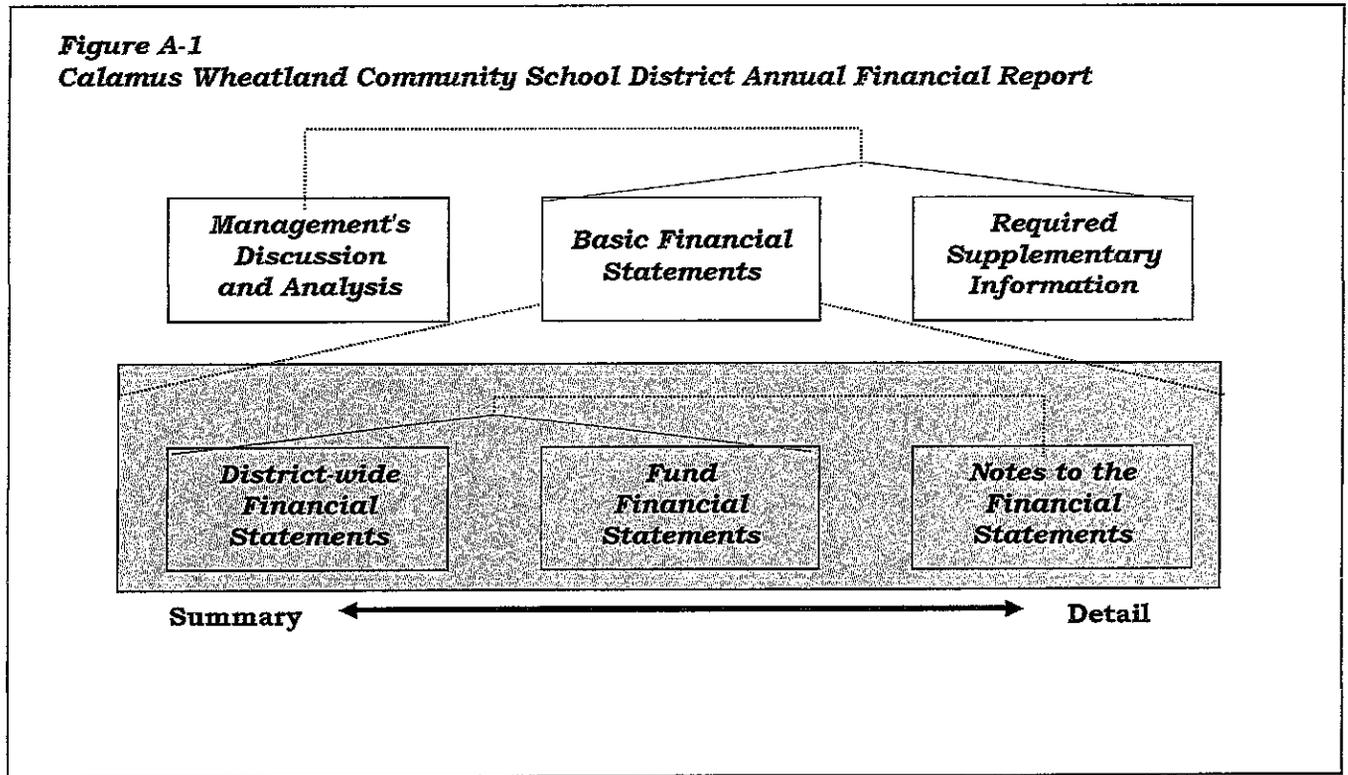


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net 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 government-wide financial 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 financial position. Over time, increases or decreases in the District's net position are an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, need to be considered.

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds also account for the District's internal service fund, which is an accounting device used to accumulate and allocate costs internally among the District's various functions. Proprietary funds are reported in the same way as the government-wide financial statements. The District's enterprise fund, one type of proprietary fund, is the same as its business type activity, but provides more detail and additional information, such as cash flows. The District currently has one enterprise fund, the School Nutrition Fund and one internal service fund, Flex-benefit Fund.

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

3) *Fiduciary fund*: The District is the trustee, or fiduciary, for position that belong to others. This fund consists of a Private-Purpose Trust Fund.

- Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund.

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

The required financial statements for fiduciary funds include a statement of fiduciary net position and a statement of changes in fiduciary net position.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business type Activities		Total District		Total Change
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2012-2013</u>
Current and other assets	\$ 4,638,401	\$ 4,716,021	\$ 22,768	\$ 17,213	\$ 4,661,169	\$ 4,733,234	-1.52%
Capital assets	<u>6,116,671</u>	<u>6,338,252</u>	<u>12,203</u>	<u>14,682</u>	<u>6,128,874</u>	<u>6,352,934</u>	-3.53%
Total assets	<u>10,755,072</u>	<u>11,054,273</u>	<u>34,971</u>	<u>31,895</u>	<u>10,790,043</u>	<u>11,086,168</u>	-2.67%
Long-term liabilities	662,533	1,054,386	-	-	662,533	1,054,386	-37.16%
Other liabilities	<u>2,533,027</u>	<u>2,609,407</u>	<u>16,071</u>	<u>11,669</u>	<u>2,549,098</u>	<u>2,621,076</u>	-2.75%
Total liabilities	<u>3,195,560</u>	<u>3,663,793</u>	<u>16,071</u>	<u>11,669</u>	<u>3,211,631</u>	<u>3,675,462</u>	-12.62%
Net position:							
Net investment in							
capital assets	5,796,671	5,703,252	12,203	14,682	5,808,874	5,717,934	1.59%
Restricted	543,999	177,452	-	-	543,999	177,452	206.56%
Unrestricted	<u>1,218,842</u>	<u>1,509,776</u>	<u>6,697</u>	<u>5,544</u>	<u>1,225,539</u>	<u>1,515,320</u>	-19.12%
Total net position	<u>\$ 7,559,512</u>	<u>\$ 7,390,480</u>	<u>\$ 18,900</u>	<u>\$ 20,226</u>	<u>\$ 7,578,412</u>	<u>\$ 7,410,706</u>	2.26%

The District's combined net position increased by approximately 2%, or \$167,706 over the prior year. The largest portion of the District's net position is invested in capital position (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net position represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$366,547, or approximately 206% over the prior year. The increase was due in part to cash balances and decreased expenditures in the Management Fund, Capital Projects Fund, and restricted categorical funds in the General Fund.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased \$289,781, or approximately 19%. This decrease in unrestricted net position was a result of fewer unrestricted state and federal grants and increased expenditures in the General Fund.

Figure A-4 shows the changes in net position for the year ended June 30, 2013 compared to the year ended June 30, 2012.

