

BOYER VALLEY COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2013

Contents

		<u>Page</u>
Officials		3
Independent Auditor's Report		5-6
Management's Discussion and Analysis (MD&A)		7-16
Basic Financial Statements:	<u>Exhibit</u>	
Government-Wide Financial Statements:		
Statement of Net Position	A	18
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D	21
Statement of Revenues, Expenditures and Changes in Fund Balances	E	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F	23
Proprietary Fund Financial Statements:		
Statement of Net Position	G	24
Statement of Revenues, Expenses and Changes in Fund Net Position	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		29-40
Required Supplementary Information:		
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund		42
Notes to Required Supplementary Information - Budgetary Reporting		43
Schedule of Funding Progress for the Retiree Health Plan		44
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	2	47
Capital Project Accounts:		
Combining Balance Sheet	3	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	4	49
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	5	50
Private Purpose Trust - Scholarship Funds		
Combining Statement of Fiduciary Net Position	6	51
Combining Statement of Changes in Fiduciary Net Position	7	52
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Fund	8	53
Schedule of Revenues by Source and Expenditures by Function - All Governmental Fund Types	9	54
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>		55-56
Schedule of Findings		57-61

Boyer Valley Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Education

Ken Dunham	President	2013
Randy Mitchell	Vice President	2013
Pat Putnam	Board Member	2015
Paul Klein	Board Member	2015
Steve Puck	Board Member	2015
Mark McAllister	Board Member	2013
Kelly Garrett	Board Member	2015

School Officials

Thomas Vint	Superintendent	2013
Sharon Lee	District Secretary/Treasurer and Business Manager	2013
Rick Frank	Attorney	2013

BOYER VALLEY COMMUNITY SCHOOL DISTRICT

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the Boyer Valley Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Boyer Valley Community School District, Dunlap, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Boyer Valley Community School District as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 16 and 42 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Boyer Valley Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the 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 9, 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 our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 20, 2014 on our consideration of Boyer Valley Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Boyer Valley Community School District's internal control over financial reporting and compliance.



NOLTE, CORNMAN & JOHNSON, P.C.

March 20, 2014
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

Boyer Valley 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 increased from \$4,909,700 in fiscal 2012 to \$5,185,853 in fiscal 2013, while General Fund expenditures increased from \$4,796,438 in fiscal 2012 to \$4,890,357 in fiscal 2013. This resulted in an increase in the District's General Fund balance from \$486,765 at June 30, 2012 to a balance of \$782,261 at June 30, 2013, a 60.71% increase from the prior year.
- The increase in General Fund revenues was attributable to an increase in local and state revenue sources. The increase in expenditures was primarily due to an increase in negotiated salaries and benefits.

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

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

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

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.

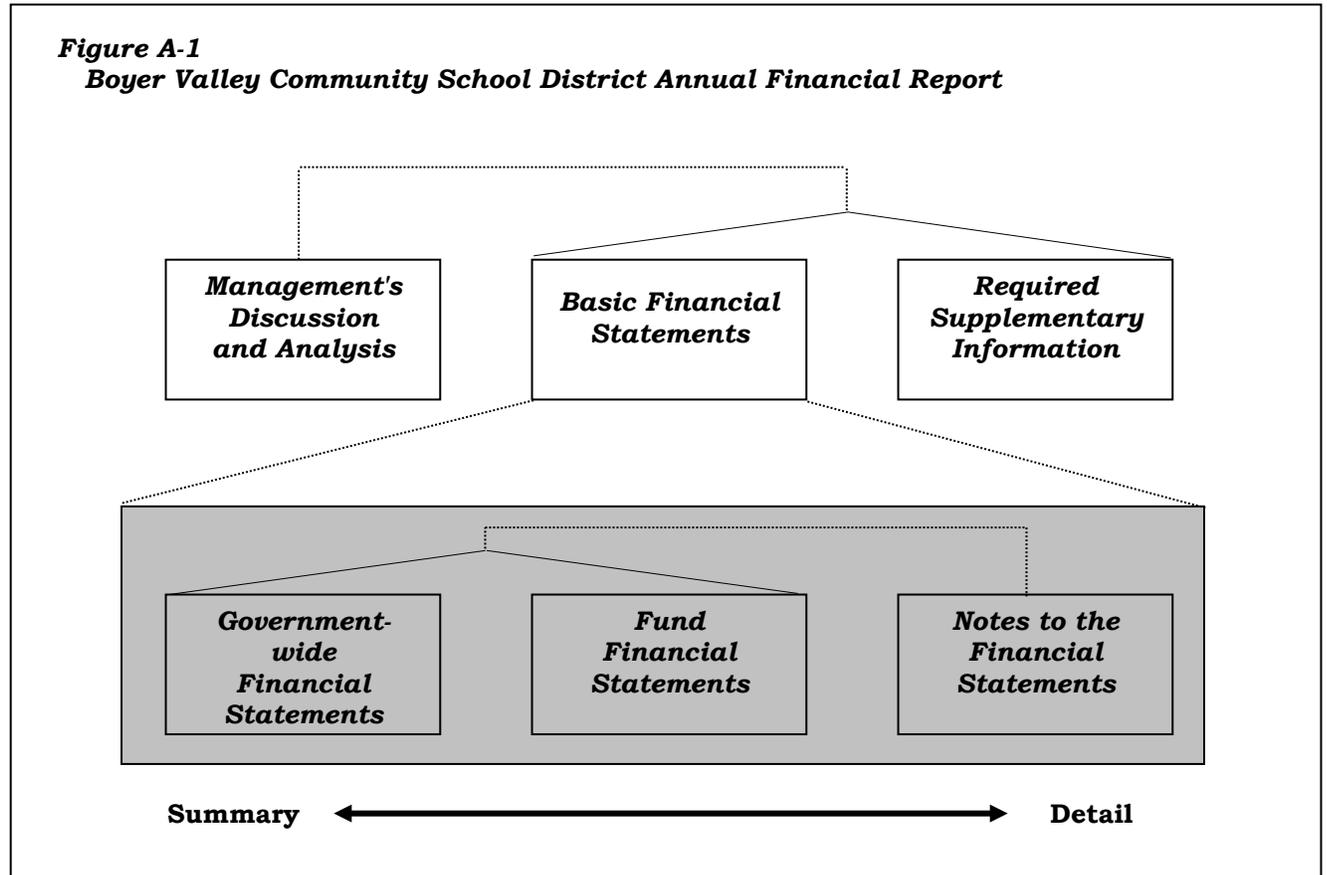


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

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, e.g., food service	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 assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT’S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide 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 they have changed. Net position – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is 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 and day care program are included here.

Fund Financial Statements

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

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as 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 Fund.

The required financial statements for the governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

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

The required financial statements for the 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 funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include the Private-Purpose Trust Fund and Agency Fund.

- Private-Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.
- Agency Fund - These are funds for which the District accounts for Southwest Iowa Honor Band and Dunlap Alumni accounts.

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

The required financial statements for fiduciary funds include 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 total net position at June 30, 2013 compared to June 30, 2012.