Figure A-4
Change in Net Position

Revenues	Governmental Activities		Business Type Activities		Total District		Total Change
	2013	2012	2013	2012	2013	2012	2012-2013
Program revenues							
Charges for service	\$ 722,108	\$ 602,678	\$ 127,007	\$ 126,665	\$ 849,115	\$ 729,343	16.42%
Operating grants	740,962	764,433	120,781	118,352	861,743	882,785	-2.38%
General revenues							
Property tax	2,168,078	2,161,334	-	-	2,168,078	2,161,334	0.31%
Statewide sales, services & use tax	354,874	400,762	-	-	354,874	400,762	-11.45%
Unrestricted state grants	1,809,462	1,982,499	-	-	1,809,462	1,982,499	-8.73%
Contributions and donations	15,400	-	-	-	15,400	-	100.00%
Unrestricted investment earnings	8,606	8,593	20	28	8,626	8,621	0.06%
Other	8,656	41,875	-	-	8,656	41,875	-79.33%
Gain-disposal of capital assets	15,380	-	-	-	15,380	-	100.00%
Total revenues and special item	<u>5,843,526</u>	<u>5,962,174</u>	<u>247,808</u>	<u>245,045</u>	<u>6,091,334</u>	<u>6,207,219</u>	-1.87%
Program expenses							
Governmental activities							
Instruction	3,694,042	3,540,632	-	-	3,694,042	3,540,632	4.33%
Support services	1,472,569	1,435,192	-	-	1,472,569	1,435,192	2.60%
Non-instructional programs	125,170	6,887	249,134	254,794	374,304	261,681	43.04%
Other expenses	<u>382,713</u>	<u>416,298</u>	<u>-</u>	<u>-</u>	<u>382,713</u>	<u>416,298</u>	-8.07%
Total expenses	<u>5,674,494</u>	<u>5,399,009</u>	<u>249,134</u>	<u>254,794</u>	<u>5,923,628</u>	<u>5,653,803</u>	4.77%
Increase (decrease) in net position	169,032	563,165	(1,326)	(9,749)	167,706	553,416	-69.70%
Net position beginning of year	<u>7,390,480</u>	<u>6,827,315</u>	<u>20,226</u>	<u>29,975</u>	<u>7,410,706</u>	<u>6,857,290</u>	8.07%
Net position end of year	<u>\$ 7,559,512</u>	<u>\$ 7,390,480</u>	<u>\$ 18,900</u>	<u>\$ 20,226</u>	<u>\$ 7,578,412</u>	<u>\$ 7,410,706</u>	2.26%

In fiscal 2013, property and sales tax and unrestricted state grants account for 74% of the revenue from governmental activities while charges for service and sales and operating grants and contributions account for almost 100% of the revenue from business type activities.

The District's total revenues were \$6,091,334 of which \$5,843,526 was for governmental activities and \$247,808 was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 2% decrease in revenues and a 5% increase in expenses. Charges for services increased \$119,772 to fund expenditures. The expenses related to increases in the negotiated salary and benefits package as well as increases in expenses for certain special education programs.

Governmental Activities

Revenues for governmental activities were \$5,843,526 and expenses were \$5,674,494 during the year ended June 30, 2013.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2013 compared to the year ended June 30, 2012.

Figure A-5

	Total and Net Cost of Governmental Activities					
	Total Cost of Services			Net Cost of Services		
	2013	2012	Change 2012-2013	2013	2012	Change 2012-2013
Instruction	\$ 3,694,042	\$ 3,540,632	4.3%	\$ 2,415,838	\$ 2,353,084	2.7%
Support services	1,472,569	1,435,192	2.6%	1,465,248	1,435,192	2.1%
Non-instructional programs	125,170	6,887	1717.5%	125,170	6,887	1717.5%
Other expenses	<u>382,713</u>	<u>416,298</u>	<u>-8.1%</u>	<u>205,168</u>	<u>236,735</u>	<u>-13.3%</u>
Total expenses	<u>\$ 5,674,494</u>	<u>\$ 5,399,009</u>	<u>5.1%</u>	<u>\$ 4,211,424</u>	<u>\$ 4,031,898</u>	<u>4.5%</u>

For the year ended June 30, 2013:

- The cost financed by users of the District's programs was \$722,108.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$740,962.
- The net cost of governmental activities was financed with \$2,168,078 in property taxes and \$1,809,462 in unrestricted state grants.

Business Type Activities

Revenues for business type activities for the year ended June 30, 2013 were \$247,808, representing a 1% increase over the prior year and expenses were \$249,134, a 2% decrease from the prior year. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

During the year ended June 30, 2013, the District increased meal prices. The District considers meal price increases only when deemed necessary to meet the obligations of the School Nutrition Fund. Salaries and benefits account for 50% of expenditures with 50% for food supplies and other miscellaneous expenditures.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$1,717,002, a decrease of approximately 1% from last year's ending fund balances of \$1,734,342. The primary reason for the decrease in combined fund balances in fiscal 2013 is due to decreased fund balances in the General Fund.

Governmental Fund Highlights

- The District's decrease in the General Fund financial position is the product of several factors. The General Fund balance decreased by \$219,066 from a balance of \$1,393,645 in FY12 to \$1,174,579 in FY13, mainly due to increased salary and benefit packages and special education expenditures.
- The Debt Service Fund balance increased from \$(33,582) in FY12 to \$(32,765) in FY13, due to increased revenue in interest and tax collections.

Proprietary Fund Highlights

Enterprise Fund net position decreased from \$20,226 at June 30, 2012 to \$18,900 at June 30, 2013, representing a decrease of approximately 7%. The District reviews this fund annually and makes adjustments to the lunch fees as necessary.

BUDGETARY HIGHLIGHTS

Over the course of the year, Calamus Wheatland Community School District amended its annual budget one time to reflect additional revenue and expenditures associated with increased costs of operation and technology purchases not originally budgeted at the time the budget was certified.

The District's revenues were \$4,615 more than budgeted revenues, a variance of less than 1%. The district practice is to budget conservatively and underestimate revenue when budgeting.

Total expenditures were \$313,709 less than budgeted. It is the District's practice to budget expenditures at a reasonably higher amount but less than the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the District had invested \$6,128,874, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net decrease of approximately 4% from last year. More detailed information about the District's capital position is presented in Note 5 to the financial statements. Depreciation expense for the year was \$354,609.

The original cost of the District's capital assets was \$11,679,940. Governmental funds account for \$11,574,392, with the remainder of \$105,548 accounted for in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the furniture and equipment category. The District's furniture and equipment totaled \$552,391 at June 30, 2013 compared to \$676,166 at June 30, 2012 due to annual depreciation expense.

Figure A-6

Capital Assets, Net of Depreciation

	Governmental		Business type		Total		Total Change
	Activities		Activities		School District		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2012-2013</u>
Land	\$ 260,444	\$ 260,444	\$ -	\$ -	\$ 260,444	\$ 260,444	0.00%
Buildings and improvements	5,075,147	5,194,320	-	-	5,075,147	5,194,320	-2.29%
Improvements, other than buildings	240,892	222,004	-	-	240,892	222,004	8.51%
Furniture and equipment	<u>540,188</u>	<u>661,484</u>	<u>12,203</u>	<u>14,682</u>	<u>552,391</u>	<u>676,166</u>	-18.31%
Totals	<u>\$6,116,671</u>	<u>\$6,338,252</u>	<u>\$12,203</u>	<u>\$14,682</u>	<u>\$6,128,874</u>	<u>\$6,352,934</u>	-3.53%

Long-Term Debt

At June 30, 2013, the District had \$662,533 in general obligation and other long-term debt outstanding. This represents a decrease of approximately 37% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The District continues to carry a general obligation bond rating of Aa3 assigned by national rating agencies to the District's debt since 1997. The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5 percent of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$7.2 million.

Figure A-7
Outstanding Long-term Obligations

	Total		Total
	School District		Change
	<u>2013</u>	<u>2012</u>	<u>2012-2013</u>
General obligation bonds	\$ 320,000	\$ 635,000	-49.61%
Capital lease	199,915	298,534	-33.03%
Early retirement	-	20,684	-100.00%
Net OPEB liability	<u>142,618</u>	<u>100,168</u>	42.38%
Totals	<u>\$ 662,533</u>	<u>\$ 1,054,386</u>	-37.16%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Although the District had experienced stable enrollment for the past few years, the District expects a slight decrease in enrollment due to smaller graduating classes and then a decline with several larger graduating classes.
- The District continually evaluates the condition of its vehicle fleet. Due to increased miles on cars, the District will pursue replacing vehicles with funds available in the Physical Plant and Equipment Levy Fund.
- The District negotiates with the Calamus Wheatland Education Association on an annual basis. The negotiated wage and benefit package with health insurance benefits have continued to increase over the past years. Settlements in excess of "new money" or allowable growth in state funding will have an adverse effect on the District's General Fund budget and related fund balance.
- The District implemented their OPEB benefits as required by GASB Statement No. 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions for the year ended June 30, 2013. The District's net OPEB liability was determined by an actuary to be \$142,618 for FY13.
- The district had a decrease in certified enrollment which will negatively impact the funding received from the state for the General Fund.
- Negotiations with the Calamus Wheatland Education Association were completed for the 2013/14 school year. The certified staff received a 3.513% package increase.

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 Marika Pewe, District Secretary/Treasurer and Business Manager, Calamus Wheatland Community School District, 110 East Park Road, PO Box 279, Wheatland, Iowa, 52777.

Basic Financial Statements

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2013

Exhibit A

Assets	Governmental Activities	Business Type Activities	Total
Cash, cash equivalents and pooled investments	\$ 2,387,538	\$ 20,558	\$2,408,096
Receivables			
Property tax			
Delinquent	25,610	-	25,610
Succeeding year	1,898,994	-	1,898,994
Accounts receivable	1,014	-	1,014
Accrued interest	149	-	149
Income surtax	136,301	-	136,301
Due from other governments	188,795	-	188,795
Inventories	-	2,210	2,210
Non-depreciable capital assets	260,444	-	260,444
Capital assets, net of accumulated depreciation	<u>5,856,227</u>	<u>12,203</u>	<u>5,868,430</u>
Total assets	<u>10,755,072</u>	<u>34,971</u>	<u>10,790,043</u>
Liabilities			
Accounts payable	192,485	-	192,485
Salaries and benefits payable	439,848	14,081	453,929
Accrued interest payable	1,700	-	1,700
Deferred revenue	-		
Succeeding year property tax	1,898,994	-	1,898,994
Other	-	1,990	1,990
Long-term liabilities			
Portion due within one year			
General obligation bonds payable	320,000	-	320,000
Capital lease payable	99,509	-	99,509
Portion due after one year			
Capital lease payable	100,406	-	100,406
Net OPEB liability	<u>142,618</u>	<u>-</u>	<u>142,618</u>
Total liabilities	<u>3,195,560</u>	<u>16,071</u>	<u>3,211,631</u>
Net Position			
Net investment in capital assets	5,796,671	12,203	5,808,874
Restricted for			
Categorical funding	66,778	-	66,778
Management levy purposes	83,313	-	83,313
Physical plant and equipment	350,161	-	350,161
Student activities	43,747	-	43,747
Unrestricted	<u>1,218,842</u>	<u>6,697</u>	<u>1,225,539</u>
Total net position	<u>\$ 7,559,512</u>	<u>\$ 18,900</u>	<u>\$7,578,412</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2013

Exhibit B

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses for Services	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Total
<u>Functions/Programs</u>					
Governmental activities					
Instruction					
Regular instruction	\$ 2,373,893	\$ 569,326	\$ 523,340	\$ -	\$ (1,281,227)
Special instruction	692,452	84,122	33,690	-	(574,640)
Other instruction	627,697	64,602	3,124	-	(559,971)
	<u>3,694,042</u>	<u>718,050</u>	<u>560,154</u>	<u>-</u>	<u>(2,415,838)</u>
Support services					
Student	161,554	-	3,263	-	(158,291)
Instructional staff	152,141	-	-	-	(152,141)
Administration	427,979	-	-	-	(427,979)
Operation and maintenance of plant	443,723	-	-	-	(443,723)
Transportation	287,172	4,058	-	-	(283,114)
	<u>1,472,569</u>	<u>4,058</u>	<u>3,263</u>	<u>-</u>	<u>(1,465,248)</u>
Non-instructional programs	125,170	-	-	-	(125,170)
Other expenses					
Facilities acquisition	4,774	-	-	-	(4,774)
Long-term debt interest	19,563	-	-	-	(19,563)
AEA flowthrough	177,545	-	177,545	-	-
Depreciation (unallocated) *	180,831	-	-	-	(180,831)
	<u>382,713</u>	<u>-</u>	<u>177,545</u>	<u>-</u>	<u>(205,168)</u>
Total governmental activities	<u>5,674,494</u>	<u>722,108</u>	<u>740,962</u>	<u>(4,211,424)</u>	<u>(4,211,424)</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2013

Exhibit B

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
<u>Functions/Programs (continued)</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>	<u>Governmental Business Type Activities</u>	<u>Activities</u>	<u>Total</u>
Business type activities							
Non-instructional programs							
Food service operations	\$ 249,134	\$ 127,007	\$ 120,781	\$ -	\$ -	\$ (1,346)	\$ (1,346)
Total	<u>\$ 5,923,628</u>	<u>\$ 849,115</u>	<u>\$ 861,743</u>	<u>\$ -</u>	<u>\$ (1,346)</u>	<u>(1,346)</u>	<u>(4,212,770)</u>
 <u>General Revenues</u>							
Property tax levied for							
General purposes							1,738,202
Debt service							333,569
Capital outlay							96,307
Statewide sales, services and use tax							354,874
Unrestricted state grants							1,809,462
Contributions and donations							15,400
Unrestricted investment earnings							8,606
Other							8,626
Special item - gain on disposal of capital assets							8,656
Total general revenues and special item							15,380
Change in net position							20
Net position beginning of year							(1,326)
Net position end of year							7,410,706
							\$ 18,900
							\$ 7,578,412

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

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT

Exhibit C

Balance Sheet
Governmental Funds
June 30, 2013

	General	Debt Service	Nonmajor Governmental Funds	Total
Assets				
Cash, cash equivalents and pooled investments	\$1,649,137	\$ -	\$ 475,688	\$2,124,825
Receivables				
Property tax				
Delinquent	18,759	4,232	2,619	25,610
Succeeding year	1,359,370	329,600	210,024	1,898,994
Accounts receivable	455	-	473	928
Accrued interest	149	-	-	149
Income surtax	136,301	-	-	136,301
Due from other governments	129,095	-	59,700	188,795
Due from other fund	-	-	37,630	37,630
Total assets	<u>\$3,293,266</u>	<u>\$333,832</u>	<u>\$786,134</u>	<u>\$4,413,232</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 173,665	\$ -	\$ 922	\$ 174,587
Due to other fund	633	36,997	-	37,630
Salaries and benefits payable	439,848	-	-	439,848
Deferred revenue				
Succeeding year property tax	1,359,370	329,600	210,024	1,898,994
Income surtax	136,301	-	-	136,301
Other	8,870	-	-	8,870
Total liabilities	<u>2,118,687</u>	<u>366,597</u>	<u>210,946</u>	<u>2,696,230</u>
Fund balances				
Restricted for				
Categorical funding	66,778	-	-	66,778
Student activities	-	-	43,747	43,747
Management levy purposes	-	-	83,313	83,313
Physical plant and equipment	-	-	350,161	350,161
School infrastructure	-	-	97,967	97,967
Unassigned	1,107,801	(32,765)	-	1,075,036
Total fund balances	<u>1,174,579</u>	<u>(32,765)</u>	<u>575,188</u>	<u>1,717,002</u>
Total liabilities and fund balances	<u>\$3,293,266</u>	<u>\$333,832</u>	<u>\$786,134</u>	<u>\$4,413,232</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 June 30, 2013