	Governmental Activities		Business Type Activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2013	2012	2013	2012	2013	2012	2012-13
Current and other assets	\$ 4,209,517	3,996,376	21,035	22,624	4,230,552	4,019,000	5.26%
Capital assets	6,726,017	6,657,274	34,994	38,429	6,761,011	6,695,703	0.98%
Total assets	10,935,534	10,653,650	56,029	61,053	10,991,563	10,714,703	2.58%
Long-term obligations	3,800,649	3,970,231	338	168	3,800,987	3,970,399	-4.27%
Other liabilities	2,427,087	2,423,588	14,654	8,484	2,441,741	2,432,072	0.40%
Total liabilities	6,227,736	6,393,819	14,992	8,652	6,242,728	6,402,471	-2.50%
Net position:							
Invested in capital assets, net of related debt	3,300,017	2,872,741	34,994	38,429	3,335,011	2,911,170	14.56%
Restricted	984,401	1,102,156	-	-	984,401	1,102,156	-10.68%
Unrestricted	423,380	284,934	6,043	13,972	429,423	298,906	43.66%
Total net position	\$ 4,707,798	4,259,831	41,037	52,401	4,748,835	4,312,232	10.12%

The District's combined net position increased by 10.12%, or \$436,603 over the prior year. The largest portion of the District's net position is the invested in capital assets, net of related debt. The debt related to the invested 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 decreased \$117,755, or 10.68% over the prior year. The decrease was primarily a result of the decrease in fund balance of the Capital Projects: Physical Plant and Equipment Levy Fund.

Unrestricted net position are 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 increased by \$130,517 or 43.66%. The increase was primarily a result of the increase in the General fund balance.

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							
Changes of Net Position							
	Governmental		Business Type		Total		Total
	Activities		Activities		School District		Change
	June 30,		June 30,		June 30,		June 30,
	2013	2012	2013	2012	2013	2012	2012-13
Revenues and Transfers:							
Program revenues:							
Charges for services	\$ 434,991	443,105	208,314	198,478	643,305	641,583	0.27%
Operating grants and contributions and restricted interest	397,870	509,031	136,818	130,430	534,688	639,461	-16.38%
General revenues:							
Property tax	2,350,364	2,143,760	-	-	2,350,364	2,143,760	9.64%
Income surtax	240,823	212,027	-	-	240,823	212,027	13.58%
Statewide sales, services and use tax	373,832	329,962	-	-	373,832	329,962	13.30%
Nonspecific program federal grants	-	1,382	-	-	-	1,382	-100.00%
Unrestricted state grants	2,333,643	2,156,088	-	-	2,333,643	2,156,088	8.24%
Unrestricted investment earnings	7,172	23,472	27	3	7,199	23,475	-69.33%
Other	5,184	21,386	1,133	-	6,317	21,386	-70.46%
Transfers	(4,946)	-	4,946	-	-	-	0.00%
Total revenues and transfers	6,138,933	5,840,213	351,238	328,911	6,490,171	6,169,124	5.20%
Program expenses:							
Instructional	3,610,236	3,442,327	-	-	3,610,236	3,442,327	4.88%
Support services	1,702,251	1,536,976	-	-	1,702,251	1,536,976	10.75%
Non-instructional programs	3,950	3,015	362,602	348,117	366,552	351,132	4.39%
Other expenses	374,529	565,703	-	-	374,529	565,703	-33.79%
Total expenses	5,690,966	5,548,021	362,602	348,117	6,053,568	5,896,138	2.67%
Change in net position	447,967	292,192	(11,364)	(19,206)	436,603	272,986	59.94%
Net position beginning of year	4,259,831	3,967,639	52,401	71,607	4,312,232	4,039,246	6.76%
Net position end of year	\$ 4,707,798	4,259,831	41,037	52,401	4,748,835	4,312,232	10.12%

In fiscal 2013, property tax, income surtax, statewide sales, services and use tax and unrestricted state grants account for 86.31% of the revenue from governmental activities while charges for service and sales and operating grants and contributions account for 98.26% of the revenue from business type activities.

The District's total revenues were approximately \$6.49 million of which approximately \$6.14 million was for governmental activities and approximately \$0.35 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 5.20% increase in revenues and 2.67% increase in expenses. The increase in revenues is related to an increase in local and state revenue sources. The increase in expenses is related to an increase in instruction expenditures.

Governmental Activities

Revenues for governmental activities were \$6,138,933 and expenses were \$5,690,966.

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.

	Total Cost of Services			Net Cost of Services		
	2013	2012	Change 2012-13	2013	2012	Change 2012-13
Instruction	\$ 3,610,236	3,442,327	4.88%	3,038,106	2,761,310	10.02%
Support services	1,702,251	1,536,976	10.75%	1,611,870	1,425,949	13.04%
Non-instructional programs	3,950	3,015	31.01%	3,950	3,015	31.01%
Other expenses	374,529	565,703	-33.79%	204,179	405,611	-49.66%
Totals	<u>\$ 5,690,966</u>	<u>5,548,021</u>	<u>2.58%</u>	<u>4,858,105</u>	<u>4,595,885</u>	<u>5.71%</u>

For the year ended June 30, 2013:

- The cost financed by users of the District’s programs was \$434,991.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$397,870.
- The net cost of governmental activities was financed with \$2,350,364 in property tax, \$240,823 in income surtax, \$373,832 in statewide sales, services and use tax, \$2,333,643 in unrestricted state grants, \$7,172 in interest income and \$238 in other general revenue net of transfers.

Business Type Activities

Revenues of the District’s business type activities were \$351,238, representing a 6.79% increase from the prior year, while expenses totaled \$362,602, a 4.16% increase from the prior year. The District’s business type activities include the School Nutrition Fund and Day Care Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balance of \$1,582,782, above last year’s ending fund balances of a \$1,388,658. The increase in ending fund balances was due to the increase in the ending fund balance of the General Fund.

Governmental Fund Highlights

- The District’s increase in General Fund financial position to \$782,261 at June 30, 2013, from \$486,765 at June 30, 2012 is the product of many factors. The increase in local and state revenue sources, as compared to the prior year was a contributing factor to the increase in the fund balance.

-
- The Capital Projects Accounts balance decreased from \$685,023 at June 30, 2012 to \$563,094 at June 30, 2013. When compared to the prior year, the increase in revenues was not enough to offset the increase in expenditures creating the decrease in combined fund balance for the Capital Projects Accounts.

Proprietary Fund Highlights

The School Nutrition Fund net position decreased from \$53,505 at June 30, 2012 to \$40,325 at June 30, 2013, representing a decrease of 24.63%. The Day Care Fund net position increased from a deficit balance of \$1,104 at June 30, 2012 to a positive balance of \$712, representing an increase of 164.49%.

BUDGETARY HIGHLIGHTS

Over the course of the year, Boyer Valley Community School District amended its budget one time to reflect additional expenditures in the non-instructional programs functional area.

The District's revenues were \$261,909 less than budgeted revenues, a variance of 3.89%. The most significant variance resulted from the District receiving less in state sources than originally anticipated.

Total expenditures were more than budgeted, primarily due to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the District had invested \$6.76 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 0.98% from last year. More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation expense for the year was \$274,172.

The original cost of the District's capital assets was \$10.12 million. Governmental funds account for \$9.95 million with the remainder of \$0.17 million in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled \$13,976 at June 30, 2013, compared to \$58,248 reported at June 30, 2012. This decrease resulted from building renovations that were completed during the year and capitalized as part of the District's capital asset listing.