Exhibit D

Total fund balances of governmental funds	\$1,717,002
 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.	6,116,671
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	145,171
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.	(1,700)
The Internal Service Fund is used by the District to charge the costs of the flex-benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Assets.	244,901
Long-term liabilities, including bonds payable, capital leases payable and other postemployment benefits payable, are not due and payable in the current period and, therefore are not reported as liabilities in the governmental funds.	<u>(662,533)</u>
 Net position of governmental activities	 <u>\$7,559,512</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Exhibit E

For the Year Ended June 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues				
Local sources				
Local tax	\$ 1,626,029	\$ 333,569	\$ 561,237	\$2,520,835
Tuition	470,669	-	-	470,669
Other	45,105	510	100,327	145,942
State sources	2,408,970	-	-	2,408,970
Federal sources	148,190	-	-	148,190
Total revenues	<u>4,698,963</u>	<u>334,079</u>	<u>661,564</u>	<u>5,694,606</u>
Expenditures				
Current				
Instruction				
Regular	2,222,181	-	39,238	2,261,419
Special	686,004	-	-	686,004
Other	528,249	-	94,483	622,732
	<u>3,436,434</u>	<u>-</u>	<u>133,721</u>	<u>3,570,155</u>
Support services				
Student	159,244	-	612	159,856
Instructional staff	135,698	-	15,300	150,998
Administration	423,477	-	612	424,089
Operation and maintenance of plant	364,866	-	81,028	445,894
Transportation	224,863	-	42,329	267,192
	<u>1,308,148</u>	<u>-</u>	<u>139,881</u>	<u>1,448,029</u>
Non-instructional programs	-	-	6,565	6,565
Other expenditures				
Facilities acquisition	-	-	77,403	77,403
Long-term debt				
Principal	-	413,619	-	413,619
Interest and fiscal charges	-	20,728	-	20,728
AEA flowthrough	177,545	-	-	177,545
	<u>177,545</u>	<u>434,347</u>	<u>77,403</u>	<u>689,295</u>
Total expenditures	<u>4,922,127</u>	<u>434,347</u>	<u>357,570</u>	<u>5,714,044</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

Exhibit E

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (223,164)	\$(100,268)	\$ 303,994	\$ (19,438)
Other financing sources (uses)				
Sale of equipment and materials	2,098	-	-	2,098
Interfund operating transfers in	2,000	101,085	-	103,085
Interfund operating transfers (out)	<u>-</u>	<u>-</u>	<u>(103,085)</u>	<u>(103,085)</u>
Total other financing sources (uses)	<u>4,098</u>	<u>101,085</u>	<u>(103,085)</u>	<u>2,098</u>
 Change in fund balances	 (219,066)	 817	 200,909	 (17,340)
Fund balance, beginning of year	<u>1,393,645</u>	<u>(33,582)</u>	<u>374,279</u>	<u>1,734,342</u>
 Fund balance, end of year	 <u>\$ 1,174,579</u>	 <u>\$ (32,765)</u>	 <u>\$ 575,188</u>	 <u>\$ 1,717,002</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances - Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2013

Exhibit F

Change in fund balances - total governmental funds \$ (17,340)

**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 Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense are as follows:

Expenditures for capital assets	\$117,267	
Gain on disposal of capital assets	13,282	
Depreciation expense	<u>(352,130)</u>	(221,581)

Certain revenues not collected for several months after year-end are not considered available revenue and are deferred in the governmental funds. (4,623)

The Internal Service Fund is used by the District to charge the costs of the flex-benefit plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities. 19,558

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 413,619

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 governmental funds, as follows:

Termination benefits	20,684	
Other postemployment benefits	<u>(42,450)</u>	(21,766)

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 governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 1,165

Change in net position of governmental activities \$169,032

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2013

Exhibit G

	<u>Business Type</u> <u>Activity</u>	<u>Governmental</u> <u>Activity</u>
	<u>Nonmajor</u> <u>Enterprise</u> <u>School</u> <u>Nutrition</u>	<u>Internal</u> <u>Service</u>
Assets		
Current assets		
Cash, cash equivalents and pooled investments	\$ 20,558	\$262,713
Accounts receivable	-	86
Inventories	2,210	-
Total current assets		
Noncurrent assets		
Capital assets, net of accumulated depreciation	<u>12,203</u>	<u>-</u>
Total assets	<u>34,971</u>	<u>262,799</u>
Liabilities		
Current liabilities		
Salaries and benefits payable	14,081	-
Deferred revenue	1,990	-
Incurred but not reported claims	-	17,898
Total liabilities	<u>16,071</u>	<u>17,898</u>
Net Position		
Invested in capital assets	12,203	-
Unrestricted	<u>6,697</u>	<u>244,901</u>
Total net position	<u>\$ 18,900</u>	<u>\$244,901</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

Exhibit H

	<u>Business Type</u> <u>Activity</u>	<u>Governmental</u> <u>Activity</u>
	Nonmajor <u>Enterprise</u> School <u>Nutrition</u>	Internal <u>Service</u>
Operating revenue		
Local sources		
Charges for service	\$ 127,007	\$ -
Employee contributions	-	138,163
Total operating revenue	<u>127,007</u>	<u>138,163</u>
Operating expenses		
Current		
Support services		
Operation and maintenance of plant	<u>1,169</u>	<u>-</u>
Non-instructional programs		
Food service operations		
Salaries and benefits	86,127	-
Benefits	37,372	-
Purchased services	650	-
Supplies	121,337	-
Depreciation	2,479	-
Insurance operations		
Purchased services	-	118,605
	<u>247,965</u>	<u>118,605</u>
Total operating expenses	<u>249,134</u>	<u>118,605</u>
Operating income (loss)	<u>(122,127)</u>	<u>19,558</u>
Non-operating revenues		
Interest income	20	-
State sources	2,478	-
Federal sources	118,303	-
Total non-operating revenues	<u>120,801</u>	<u>-</u>
Change in net position	(1,326)	19,558
Net position beginning of year	<u>20,226</u>	<u>225,343</u>
Net position end of year	<u>\$ 18,900</u>	<u>\$ 244,901</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT

Exhibit I

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2013

	<u>Business Type</u> <u>Activity</u>	<u>Governmental</u> <u>Activity</u>
	Nonmajor <u>Enterprise</u> School <u>Nutrition</u>	Internal <u>Service</u>
Cash flows from operating activities		
Cash received from sale of services	\$ 128,997	\$ -
Cash received from other operations	-	138,194
Cash payments to employees for services	(121,087)	-
Cash payments to suppliers for goods and services	<u>(112,540)</u>	<u>(119,917)</u>
Net cash provided by (used in) operating activities	<u>(104,630)</u>	<u>18,277</u>
Cash flows from non-capital financing activities		
State grants received	2,478	-
Federal grants received	<u>115,557</u>	<u>-</u>
Net cash provided by non-capital financing activities	<u>118,035</u>	<u>-</u>
Cash flows from capital and related financing activities	<u>-</u>	<u>-</u>
Cash flows from investing activities		
Interest on investments	<u>20</u>	<u>-</u>
Net increase in cash and cash equivalents	13,425	18,277
Cash and cash equivalents, beginning of year	7,133	244,436
Cash and cash equivalents, end of year	<u>\$ 20,558</u>	<u>\$262,713</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (122,127)	\$ 19,558
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	2,479	-
Commodities used	10,566	-
Decrease in accounts receivable	-	31
Decrease in inventory	50	-
(Decrease) in incurred but not reported claims	-	(1,312)
Increase in deferred revenue	1,990	-
Increase in accrued salaries and benefits	<u>2,412</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (104,630)</u>	<u>\$ 18,277</u>

Non-cash investing, capital and related financing activities

During the year ended June 30, 2013 the District received \$10,566 of federal commodities.