Figure A-6 Capital Assets, Net of Depreciation							
	Governmental		Business Type		Total		Total Change June 30, 2012-13
	Activities		Activities		School District		
	June 30,		June 30,		June 30,		
	2013	2012	2013	2012	2013	2012	
Land	\$ 1,100	1,100	-	-	1,100	1,100	0.00%
Construction in progress	13,976	58,248	-	-	13,976	58,248	-316.77%
Buildings	6,237,623	6,232,223	-	-	6,237,623	6,232,223	0.09%
Land improvements	150,694	183,424	-	-	150,694	183,424	-17.84%
Machinery and equipment	322,624	182,279	34,994	38,429	357,618	220,708	62.03%
Total	\$ 6,726,017	6,657,274	34,994	38,429	6,761,011	6,695,703	0.98%

Long-Term Debt

At June 30, 2013, the District had \$3,800,987 in general obligation bond and other long-term debt outstanding. This represents a decrease of 4.27% from last year. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The District had total outstanding General Obligation Bonds payable of \$3,426,000 at June 30, 2013.

The District made the final payment for the City Note from the Capital Projects: Physical Plant and Equipment Levy Fund during fiscal 2013.

The District had a Net OPEB liability at June 30, 2013 of \$374,987.

Figure A-7 Outstanding Long-Term Obligations							
	Governmental		Business Type		Total		Total Change June 30, 2012-13
	Activities		Activities		School District		
	June 30,		June 30,		June 30,		
	2013	2012	2013	2012	2013	2012	
General obligation bonds	\$ 3,426,000	3,771,000	-	-	3,426,000	3,771,000	-9.15%
City note	-	13,533	-	-	-	13,533	-100.00%
Net OPEB liability	374,649	185,698	338	168	374,987	185,866	101.75%
Total	\$ 3,800,649	3,970,231	338	168	3,800,987	3,970,399	-4.27%

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:

- Low allowable growth over several years and enrollment decreases is negatively impacting the District's spending authority. Contractual increases and program changes cannot be made without thorough consideration of our unspent authorized budget.
- Continues budget concerns at state and federal levels will affect future projects. The District has been forced to shift funding to property taxes.

-
- The District continues to use Local Option Sales Tax dollars to help debt reduction. This will impact our ability to keep up with technology needs that are essential in the coming years.
 - Continued budget concerns at state level will affect future projections.

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 Sharon Lee, Board Secretary, Boyer Valley Community School District, 1102 Iowa Avenue, Dunlap, Iowa, 51529.

BASIC FINANCIAL STATEMENTS

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and pooled investments	\$ 1,321,266	5,934	1,327,200
Receivables:			
Property tax:			
Delinquent	25,163	-	25,163
Succeeding year	2,333,347	-	2,333,347
Income surtax	210,440	-	210,440
Accounts	10,595	4,493	15,088
Due from other funds	5,000	-	5,000
Due from other governments	303,706	1,319	305,025
Inventories	-	9,289	9,289
Capital assets, net of accumulated depreciation	6,726,017	34,994	6,761,011
TOTAL ASSETS	10,935,534	56,029	10,991,563
LIABILITIES			
Due to other funds	-	5,000	5,000
Accounts payable	50,708	23	50,731
Salaries and benefits payable	28,207	6,578	34,785
Accrued interest payable	14,825	-	14,825
Deferred revenue:			
Succeeding year property tax	2,333,347	-	2,333,347
Unearned revenue	-	3,053	3,053
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	349,000	-	349,000
Portion due after one year:			
General obligation bonds payable	3,077,000	-	3,077,000
Net OPEB liability	374,649	338	374,987
TOTAL LIABILITIES	6,227,736	14,992	6,242,728
NET POSITION			
Invested in capital assets, net of related debt	3,300,017	34,994	3,335,011
Restricted for:			
Categorical funding	198,705	-	198,705
Debt service	84,745	-	84,745
Management levy purposes	80,449	-	80,449
Student activities	57,408	-	57,408
School infrastructure	442,913	-	442,913
Physical plant and equipment	120,181	-	120,181
Unrestricted	423,380	6,043	429,423
TOTAL NET POSITION	\$ 4,707,798	41,037	4,748,835

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Govern- mental Activities	Business Type Activities	Total
Functions/Programs						
Governmental activities:						
Instruction:						
Regular	\$ 2,285,614	164,085	56,283	(2,065,246)	-	(2,065,246)
Special	731,274	55,480	92,965	(582,829)	-	(582,829)
Other	593,348	126,460	76,857	(390,031)	-	(390,031)
	<u>3,610,236</u>	<u>346,025</u>	<u>226,105</u>	<u>(3,038,106)</u>	<u>-</u>	<u>(3,038,106)</u>
Support services:						
Student services	110,947	-	-	(110,947)	-	(110,947)
Instructional staff	98,532	-	-	(98,532)	-	(98,532)
Administration	631,802	78,623	-	(553,179)	-	(553,179)
Operation and maintenance of plant	499,648	-	-	(499,648)	-	(499,648)
Transportation	361,322	10,343	1,415	(349,564)	-	(349,564)
	<u>1,702,251</u>	<u>88,966</u>	<u>1,415</u>	<u>(1,611,870)</u>	<u>-</u>	<u>(1,611,870)</u>
Non-instructional programs:						
Food service operations	2,880	-	-	(2,880)	-	(2,880)
Community service operations	1,070	-	-	(1,070)	-	(1,070)
	<u>3,950</u>	<u>-</u>	<u>-</u>	<u>(3,950)</u>	<u>-</u>	<u>(3,950)</u>
Long-term debt interest	42,889	-	-	(42,889)	-	(42,889)
Other expenditures:						
AEA flowthrough	170,350	-	170,350	-	-	-
Depreciation(unallocated)*	161,290	-	-	(161,290)	-	(161,290)
	<u>331,640</u>	<u>-</u>	<u>170,350</u>	<u>(161,290)</u>	<u>-</u>	<u>(161,290)</u>
Total governmental activities	5,690,966	434,991	397,870	(4,858,105)	-	(4,858,105)
Business type activities:						
Non-instructional programs:						
Nutrition services	255,137	107,673	128,192	-	(19,272)	(19,272)
Day care services	107,465	100,641	8,626	-	1,802	1,802
Total business-type activities	<u>362,602</u>	<u>208,314</u>	<u>136,818</u>	<u>-</u>	<u>(17,470)</u>	<u>(17,470)</u>
Total	\$ 6,053,568	643,305	534,688	(4,858,105)	(17,470)	(4,875,575)
General Revenues and Transfers:						
Property tax levied for:						
General purposes				\$ 1,988,512	-	1,988,512
Capital outlay				154,432	-	154,432
Debt service				207,420	-	207,420
Income surtax				240,823	-	240,823
Statewide sales, services and use tax				373,832	-	373,832
Unrestricted state grants				2,333,643	-	2,333,643
Unrestricted investment earnings				7,172	27	7,199
Other general revenue				5,184	1,133	6,317
Transfers				(4,946)	4,946	-
Total general revenues and transfers				<u>5,306,072</u>	<u>6,106</u>	<u>5,312,178</u>
Change in net position				447,967	(11,364)	436,603
Net position beginning of year				<u>4,259,831</u>	<u>52,401</u>	<u>4,312,232</u>
Net position end of year				<u>\$ 4,707,798</u>	<u>41,037</u>	<u>4,748,835</u>

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

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	Capital			Total
	General	Projects	Nonmajor	
ASSETS				
Cash and pooled investments	\$ 694,990	388,680	233,563	1,317,233
Receivables:				
Property tax:				
Delinquent	20,499	1,648	3,016	25,163
Succeeding year	1,930,342	162,022	240,983	2,333,347
Income surtax	210,440	-	-	210,440
Accounts	8,077	1,499	1,019	10,595
Due from other funds	5,000	-	-	5,000
Due from other governments	132,439	171,267	-	303,706
TOTAL ASSETS	\$ 3,001,787	725,116	478,581	4,205,484
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 28,164	-	43	28,207
Salaries and benefits payable	50,580	-	128	50,708
Deferred revenue:				
Succeeding year property tax	1,930,342	162,022	240,983	2,333,347
Income surtax	210,440	-	-	210,440
Total liabilities	2,219,526	162,022	241,154	2,622,702
Fund balances:				
Restricted for:				
Categorical funding	198,705	-	-	198,705
Management levy purposes	-	-	80,449	80,449
Student activities	-	-	57,408	57,408
School infrastructure	-	442,913	-	442,913
Physical plant and equipment	-	120,181	-	120,181
Debt service	-	-	99,570	99,570
Unassigned	583,556	-	-	583,556
Total fund balances	782,261	563,094	237,427	1,582,782
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,001,787	725,116	478,581	4,205,484

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2013

Total fund balances of governmental funds(page 20)	\$	1,582,782
 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 in the governmental funds.		6,726,017
Accounts receivable income surtax, are not yet available to finance expenditures of the current period.		210,440
Blending of Internal service funds to be reflected on an entity wide basis		4,033
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.		(14,825)
Long-term liabilities, including general obligation bonds payable and other postemployment benefits payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		<u>(3,800,649)</u>
Net position of governmental activities(page 18)	\$	<u><u>4,707,798</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	General	Capital Projects	Nonmajor	Total
REVENUES:				
Local sources:				
Local tax	\$ 2,138,156	528,264	282,327	2,948,747
Tuition	193,597	-	-	193,597
Other	134,046	2,489	129,956	266,491
State sources	2,509,824	75	137	2,510,036
Federal sources	208,736	-	-	208,736
TOTAL REVENUES	5,184,359	530,828	412,420	6,127,607
EXPENDITURES:				
Current:				
Instruction:				
Regular	2,124,841	48,580	44,358	2,217,779
Special	699,868	-	-	699,868
Other	445,268	-	124,618	569,886
	3,269,977	48,580	168,976	3,487,533
Support services:				
Student	104,536	-	-	104,536
Instructional staff	94,088	-	-	94,088
Administration	602,018	-	7,732	609,750
Operation and maintenance of plant	354,244	3,039	39,218	396,501
Transportation	294,074	150,484	14,846	459,404
	1,448,960	153,523	61,796	1,664,279
Non-instructional programs:				
Food service operations	-	-	2,880	2,880
Community service operations	1,070	-	-	1,070
	1,070	-	2,880	3,950
Capital outlay	-	206,716	-	206,716
Long-term debt:				
Principal	-	-	358,533	358,533
Interest and fiscal charges	-	-	43,616	43,616
	-	-	402,149	402,149
Other expenditures:				
AEA flowthrough	170,350	-	-	170,350
TOTAL EXPENDITURES	4,890,357	408,819	635,801	5,934,977
Excess(Deficiency) of revenues over(under) expenditures	294,002	122,009	(223,381)	192,630
Other financing sources(uses):				
Sale of equipment	1,494	-	-	1,494
Transfer in	-	-	243,938	243,938
Transfer out	-	(243,938)	-	(243,938)
Total other financing sources(uses)	1,494	(243,938)	243,938	1,494
Change in fund balances	295,496	(121,929)	20,557	194,124
Fund balance beginning of year	486,765	685,023	216,870	1,388,658
Fund balance end of year	\$ 782,261	563,094	237,427	1,582,782

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2013

Change in fund balances - total governmental funds(page 22) \$ 194,124

**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, depreciation expense and loss on disposal of capital assets in the current year, are as follows:

Capital outlay	\$ 356,608	
Depreciation expense	(265,791)	
Loss on disposal of capital assets	<u>(22,074)</u>	68,743

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. Current year repayments are as follows: 358,533

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 727

Net change in Internal Service Fund charged back against expenditures made for the flex benefit program at an entity wide basis. (1,481)

Income surtax accounts receivable is not available to finance expenditures of the current year period in the governmental funds. 16,272

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.
 Other postemployment benefits (188,951)

Change in net position of governmental activities(page 19) \$ 447,967

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business Type Activities:			Governmental
	Enterprise Funds			Activities:
	School Nutrition	Day Care	Total	Internal Service
ASSETS				
Cash and pooled investments	\$ 5,294	640	5,934	4,033
Accounts receivable	-	4,493	4,493	-
Due from other governments	-	1,319	1,319	-
Inventories	9,289	-	9,289	-
Capital assets, net of accumulated depreciation	34,994	-	34,994	-
TOTAL ASSETS	49,577	6,452	56,029	4,033
LIABILITIES				
Due to other funds	5,000	-	5,000	-
Accounts payable	-	23	23	-
Salaries and benefits payable	1,030	5,548	6,578	-
Unearned revenue	3,053	-	3,053	-
Net OPEB liability	169	169	338	-
TOTAL LIABILITIES	9,252	5,740	14,992	-
NET POSITION				
Invested in capital assets	34,994	-	34,994	-
Unrestricted	5,331	712	6,043	4,033
TOTAL NET POSITION	\$ 40,325	712	41,037	4,033

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

	Business Type Activities:			Governmental Activities: Internal Service
	Enterprise Funds			
	School Nutrition	Day Care	Total	
OPERATING REVENUE:				
Local sources:				
Charges for service	\$ 107,673	100,641	208,314	-
Miscellaneous	1,133	-	1,133	27,579
	<u>108,806</u>	<u>100,641</u>	<u>209,447</u>	<u>27,579</u>
OPERATING EXPENSES:				
Non-instructional programs:				
Salaries	113,775	-	113,775	-
Benefits	18,362	-	18,362	-
Services	991	-	991	-
Supplies	113,274	-	113,274	-
Depreciation	8,381	-	8,381	-
Other	354	-	354	-
	<u>255,137</u>	<u>-</u>	<u>255,137</u>	<u>-</u>
Other enterprise operations:				
Salaries	-	87,758	87,758	-
Benefits	-	13,876	13,876	-
Services	-	-	-	29,060
Supplies	-	5,148	5,148	-
Other	-	683	683	-
	<u>-</u>	<u>107,465</u>	<u>107,465</u>	<u>29,060</u>
TOTAL OPERATING EXPENSES	<u>255,137</u>	<u>107,465</u>	<u>362,602</u>	<u>29,060</u>
OPERATING LOSS	(146,331)	(6,824)	(153,155)	(1,481)
NON-OPERATING REVENUES:				
Intermediate sources	-	680	680	-
State sources	2,423	7,946	10,369	-
Federal sources	125,769	-	125,769	-
Interest income	13	14	27	-
TOTAL NON-OPERATING REVENUES	<u>128,205</u>	<u>8,640</u>	<u>136,845</u>	<u>-</u>
Change in net position before other financing sources	(18,126)	1,816	(16,310)	(1,481)
Other financing sources:				
Capital contributions	4,946		4,946	-
Change in net position	(13,180)	1,816	(11,364)	(1,481)
Net position beginning of year	53,505	(1,104)	52,401	5,514
Net position end of year	<u>\$ 40,325</u>	<u>712</u>	<u>41,037</u>	<u>4,033</u>