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
 Statement of Fiduciary Net Position
 Fiduciary Fund
 June 30, 2013

Exhibit J

	Private Purpose <u>Trust</u> <u>Scholarships</u>
Assets	
Cash, cash equivalents and pooled investments	\$ 123,632
Accounts receivable	<u>2,458</u>
Total assets	126,090
Liabilities	
	<u>-</u>
Net position	
Reserved for scholarships	<u>\$ 126,090</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
 Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 For the Year Ended June 30, 2013

Exhibit K

	Private Purpose Trust <hr/> Scholarships
Additions	
Local sources	
Interest	\$ 2,483
Deductions	
Instruction, regular	
Scholarships	<u>5,092</u>
Change in net position	(2,009)
Net position beginning of year	<u>128,099</u>
Net position end of year	<u>\$ 126,090</u>

See notes to financial statements.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2013

Note 1. Summary of Significant Accounting Policies

The Calamus Wheatland Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served includes the Cities of Calamus and Wheatland, Iowa, and the agricultural territory in Clinton and Scott Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Calamus Wheatland Community School District has included all funds, organizations, agencies, boards, commissions, and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on, the District. The Calamus Wheatland 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 County Assessor's Conference Board.

B. Basis of Presentation

Government-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 the following 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 that are attributed 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.

Unrestricted net position consists of net position not meeting the definition of the 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 clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

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 utilized 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 District reports no major proprietary funds. However, the District reports two nonmajor proprietary funds; the enterprise, School Nutrition Fund, which is used to account for the food service operations of the District and one internal service fund, which is utilized for employee health insurance benefits.

The District also reports a fiduciary fund which focuses on net position and changes in net position. The District's fiduciary fund consists of the following:

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

C. Measurement Focus and Basis of Accounting

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, termination benefits, and claims and judgments 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 fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, Liabilities and Fund Equity

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

Cash, Cash Equivalents and Pooled Investments - 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.

The Iowa Schools Joint Investment Trust is a common law trust established under Iowa law and is administered by an appointed investment management company. The fair value of the position in the trust is the same as the value of the shares.

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

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

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

January 1, 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.

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

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

Capital Assets - Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-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.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,500
Buildings	\$ 2,500
Improvements other than buildings	\$ 2,500
Intangibles	\$50,000
Furniture and equipment:	
School Nutrition Fund equipment	\$ 500
Other furniture and equipment	\$ 2,500

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

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	50 years
Improvements other than buildings	20 years
Intangibles	5-10 years
Furniture and equipment	5-12 years

Salaries and Benefits Payable - Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities. Also, wages for hourly employees earned in June and paid in July have been accrued as liabilities. The rate in effect at June 30, 2013 was used to calculate the salaries payable.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements 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 consists of unspent federal grant proceeds, as well as property tax receivables and income surtax receivables not collected within sixty days after year end.

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

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

Fund Equity - In the governmental fund financial statements, fund equity is classified as follows:

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

Unassigned - All amounts not included in other spendable classifications.

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

Net position restricted through enabling legislation includes \$83,313 for management levy purposes, \$350,161 for physical plant and equipment and \$43,747 for student activities.

E. Budgeting and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

F. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Cash, Cash Equivalents 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.

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 in the Iowa Schools Joint Investment Trust Diversified Portfolio which are valued at an amortized cost of \$2,626 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Credit risk. The investment in the Iowa Schools Joint Investment Trust were rated AAAM by Standard & Poor’s Financial Services.

Note 3. Due From and Due to Other Funds

Details of the interfund receivables and payables at June 30, 2013 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Non-major		
Statewide sales, services and use tax	Debt Service	\$ 36,997
Statewide sales, services and use tax	General	<u>633</u>
		<u>\$ 37,630</u>

The Debt Service Fund had a negative cash balance at June 30, 2013; however, since the Debt Service Fund shares a bank account with the Statewide Sales, Services and Use Tax Fund, the negative bank balance is shown as a Due To and Due From on the balance sheet. The amount due from General Fund to Statewide Sales, Services and Use Tax Fund is to correct a coding error.

Note 4. Interfund Transfers

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

Transfer To	Transfer From	Amount
	Nonmajor governmental	
Debt Service	Local Sales, Service and Use Tax	\$ 101,085
General	Management	<u>2,000</u>
		<u>\$ 103,085</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The transfers from the Local Sales, Services and Use Tax Fund to the Debt Service Fund were to move resources from debt issuance to pay principal and interest on debt. The transfer from Management Fund to General Fund was to correct coding of an expenditure.

Note 5. Capital Assets

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

	Balance, Beginning of Year	Additions	Deletions	Balance, End of Year
<u>Governmental activities</u>				
Capital assets not being depreciated:				
Land	\$ 260,444	\$ -	\$ -	\$ 260,444
Capital assets being depreciated:				
Buildings and improvements	8,572,172	31,812	-	8,603,984
Improvements other than buildings	617,860	46,471	-	664,331
Furniture and equipment	<u>2,006,649</u>	<u>38,984</u>	<u>-</u>	<u>2,045,633</u>
Total capital assets being depreciated	<u>11,196,681</u>	<u>117,267</u>	<u>-</u>	<u>11,313,948</u>
Less accumulated depreciation for:				
Buildings and improvements	3,377,852	151,545	(560)	3,528,837
Improvements other than buildings	395,856	27,583	-	423,439
Furniture and equipment	<u>1,345,165</u>	<u>173,002</u>	<u>(12,722)</u>	<u>1,505,445</u>
Total accumulated depreciation	<u>5,118,873</u>	<u>352,130</u>	<u>(13,282)</u>	<u>5,457,721</u>
Total capital assets being depreciated, net	<u>6,077,808</u>	<u>(234,863)</u>	<u>13,282</u>	<u>5,856,227</u>
Governmental activities capital assets, net	<u>\$ 6,338,252</u>	<u>\$ (234,863)</u>	<u>\$ 13,282</u>	<u>\$ 6,116,671</u>
<u>Business type activities</u>				
Furniture and equipment	\$ 105,548	\$ -	\$ -	\$ 105,548
Less accumulated depreciation	<u>90,866</u>	<u>2,479</u>	<u>-</u>	<u>93,345</u>
Business type activities capital assets, net	<u>\$ 14,682</u>	<u>\$ (2,479)</u>	<u>\$ -</u>	<u>\$ 12,203</u>

Depreciation expense was charged to the following functions:

Governmental activities

Instruction		
Regular		\$ 115,850
Support services		
Operation and maintenance of plant		1,536
Transportation		<u>53,913</u>
		171,299
Unallocated depreciation		<u>180,831</u>
Total governmental activities depreciation expense		<u>\$ 352,130</u>

Business type activities

Food service operations		<u>\$ 2,479</u>
-------------------------	--	-----------------

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
General obligation bonds	\$ 635,000	\$ -	\$ 315,000	\$ 320,000	\$ 320,000
Capital lease	298,534	-	98,619	199,915	99,509
Net OPEB liability	100,168	42,450	-	142,618	-
Early retirement	<u>20,684</u>	<u>-</u>	<u>20,684</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,054,386</u>	<u>\$ 42,450</u>	<u>\$ 434,303</u>	<u>\$ 662,533</u>	<u>\$ 419,509</u>

Interest costs incurred and charged to expense on all long-term debt was \$19,563 for the year ended June 30, 2013. During the year ended June 30, 2013, the District made principal payments on total long-term debt of \$413,619.

Refunded General Obligation Bonds

On May 26, 2009 the District issued \$1,530,000 of general obligation bonds to refund the general obligation bond issue of May 3, 2001. On June 1, 2009 the remaining balance of \$1,515,000 of the 2001 issue was called and paid from the proceeds of the refunding general obligation bonds. This amount is considered to be extinguished and, therefore, excluded from the long-term debt of the District at June 30, 2013. This current refunding was undertaken to reduce total debt service payments over the next five years by \$51,073 and resulted in an economic gain of \$56,846.

Details of the District's June 30, 2013 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of May 26, 2009			
	Interest Rates	Principal	Interest	Total
2014	3.00	\$ 320,000	\$ 9,600	\$ 329,600

Capital Lease

On July 5, 2011, the District entered into a capital lease for the purchase of student computers. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments as of June 30, 2013.

	Year Ending June 30,	Amount
	2014	\$ 101,085
	2015	<u>101,085</u>
Minimum lease payments		202,170
Less amount representing interest		<u>2,255</u>
Present value of minimum lease payments		<u>\$ 199,915</u>

Note 7. Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits 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, IA, 50306-9117.

Plan members were required to contribute 5.78%, 5.38% and 4.5% of their annual covered salary and the District was required to contribute 8.67%, 8.07% and 6.95% of annual covered payroll for the years ended June 30, 2013, 2012 and 2011 respectively. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$267,639, \$250,995 and \$182,609, respectively, equal to the required contributions for each year.

Note 8. Risk Management

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

Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media, and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$177,545 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 10. Deficit Fund Balance

The District had an unreserved fund deficit of \$32,765 in the Debt Service Fund at June 30, 2013.

Note 11. Self-funded Health Insurance

The District utilizes a partial self-funded/partial fully funded plan. This is a combination of a low self-funded single of \$300/\$600 and family \$600/\$900 and a high fully funded plan through Wellmark of single \$1,500/\$3,000 and family \$4,500/\$9,000. Payments to Wellmark are made for its premium and deposits into the Internal Service Fund are made monthly for the self-funded portion. The self-fund plan (Internal Service Fund) deposits and the independent administrator funds/pays for the claim exposure between the two or \$2,400 for single and \$8,100 for family. After the total exposure has been maximized, the fully-funded carrier pays 100%. The District estimates that 25% of those covered will reach full maximum exposure.

At June 30, 2013, the District had accumulated an excess of \$244,901 in its Internal Service Fund to cover employee health care claims. Also, the District continues to fund this plan by depositing premiums into the account on a monthly basis. The District's deposits into this fund have exceeded claims paid from the fund during the years ended June 30, 2013, 2012, 2011, 2010 and 2009. All submitted claims had been paid or accrued at June 30, 2013. The District does not expect claims to exceed monies available in the fund during the year ending June 30, 2013. The District is contingently liable for any claims in excess of funds available at June 30, 2013.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR) which represent estimates of the eventual loss on claims arising prior to year-end. Claims liabilities are reported in the financial statements in other current liabilities. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>Year Ended June 30,</u>	
	<u>2013</u>	<u>2012</u>
Unpaid claims, beginning of year	\$ 3,465	\$ -
Current year claims and changes in estimates	138,163	148,668
Claim payments	<u>(123,730)</u>	<u>(145,203)</u>
Unpaid claims, end of year	<u>\$ 17,898</u>	<u>\$ 3,465</u>

Note 12. Contingencies

Grant Funding - The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If expenditures are disallowed by the grantor government due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2013, significant amounts of grant expenditures have not been audited by granting authorities but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Insurance Plan - As discussed in Note 11, the District is contingently liable for any unreported claim or assessment in excess of their balance in the Internal Service Insurance Fund.

Note 13. 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 200 active and 12 retired members in the plan. Participants must be age 55 or older at retirement.

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

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

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

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

Annual required contribution	\$ 36,594
Interest on net OPEB obligation	10,907
Adjustment to annual required contribution	<u>(5,051)</u>
Annual OPEB cost	42,450
Contributions made	<u>-</u>
Increase-in net OPEB obligation	42,450
Net OPEB obligation beginning of year	<u>100,168</u>
Net OPEB obligation end of year	<u>\$ 142,618</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 nothing to the medical plan. Plan members eligible for benefits contributed none of the premium costs.

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2013 are summarized as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 34,357	0.0%	\$ 34,357
2011	35,436	0.0%	69,793
2012	30,375	0.0%	100,168
2013	42,450	0.0%	142,618

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 \$293,512, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$293,512. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$3 million and the ratio of UAAL to covered payroll was 9.8%. As of June 30, 2013, there were no trust fund assets.

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

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

As of July 1, 2012 actuarial valuation date, the frozen 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%. The ultimate medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011.

The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 14. Categorical Funding

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

<u>Program</u>	
Home school assistance program	\$ 6,716
Teacher salary supplement	747
Statewide voluntary preschool	44,428
Educator quality, professional development for model core curriculum	4,068
Educator quality, professional development	<u>10,819</u>
	<u>\$ 66,778</u>

Note 15. Related Party Transactions

During the year ended June 30, 2013, the District entered into business transactions totaling \$20,004 with RPJ Enterprises, a company partly owned by Board Member Ryan Vander Heiden. The transactions were for bus maintenance and repairs.