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

	Business Type Activities:			Governmental
	Enterprise Funds			Activities:
	School Nutrition	Day Care	Total	Internal Service
Cash flows from operating activities:				
Cash received from charges for services	\$ 107,732	100,310	208,042	-
Cash received from miscellaneous operating activities	1,133	-	1,133	27,579
Cash payments to employees for services	(131,022)	(96,001)	(227,023)	-
Cash payments to suppliers for goods or services	(95,305)	(5,843)	(101,148)	(29,060)
Net cash used in operating activities	<u>(117,462)</u>	<u>(1,534)</u>	<u>(118,996)</u>	<u>(1,481)</u>
Cash flows from non-capital financing activities:				
Borrowings from General Fund	5,000	-	5,000	-
State grants received	2,423	6,803	9,226	-
Intermediate sources	-	680	680	-
Federal grants received	106,395	-	106,395	-
Net cash provided by non-capital financing activities	<u>113,818</u>	<u>7,483</u>	<u>121,301</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	13	14	27	-
Net increase(decrease) in cash and cash equivalents	(3,631)	5,963	2,332	(1,481)
Cash and cash equivalents at beginning of year	8,925	(5,323)	3,602	5,514
Cash and cash equivalents at end of year	<u>\$ 5,294</u>	<u>640</u>	<u>5,934</u>	<u>4,033</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (146,331)	(6,824)	(153,155)	(1,481)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Commodities used	19,374	-	19,374	-
Depreciation	8,381	-	8,381	-
Decrease in inventories	72	-	72	-
Increase in accounts receivable	-	(331)	(331)	-
Decrease in accounts payable	(132)	(12)	(144)	-
Increase in salaries and benefits payable	1,030	5,548	6,578	-
Increase in unearned revenue	59	-	59	-
Increase in other postemployment benefits	85	85	170	-
Net cash used in operating activities	<u>\$ (117,462)</u>	<u>(1,534)</u>	<u>(118,996)</u>	<u>(1,481)</u>

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

During the year ended June 30, 2013, the District received Federal commodities valued at \$19,374.

During the year ended June 30, 2013, the School Nutrition Fund received capital contributions valued at \$4,946 from the Capital Projects: Physical Plant and Equipment Levy Fund.

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2013

	Private Purpose Trust	Agency Fund
	Scholarship Fund	Fund
ASSETS		
Cash and pooled investments	\$ 15,028	275
LIABILITIES		
Due to other groups	-	275
NET POSITION		
Restricted for scholarships	\$ 15,028	-

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 YEAR ENDED JUNE 30, 2013

	Private Purpose Trust
	Scholarship Fund
ADDITIONS:	
Local sources:	
Gifts and contributions	\$ 4,191
Interest income	257
Total additions	4,448
DEDUCTIONS:	
Instruction:	
Regular:	
Scholarships awarded	2,875
Change in net position	1,573
Net position beginning of year	13,455
Net position end of year	\$ 15,028

SEE NOTES TO FINANCIAL STATEMENTS.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

(1) Summary of Significant Accounting Policies

The Boyer Valley Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the cities of Dunlap, Dow City and Arion, Iowa, and the predominate agricultural territory in Harrison, Crawford, Shelby and Monona 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, Boyer Valley 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 Boyer Valley Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

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

B. Basis of Presentation

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

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

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

Restricted net 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 two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

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

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

The District reports the following major governmental funds:

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

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

The District reports the following nonmajor proprietary funds:

The District's proprietary funds are the Enterprise Fund, School Nutrition Fund, the Enterprise Fund, Day Care Fund and the Internal Service Fund. The School Nutrition Fund is used to account for the food service

operations of the District. The Day Care Fund is used to account for the day care service operations of the District. The Internal Service Fund is used to account for flex benefits of employees.

The District also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary fund includes 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.

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses

are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

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

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

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

D. Assets, Liabilities and Fund Balances

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute,

the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

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

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

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Land improvements	20 years
Intangibles	2 or more years
Machinery and equipment	5-12 years

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

Deferred revenue 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.

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

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

Fund Balances - In the governmental fund financial statements, fund balances are classified as follows:

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

Unassigned - All amounts not included in other spendable classifications.

Restricted Net Position - In the government-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.

E. Budgeting and Budgetary Accounting

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

(2) **Cash and Pooled Investments**

The District's deposits 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 drainage district. The District had no investments at June 30, 2013.

(3) Due From and Due to Other Funds

The detail of the interfund receivables and payables at June 30, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
General	Enterprise: School Nutrition	\$ 5,000

The Enterprise: School Nutrition Fund is repaying the General Fund for salaries and benefits not paid before year end.

(4) Interfund Transfers

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

Transfer to	Transfer from	Amount
	Capital Projects: Statewide Sales, Services, and Use Tax	\$ 230,000
Debt Service		
	Capital Projects: Physical Plant and Equipment Levy	13,938
Debt Service		
Total		\$ 243,938

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

The transfer from the Capital Projects: Property, Plant and Equipment Levy Fund to the Debt Service Fund was for the principal and interest payments for the city note indebtedness.

(5) Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,100	-	-	1,100
Construction in progress	58,248	111,762	156,034	13,976
Total capital assets not being depreciated	59,348	111,762	156,034	15,076
Capital assets being depreciated:				
Buildings	7,918,717	156,034	-	8,074,751
Land improvements	435,305	-	73,582	361,723
Machinery and equipment	1,296,087	244,846	44,467	1,496,466
Total capital assets being depreciated	9,650,109	400,880	118,049	9,932,940
Less accumulated depreciation for:				
Buildings	1,686,494	150,634	-	1,837,128
Land improvements	251,881	10,656	51,508	211,029
Machinery and equipment	1,113,808	104,501	44,467	1,173,842
Total accumulated depreciation	3,052,183	265,791	95,975	3,221,999
Total capital assets being depreciated, net	6,597,926	135,089	22,074	6,710,941
Governmental activities capital assets, net	\$ 6,657,274	246,851	178,108	6,726,017
Business type activities:				
Machinery and equipment	\$ 164,750	4,946	-	169,696
Less accumulated depreciation	126,321	8,381	-	134,702
Business type activities capital assets, net	\$ 38,429	(3,435)	-	34,994

Depreciation expense was charged by the District as follows:

Governmental activities:		
Instruction:	\$	40,038
Regular		1,714
Special		11,970
Other		
Support services:		
Operation and maintenance of plant		1,138
Transportation		49,641
		104,501
Unallocated depreciation		161,290
Total governmental activities depreciation expense	\$	265,791
Business type activities:		
Food services	\$	8,381

(6) Long-Term Liabilities

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

	Balance Beginning of Year			Balance End of Year		Due Within One Year
Governmental activities:						
General obligation bonds	\$ 3,771,000	-	345,000	3,426,000	349,000	
City note	13,533	-	13,533	-	-	
Net OPEB liability	185,698	188,951	-	374,649	-	
Total	<u>\$ 3,970,231</u>	<u>188,951</u>	<u>358,533</u>	<u>3,800,649</u>	<u>349,000</u>	

	Balance Beginning of Year			Balance End of Year		Due Within One Year
Business type activities:						
Net OPEB liability	\$ 168	170	-	338	-	

General Obligation Bonds Payable

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

Year Ending June 30,	Bond issue dated August 16, 2010			
	Interest Rates	Principal	Interest	Total
2014	1.35-1.50 %	\$ 349,000	87,775	436,775
2015	1.50-1.75	354,000	82,648	436,648
2016	1.75-2.00	360,000	76,647	436,647
2017	2.00-2.50	367,000	69,642	436,642
2018	2.50-2.75	376,000	60,862	436,862
2019-2022	2.75-3.75	1,620,000	128,353	1,748,353
Total		<u>\$ 3,426,000</u>	<u>505,927</u>	<u>3,931,927</u>

(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, Iowa, 50306-9117.