Required Supplementary Information

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
 Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual
 All Governmental Funds and Enterprise Fund
 Required Supplementary Information
 For the Year Ended June 30, 2013

	Governmental Funds Actual	Enterprise Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues						
Local sources	\$ 3,137,446	\$ 127,027	\$ 3,264,473	\$ 3,253,544	\$ 3,253,544	\$ 10,929
Intermediate sources	-	-	-	13,000	13,000	(13,000)
State sources	2,408,970	2,478	2,411,448	2,449,160	2,449,160	(37,712)
Federal sources	148,190	118,303	266,493	222,095	222,095	44,398
Total revenues	<u>5,694,606</u>	<u>247,808</u>	<u>5,942,414</u>	<u>5,937,799</u>	<u>5,937,799</u>	<u>4,615</u>
Expenditures/Expenses						
Instruction	3,570,155	-	3,570,155	3,733,364	3,800,000	229,845
Support services	1,448,029	1,169	1,449,198	1,511,887	1,511,887	62,689
Non-instructional programs	6,565	247,965	254,530	262,887	265,000	10,470
Other expenditures	689,295	-	689,295	646,553	700,000	10,705
Total expenditures/expenses	<u>5,714,044</u>	<u>249,134</u>	<u>5,963,178</u>	<u>6,154,691</u>	<u>6,276,887</u>	<u>313,709</u>
(Deficiency) of revenues (under) expenditures/expenses	(19,438)	(1,326)	(20,764)	(216,892)	(339,088)	318,324
Net other financing sources	<u>2,098</u>	-	<u>2,098</u>	-	-	<u>2,098</u>
Change in fund balance	(17,340)	(1,326)	(18,666)	(216,892)	(339,088)	320,422
Balance, beginning of year	<u>1,734,342</u>	<u>20,226</u>	<u>1,754,568</u>	<u>1,523,540</u>	<u>1,523,540</u>	<u>231,028</u>
Balance, end of year	<u>\$ 1,717,002</u>	<u>\$ 18,900</u>	<u>\$ 1,735,902</u>	<u>\$ 1,306,648</u>	<u>\$ 1,184,452</u>	<u>\$ 551,450</u>

See accompanying Independent Auditor's Report.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Budgetary Reporting
For the 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 Private Purpose Trust and Internal Service Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$122,196.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Schedule of Funding Progress for the
Retiree Health Plan
Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	\$ -	\$275,540	\$275,540	\$ -	\$3,100,000	8.9%
2011	July 1, 2009	-	275,450	275,450	-	3,091,090	8.9%
2012	July 1, 2009	-	275,450	275,450	-	3,010,411	9.1%
2013	July 1, 2012	-	293,512	293,512	-	3,005,725	9.8%

See Note 13 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

Supplementary Information

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

Schedule 1

	Special Revenue		Capital Projects		
	Student	Management	Statewide	Physical	
	Activity	Levy	Sales,	Plant and	
			Services and	Equipment	Total
			Use Tax	Levy	
Assets					
Cash, cash equivalents and pooled investments	\$43,274	\$ 81,916	\$252,831	\$ 97,667	\$475,688
Receivables					
Property tax					
Delinquent	-	1,397	-	1,222	2,619
Succeeding year	-	110,000	-	100,024	210,024
Accounts receivable	473	-	-	-	473
Due from other governments	-	-	59,700	-	59,700
Due from other fund	-	-	37,630	-	37,630
Total assets	<u>\$43,747</u>	<u>\$193,313</u>	<u>\$350,161</u>	<u>\$198,913</u>	<u>\$786,134</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 922	\$ 922
Deferred revenue					
Succeeding year property tax	-	110,000	-	100,024	210,024
Total liabilities	<u>-</u>	<u>110,000</u>	<u>-</u>	<u>100,946</u>	<u>210,946</u>
Fund balances					
Restricted for					
Student activities	43,747	-	-	-	43,747
Management levy purposes	-	83,313	-	-	83,313
School infrastructure	-	-	350,161	-	350,161
Physical plant and equipment	-	-	-	97,967	97,967
Total fund balances	<u>43,747</u>	<u>83,313</u>	<u>350,161</u>	<u>97,967</u>	<u>575,188</u>
Total liabilities and fund balances	<u>\$43,747</u>	<u>\$193,313</u>	<u>\$350,161</u>	<u>\$198,913</u>	<u>\$786,134</u>

See accompanying Independent Auditor's Report.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT Schedule 2
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue		Capital Projects	Physical Plant and Equipment	Total
	Student Activity	Management Levy	Statewide Sales, Services and Use Tax	Levy	
Revenues					
Local sources					
Local taxes	\$ -	\$ 110,056	\$354,874	\$ 96,307	\$ 561,237
Other	<u>95,117</u>	<u>4,316</u>	<u>884</u>	<u>10</u>	<u>100,327</u>
Total revenues	<u>95,117</u>	<u>114,372</u>	<u>355,758</u>	<u>96,317</u>	<u>661,564</u>
Expenditures					
Current					
Instruction					
Regular	-	31,281	3,577	4,380	39,238
Other	<u>94,483</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,483</u>
Total instruction	<u>94,483</u>	<u>31,281</u>	<u>3,577</u>	<u>4,380</u>	<u>133,721</u>
Support services					
Student	-	612	-	-	612
Instructional staff	-	306	14,994	-	15,300
Administration	-	612	-	-	612
Operation & maintenance of plant	-	61,284	16,436	3,308	81,028
Transportation	<u>-</u>	<u>6,923</u>	<u>35,406</u>	<u>-</u>	<u>42,329</u>
Total support services	<u>-</u>	<u>69,737</u>	<u>66,836</u>	<u>3,308</u>	<u>139,881</u>
Non-instructional programs	<u>-</u>	<u>6,565</u>	<u>-</u>	<u>-</u>	<u>6,565</u>
Other expenditures					
Facilities acquisition	<u>-</u>	<u>-</u>	<u>75,583</u>	<u>1,820</u>	<u>77,403</u>
Total expenditures	<u>94,483</u>	<u>107,583</u>	<u>145,996</u>	<u>9,508</u>	<u>357,570</u>
Excess of revenues over expenditures	<u>634</u>	<u>6,789</u>	<u>209,762</u>	<u>86,809</u>	<u>303,994</u>
Other financing (uses)					
Interfund operating transfers (out)	<u>-</u>	<u>(2,000)</u>	<u>(101,085)</u>	<u>-</u>	<u>(103,085)</u>
Net change in fund balances	634	4,789	108,677	86,809	200,909
Fund balances, beginning of year	<u>43,113</u>	<u>78,524</u>	<u>241,484</u>	<u>11,158</u>	<u>374,279</u>
Fund balances, end of year	<u>\$43,747</u>	<u>\$ 83,313</u>	<u>\$350,161</u>	<u>\$ 97,967</u>	<u>\$ 575,188</u>

See accompanying Independent Auditor's Report.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
 Schedule of Changes in Special Revenue Fund, Student Activity Accounts
 For the Year Ended June 30, 2013

Schedule 3

Account	Balance, Beginning of Year	Revenues	Expenditures	Balance, End of Year
Athletics	\$ 766	\$ 29,110	\$ 28,398	\$ 1,478
Student insurance accounts	4,177	931	647	4,461
Annual	3,818	8,713	8,783	3,748
Key cards	1,485	592	539	1,538
Class of:				
2012	-	181	-	181
2013	3,654	2,089	5,605	138
2014	390	6,081	3,301	3,170
2015	109	525	-	634
Dance	157	1	-	158
FFA	3,482	6,535	8,494	1,523
Vocal	601	583	929	255
Student council	7,936	5,705	6,221	7,420
Junior high student council	7	1,757	1,686	78
Instrumental fund	653	380	607	426
Science club	303	1	-	304
School play	5,009	4,815	4,100	5,724
Special Olympics	78	1	-	79
Juice	3,195	3,233	2,051	4,377
National Honor Society	754	62	-	816
Softball	522	947	1,370	99
Teacher pop	460	762	781	441
FCCLA	175	1,181	831	525
Basketball	2,151	5,966	6,180	1,937
Alumni Fund	1	-	-	1
Marketing	1,047	2	-	1,049
Baseball	241	3,979	3,062	1,158
Elementary				
Student activity	76	3,425	3,123	378
Pop fund	104	1,302	849	557
Student pictures	-	1,024	774	250
Instrumental music	95	707	707	95
Library	1,580	4,527	5,388	719
Student council	87	-	57	30
Totals	<u>\$ 43,113</u>	<u>\$ 95,117</u>	<u>\$ 94,483</u>	<u>\$ 43,747</u>