Plan members are required to contribute 5.78% of their annual salary and the District is required to contribute 8.67% of annual covered salary. Contribution requirements are established by State statute. The District's contribution to IPERS for the years ended June 30, 2013, 2012 and 2011 were \$271,115, \$250,303 and \$219,482 respectively, equal to the required contributions for each year.

(8) Other Postemployment Benefits (OPEB)

Plan Description - The District operates a single-employer health benefit plan which provides medical and dental benefits for employees, retirees and their spouses. There are 50 active and 5 retired members in the plan. Retired participants must be age 55 or older at retirement.

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

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

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize 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	\$ 215,945
Interest on net OPEB obligation	4,647
Adjustment to annual required contribution	<u>(14,468)</u>
Annual OPEB cost	206,124
Contributions made	<u>(17,003)</u>
Increase in net OPEB obligation	189,121
Net OPEB obligation beginning of year	185,866
Net OPEB obligation end of year	<u><u>\$ 374,987</u></u>

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

For the year ended June 30, 2013, the District contributed \$17,003 to the plan. Plan members eligible for benefits contributed \$60,852 or 78.16% 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:

Year Ended June 30,	Annual OPEB cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$ 18,823	96.54%	\$ 2,778
2012	207,909	11.94%	185,866
2013	206,124	8.25%	374,987

Funded Status and Funding Progress - As of July 1, 2011, the most recent actuarial valuation date for the period July 1, 2012 through June 30, 2013, the actuarial accrued liability was \$1.645 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.645 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$2.525 million and the ratio of the UAAL to covered payroll was 65.15%. 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 the July 1, 2011 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 ultimate medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender-specific basis. Attained age rate of increase was based upon the 2006 Society of Actuaries Study. The UAAL is being amortized as a level percentage of the projected payroll expense on an open basis over 30 years.

(9) Risk Management

The Boyer Valley Community School District is a member in the Iowa School Employees Benefits Association, fully insured pool covered by Wellmark Blue Cross Blue Shield of Iowa. ISEBA is a local government risk-sharing pool whose members include various

schools throughout the State of Iowa. The Association was formed July 1999 for the purpose of managing and funding employee benefits. The Association provides the District dental, life, and long-term disability insurance coverage and protection.

The District's contributions to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to ISEBA for the year ended June 30, 2013 was \$20,947.

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

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

(10) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$170,350 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.

(11) Categorical Funding

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

Program	Amount
Gifted and talented	\$ 8,765
Teacher salary supplement	3,965
Four-year old preschool state aid	93,437
Professional development for model core curriculum	35,895
Professional development	54,989
Market factor incentives	1,654
Total	\$ 198,705

(12) Construction Commitment

At June 30, 2013, the District has demolition costs of the old bus barn as construction in progress. The construction of a new bus barn is anticipated to be completed during the next fiscal year. Once completed, the cost of the bus barn will be added to the District's capital asset listing.

REQUIRED SUPPLEMENTARY INFORMATION

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 BUDGETARY COMPARISON OF REVENUES, EXPENDITURES/EXPENSES AND
 CHANGES IN BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
 AND PROPRIETARY FUNDS
 REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED JUNE 30, 2013

	Governmental	Proprietary	Total Actual	Budgeted Amounts		Final to Actual Variance
	Fund Types	Fund Type		Original	Final	
	Actual	Actual				
Revenues:						
Local sources	\$ 3,408,835	209,474	3,618,309	3,600,780	3,600,780	17,529
Intermediate sources	-	680	680	-	-	680
State sources	2,510,036	10,369	2,520,405	2,655,028	2,655,028	(134,623)
Federal sources	208,736	125,769	334,505	480,000	480,000	(145,495)
Total revenues	<u>6,127,607</u>	<u>346,292</u>	<u>6,473,899</u>	<u>6,735,808</u>	<u>6,735,808</u>	<u>(261,909)</u>
Expenditures/Expenses:						
Instruction	3,487,533	-	3,487,533	3,715,000	3,715,000	227,467
Support services	1,664,279	-	1,664,279	1,752,500	1,752,500	88,221
Non-instructional programs	3,950	362,602	366,552	414,000	514,000	147,448
Other expenditures	779,215	-	779,215	1,136,666	1,136,666	357,451
Total expenditures/expenses	<u>5,934,977</u>	<u>362,602</u>	<u>6,297,579</u>	<u>7,018,166</u>	<u>7,118,166</u>	<u>820,587</u>
Excess(Deficiency) of revenues over(under) expenditures/expenses	192,630	(16,310)	176,320	(282,358)	(382,358)	558,678
Other financing sources, net	1,494	4,946	6,440	2,200	2,200	4,240
Excess(Deficiency) of revenues and other financing sources over(under) expenditures/expenses	194,124	(11,364)	182,760	(280,158)	(380,158)	562,918
Balance beginning of year	1,388,658	52,401	1,441,059	1,125,891	1,125,891	315,168
Balance end of year	<u>\$ 1,582,782</u>	<u>41,037</u>	<u>1,623,819</u>	<u>845,733</u>	<u>745,733</u>	<u>878,086</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2013

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund or fund type. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$100,000.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN (IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial		Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
			Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)			
2010	July 1, 2009	-	\$ 165	165	0.0%	\$ 1,786	9.24%
2011	July 1, 2009	-	145	145	0.0%	2,611	5.57%
2012	July 1, 2011	-	1,620	1,620	0.0%	2,511	64.52%
2013	July 1, 2011	-	1,645	1,645	0.0%	2,525	65.15%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SUPPLEMENTARY INFORMATION

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Special Revenue				
	Manage- ment Levy	Student Activity	Total Special Revenue	Debt Service	Total
ASSETS					
Cash and pooled investments	\$ 79,647	56,560	136,207	97,356	233,563
Receivables:					
Property tax:					
Delinquent	802	-	802	2,214	3,016
Succeeding year	100,000	-	100,000	140,983	240,983
Accounts	-	1,019	1,019	-	1,019
TOTAL ASSETS	\$ 180,449	57,579	238,028	240,553	478,581
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	128	128	-	128
Salaries and benefits payable	-	43	43	-	43
Deferred revenue:					
Succeeding year property tax	100,000	-	100,000	140,983	240,983
Total liabilities	100,000	171	100,171	140,983	241,154
Fund balances:					
Restricted for:					
Management levy purposes	80,449	-	80,449	-	80,449
Student activities	-	57,408	57,408	-	57,408
Debt service	-	-	-	99,570	99,570
Total fund balances	80,449	57,408	137,857	99,570	237,427
TOTAL LIABILITIES AND FUND BALANCES	\$ 180,449	57,579	238,028	240,553	478,581

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2013

	Special Revenue				
	Manage- ment Levy	Student Activity	Total Special Revenue	Debt Service	Total
REVENUES:					
Local sources:					
Local tax	\$ 74,907	-	74,907	207,420	282,327
Other	294	129,229	129,523	433	129,956
State sources	36	-	36	101	137
TOTAL REVENUES	75,237	129,229	204,466	207,954	412,420
EXPENDITURES:					
Current:					
Instruction:					
Regular	44,358	-	44,358	-	44,358
Other	-	124,618	124,618	-	124,618
Support services:					
Administration	7,232	-	7,232	500	7,732
Operation and maintenance of plant	39,218	-	39,218	-	39,218
Transportation	14,846	-	14,846	-	14,846
Non-instructional programs:					
Food service operations	2,880	-	2,880	-	2,880
Other expenditures:					
Long-term debt:					
Principal	-	-	-	358,533	358,533
Interest and fiscal charges	-	-	-	43,616	43,616
TOTAL EXPENDITURES	108,534	124,618	233,152	402,649	635,801
Excess(Deficiency) of revenues over(under) expenditures	(33,297)	4,611	(28,686)	(194,695)	(223,381)
Other financing sources:					
Transfer in	-	-	-	243,938	243,938
Change in fund balances	(33,297)	4,611	(28,686)	49,243	20,557
Fund balances beginning of year	113,746	52,797	166,543	50,327	216,870
Fund balances end of year	\$ 80,449	57,408	137,857	99,570	237,427

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 CAPITAL PROJECT ACCOUNTS
 JUNE 30, 2013

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
ASSETS			
Cash and pooled investments	\$ 271,646	117,034	388,680
Receivables:			
Property tax:			
Delinquent	-	1,648	1,648
Succeeding year property tax	-	162,022	162,022
Accounts	-	1,499	1,499
Due from other governments	171,267	-	171,267
TOTAL ASSETS	\$ 442,913	282,203	725,116
LIABILITIES AND FUND BALANCES			
Liabilities:			
Deferred revenue:			
Succeeding year property tax	\$ -	162,022	162,022
Fund balances:			
Restricted for:			
School infrastructure	442,913	-	442,913
Physical plant and equipment	-	120,181	120,181
Total fund balances	442,913	120,181	563,094
TOTAL LIABILITIES AND FUND BALANCES	\$ 442,913	282,203	725,116

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 CAPITAL PROJECT ACCOUNTS
 YEAR ENDED JUNE 30, 2013

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
REVENUES:			
Local sources:			
Local tax	\$ 373,832	154,432	528,264
Other	1,441	1,048	2,489
State sources	-	75	75
TOTAL REVENUES	<u>375,273</u>	<u>155,555</u>	<u>530,828</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	-	48,580	48,580
Support services:			
Operation and maintenance of plant	-	3,039	3,039
Transportation	71,634	78,850	150,484
Capital outlay	-	206,716	206,716
TOTAL EXPENDITURES	<u>71,634</u>	<u>337,185</u>	<u>408,819</u>
Excess(Deficiency) of revenues over(under) expenditures	303,639	(181,630)	122,009
Other financing uses:			
Transfer out	(230,000)	(13,938)	(243,938)
Change in fund balances	73,639	(195,568)	(121,929)
Fund balances beginning of year	369,274	315,749	685,023
Fund balances end of year	<u>\$ 442,913</u>	<u>120,181</u>	<u>563,094</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
 YEAR ENDED JUNE 30, 2013

Account	Balance Beginning of Year	Revenues	Expendi- tures	Intrafund Transfers	Balance End of Year
Annual	\$ 3,491	5,902	7,536	747	2,604
BV Cares	50	335	125	-	260
AP Testing	-	384	384	-	-
Book Club	51	-	-	-	51
Drama	4,492	-	451	-	4,041
Cheerleaders	168	1,210	767	747	1,358
Vocal Music	9,179	14,763	9,337	-	14,605
Instrumental Music	3,688	1,392	3,163	-	1,917
Science Club	317	613	703	747	974
Entrepreneurship	4,745	11,342	11,687	-	4,400
FFA	265	-	29	-	236
FCCLA	1,289	592	580	-	1,301
FTA	57	-	-	-	57
Foreign Language	419	-	-	-	419
Library Club	-	1,322	1,322	-	-
National Honor Society	74	803	541	748	1,084
HS Student Council	1,981	5,272	5,174	-	2,079
Industrial Arts Club	21	-	-	-	21
Class of 2012	3,208	-	119	(3,089)	-
Class of 2013	2,045	1,163	2,454	-	754
Class of 2014	400	18,647	15,165	-	3,882
Class of 2015	100	-	-	-	100
Class of 2017	-	-	-	100	100
Drill Team	5,964	7,847	10,712	-	3,099
General Athletics	4,352	40,002	39,030	-	5,324
Resale Account	76	3,059	2,825	-	310
Booster Club	-	5,195	5,195	-	-
Elem Student Council	2,991	5,605	5,381	-	3,215
Memorial	1,819	-	-	-	1,819
Special Projects	5	-	-	-	5
Elem Music	593	462	306	-	749
MS Student Council	714	643	420	-	937
Community Bank Student Council	243	2,676	1,212	-	1,707
Total	\$ 52,797	129,229	124,618	-	57,408

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST - SCHOLARSHIP FUNDS
 JUNE 30, 2013

	Private Purpose Trust - Scholarship Fund						
	Rife Scholarship	Sullivan Scholarship	Weber Scholarship	Science Scholarship	CJ Pedersen Scholarship	Randall Scholarship	Total
ASSETS							
Cash and pooled investments	\$ 10,268	1,668	1,001	49	1,042	1,000	15,028
LIABILITIES	-	-	-	-	-	-	-
NET POSITION							
Restricted for scholarships	\$ 10,268	1,668	1,001	49	1,042	1,000	15,028

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST - SCHOLARSHIP FUNDS
 YEAR ENDED JUNE 30, 2013

	Private Purpose Trust - Scholarship Fund						Total
	Rife Scholarship	Sullivan Scholarship	Weber Scholarship	Science Scholarship	CJ Pedersen Scholarship	Randall Scholarship	
ADDITIONS:							
Local sources:							
Gifts and contributions	\$ -	-	1,000	149	1,042	2,000	4,191
Interest income	247	10	-	-	-	-	257
	<u>247</u>	<u>10</u>	<u>1,000</u>	<u>149</u>	<u>1,042</u>	<u>2,000</u>	<u>4,448</u>
DEDUCTIONS:							
Instruction:							
Regular:							
Scholarships awarded	275	500	1,000	100	-	1,000	2,875
Change in net position	(28)	(490)	-	49	1,042	1,000	1,573
Net position beginning of year	10,296	2,158	1,001	-	-	-	13,455
Net position end of year	<u>\$ 10,268</u>	<u>1,668</u>	<u>1,001</u>	<u>49</u>	<u>1,042</u>	<u>1,000</u>	<u>15,028</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
 AGENCY FUND
 YEAR ENDED JUNE 30, 2013