See accompanying Independent Auditor's Report.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
 Schedule of Revenues by Source and Expenditures by Function
 All Governmental Funds
 For the Last Ten Years

	Modified Accrual Basis									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Local sources										
Local tax	\$2,520,835	\$2,554,619	\$2,486,374	\$2,436,142	\$2,393,509	\$2,288,693	\$2,321,272	\$2,117,886	\$2,014,423	\$2,038,426
Tuition	470,669	459,637	501,914	464,019	367,860	351,627	314,521	317,218	276,019	250,049
Other	145,942	175,724	251,959	196,917	158,869	182,667	170,139	341,488	398,192	123,979
Intermediate sources	-	98	4,027	-	1,469	6,093	5,136	-	-	-
State sources	2,408,970	2,600,386	2,463,503	2,181,054	2,717,461	2,593,318	2,344,727	2,273,228	2,158,956	1,963,060
Federal sources	148,190	185,767	280,213	429,183	231,259	160,313	174,196	155,574	213,646	236,177
Total revenues	\$5,694,606	\$5,976,231	\$5,987,990	\$5,707,315	\$5,870,427	\$5,582,711	\$5,329,991	\$5,205,394	\$5,061,236	\$4,611,691
Expenditures										
Current										
Instruction										
Regular	\$2,261,419	\$2,573,180	\$2,121,544	\$2,095,219	\$2,080,180	\$2,065,631	\$1,973,204	\$1,978,516	\$1,772,214	\$1,790,837
Special	686,004	563,952	598,209	632,559	673,471	655,236	573,403	576,385	615,896	605,885
Other	622,732	690,528	643,405	617,203	472,922	447,271	430,137	247,369	351,369	263,015
Support services										
Student	159,856	149,415	141,116	133,655	125,224	121,800	108,825	106,530	93,683	99,484
Instructional staff	150,998	204,238	291,526	289,700	142,840	150,595	107,102	126,750	53,884	35,084
Administration	424,089	397,747	522,772	502,288	493,789	474,708	476,032	429,509	399,564	372,900
Operation and maintenance of plant	445,894	422,666	415,393	396,594	409,511	406,557	378,663	375,712	335,311	315,677
Transportation	267,192	291,115	223,694	331,411	295,378	341,427	246,477	237,854	280,472	207,068
Other support	-	-	-	1,314	-	1,626	-	-	50,375	-
Non-instructional programs	6,565	6,887	6,949	6,545	6,537	6,309	4,706	583	-	92,853
Other expenditures										
Facilities acquisition	77,403	131,563	292,571	119,650	63,341	58,854	169,326	167,412	1,906,047	190,868
Long-term debt										
Principal	413,619	403,825	300,000	435,669	2,116,331	519,738	1,299,812	483,450	230,000	220,000
Interest and other charges	20,728	28,147	32,788	41,135	99,766	108,156	119,423	135,722	129,529	122,776
AEA flowthrough	177,545	179,563	198,631	197,554	186,943	179,678	166,149	154,375	149,154	147,588
Total expenditures	\$5,714,044	\$6,042,826	\$5,788,598	\$5,800,496	\$7,166,233	\$5,537,606	\$6,053,259	\$5,020,147	\$6,367,498	\$4,464,035

See accompanying Independent Auditor's Report.

Kay L. Chapman, CPA PC

119 W. Mississippi Drive, Suite 3

Muscataine, Iowa 52761

563-264-1385

kchapman@cpakay.com

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
Calamus Wheatland Community School District:

I have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental 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 Calamus Wheatland 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 my report thereon dated January 23, 2014.

Internal Control Over Financial Reporting

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

My consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings, I identified deficiencies in internal control I consider to be material weaknesses.

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

consider the deficiencies described in Part I of the accompanying Schedule of Findings as item A to be a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my 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.

Calamus Wheatland Community School District's Responses to Findings

Calamus Wheatland Community School District's responses to the findings identified in my audit are described in the accompanying Schedule of Findings. Calamus Wheatland Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of Calamus Wheatland Community School District during the course of my audit. Should you have any questions concerning any of the about matters, I shall be pleased to discuss them with you at your convenience.



Kay L. Chapman, CPA PC
January 23, 2014

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2013

Part I. Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCY

- A. Segregation of Duties - One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The cash receipts and disbursements, bank deposits and bank account reconciliations were all handled by the same person.

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

Response - We will review our procedures and implement changes to improve internal control, as we deem necessary.

Conclusion - Response accepted.

INSTANCES OF NON-COMPLIANCE

No matters were noted.

Part II. Other Findings Related to Required Statutory Reporting

1. Certified Budget - Expenditures for the year ended June 30, 2013 did not exceed the amounts budgeted.
2. Questionable Expenditures - No expenditures I believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, were noted.
3. 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.
4. Business Transactions - Business transactions between the District and District officials are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Ryan Vander Heiden, board member part owner of RPJ Enterprises	Bus maintenance & repairs	\$20,004

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2013

The transactions with Board Member Vander Heiden's business appears to represent a conflict of interest since it was more than \$2,500, as allowed by Chapter 279.7A of the Code of Iowa.

Recommendation - The District should consult legal counsel to determine the disposition of this matter.

Response - We try to support our local businesses, when possible. RPJ Enterprises is one of only two businesses within the District that provide the needed services. Therefore, we chose to conduct business with RPJ Enterprises instead of going outside the district for these services. We will review the situation.

Conclusion - Response accepted.

5. Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
6. Board Minutes - I noted no transactions requiring Board approval which had not been approved by the Board.
7. Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
8. Supplementary Weighting - It was noted that the supplementary weighting certified to the Iowa Department of Education for the October 2012 report date was understated by .029.

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

Response - We will contact the necessary agencies to resolve this matter.

Conclusion - Response accepted.

9. Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
10. Certified Annual Reports - The Certified Annual Report was certified timely to the Department of Education.
11. Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2013

12. Statewide Sales, Services and Use Tax - No instances of noncompliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

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

Beginning balance		\$ 241,484	
Revenues			
Statewide sales and services tax revenue	\$ 354,874		
Other local revenues	<u>884</u>	355,758	
Expenditures/transfers out			
School infrastructure			
School infrastructure construction	\$ 77,365		
Equipment	68,631		
Debt service for school infrastructure			
General obligation debt	<u>101,085</u>	<u>247,081</u>	
Ending balance		<u>\$ 350,161</u>	

The statewide sales, services and use tax revenue during the year ended June 30, 2013 was not used to reduce debt.

13. Deficit Balance - The District had an unassigned fund deficit in the Debt Service Fund of \$32,765 at June 30, 2013.

Recommendation - The District should continue to monitor this fund and investigate alternatives to eliminate this deficit in order to return the fund to a sound financial condition.

Response - We will review the situation and implement changes, as needed.

Conclusion - Response accepted.

CALAMUS WHEATLAND COMMUNITY SCHOOL DISTRICT
Audit Staff
June 30, 2013

This audit was performed by

Kay Chapman, CPA
Terri Slater, staff accountant