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and pooled investments	\$ 275	-	-	275
LIABILITIES				
Due to other groups	\$ 275	-	-	275

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
 ALL GOVERNMENTAL FUND TYPES
 FOR THE LAST TEN YEARS

	Modified Accrual Basis									
	Years Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Local sources:										
Local tax	\$ 2,948,747	2,581,815	2,465,436	2,242,840	2,288,957	2,207,491	2,230,432	2,128,486	2,205,739	1,947,919
Tuition	193,597	203,946	181,464	179,634	154,130	214,502	239,341	225,347	224,800	411,056
Other	266,491	287,642	352,403	301,344	327,186	324,464	309,566	355,841	363,508	643,508
Intermediate sources	-	-	-	-	8,000	11,000	8,000	8,000	8,000	2,338
State sources	2,510,036	2,536,187	2,348,192	2,140,315	2,561,331	2,657,802	2,433,158	2,394,928	2,221,872	2,120,111
Federal sources	208,736	228,941	400,138	604,654	280,387	258,058	282,310	275,257	1,085,779	767,911
Total	\$ 6,127,607	5,838,531	5,747,633	5,468,787	5,619,991	5,673,317	5,502,807	5,387,859	6,109,698	5,892,843
Expenditures:										
Current:										
Instruction:										
Regular	\$ 2,217,779	2,213,301	2,192,093	2,098,005	2,056,613	1,968,640	1,870,059	1,745,066	1,747,922	1,787,725
Special	699,868	645,171	574,497	546,981	579,824	615,841	595,517	545,603	775,501	842,670
Other	569,886	544,761	588,246	603,950	514,740	589,497	589,443	589,687	483,699	475,387
Support services:										
Student	104,536	95,884	93,014	107,718	101,740	99,592	87,759	92,128	76,517	110,353
Instructional staff	94,088	89,735	115,290	105,316	109,620	104,293	98,097	115,735	96,627	122,846
Administration	609,750	601,941	626,041	593,237	575,067	577,762	549,210	569,883	735,123	535,953
Operation and maintenance										
of plant	396,501	386,440	413,071	391,620	395,356	427,044	429,042	371,307	394,502	527,039
Transportation	459,404	285,614	311,482	240,897	336,475	368,068	348,439	327,834	456,069	620,940
Other support	-	-	-	-	-	-	-	-	4,927	-
Non-instructional programs	3,950	3,015	2,772	2,582	2,722	1,527	1,599	1,637	2,270	1,437
Capital outlay	206,716	221,890	111,661	121,147	38,512	171,095	323,298	142,785	1,106,289	4,877,188
Long-term debt:										
Principal	358,533	3,903,276	277,889	262,514	260,374	341,605	329,003	273,436	267,832	223,180
Interest and fiscal charges	43,616	274,208	260,419	206,708	218,484	232,309	245,081	251,568	259,056	260,177
Other expenditures:										
AEA flow-through	170,350	160,092	182,761	178,777	167,367	163,378	157,767	151,965	151,018	153,254
Total	\$ 5,934,977	9,425,328	5,749,236	5,459,452	5,356,894	5,660,651	5,624,314	5,178,634	6,557,352	10,538,149

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

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

Telephone (641) 792-1910

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

To the Board of Education of the Boyer Valley Community School District:

We 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 Boyer Valley Community School District as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 20, 2014.

Internal Control Over Financial Reporting

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

Our 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, we identified a deficiency in internal control we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part I of the accompanying Schedule of Findings as item I-A-13 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Boyer Valley Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters 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 our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Boyer Valley Community School District's Responses to Findings

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

Purpose of this Report

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

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


NOLTE, CORNMAN & JOHNSON, P.C.

March 20, 2014
Newton, Iowa

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2013

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

I-A-13 Segregation of Duties - One important aspect of internal accounting control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual may perform two or more functions in each of the following areas for the District:

- 1) Cash - initiating cash receipt and disbursement transactions and handling and recording cash.
- 2) Receipts - collecting, recording, depositing, journalizing, posting and reconciling.
- 3) Disbursements - purchase order processing, check preparation, mailing and recording.
- 4) Capital assets - recording and reconciling.
- 5) Wire transfers - processing and approving.
- 6) Payroll - recording approved pay rates and deductions, recordkeeping, preparation, posting and distribution.
- 7) School lunch program - collecting, recording, journalizing, posting, reconciling, purchase order processing, check preparation, mailing and recording.

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

Response - The District will investigate alternatives and implement additional control procedures where possible.

Conclusion - Response acknowledged.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2013

Part II: Other Findings Related to Required Statutory Reporting:

II-A-13 Certified Budget - District disbursements for the year ended June 30, 2013, did not exceed the amount budgeted.

II-B-13 Questionable Disbursements - We noted during our audit that the District purchased retirement gifts and food for teacher appreciation from the Student Activity Fund. In accordance with Chapter 298A.8 of the Code of Iowa and Iowa Administrative Code 281-12.6(1), the purpose of the Student Activity Fund is to account for financial transactions related to the cocurricular and extracurricular activities offered as a part of the education program for students. Expenditures for the above mentioned items do not appear to be curricular or cocurricular to be allowable from the Student Activity Fund.

In addition, purchases of retirement gifts and food for teacher appreciation appear to be de minimis employee benefits according to the Internal Revenue Service Publication 15-B; however, these purchases do not appear to meet public purpose as defined in the Attorney General's opinion dated April 25, 1979.

Recommendation - The District should review Chapter 298A.8 of the Code of Iowa and Iowa Administrative Code 281-12.6(1) for the allowability of expenditures from the Student Activity Fund. When the District purchases items as retirement gifts and food for teacher appreciation, these purchases would be more appropriate from the General Fund as long as public purpose is documented and the items are de minimis according to Internal Revenue Service Publication 15-B. Additionally, the Board of Directors should approve the purchase of such items prior to the expenditure and document the public purpose derived.

Response - Beginning in fiscal 2015, the Student Activity Fund will not make any purchases for retirement gifts or teacher appreciation supplies.

Conclusion - Response acknowledged. The District should cease the practice of purchasing retirement gifts or teacher appreciation supplies that do not meet public purpose.

II-C-13 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

II-D-13 Business Transactions - Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Ken Dunham, Board President Owns Dunham Hardwoods	Supplies	\$228
Chris Wood, Coach Owner of In-Kahoots DJ Service	DJ Service	\$900
Deb Hannigan, Teacher Owner of Deb's Graphics	Purchased Services	\$400
Betty Kimmen, Bus Driver Spouse Owns of Kimmen Service	Repairs	\$152

In accordance with Chapter 279.7A of the Code of Iowa, the above transaction with the Board President does not appear to represent a conflict of interest.

In accordance with Attorney General's opinion dated July 2, 1990, the above transactions with the coach and teacher do not appear to present a conflict of interest.

In accordance with Attorney General's opinion dated November 9, 1976, the above transactions with the spouse of the bus driver do not appear to represent a conflict of interest.

- II-E-13 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- II-F-13 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.
- II-G-13 Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- II-H-13 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- II-I-13 Deposits and Investments - We noted no instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.
- II-J-13 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- II-K-13 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement the funds. However, we noted during our audit that professional development model core curriculum, professional development and four-year old preschool state aid ending carryover balances are in excess of one year's funding.

Recommendation - The District should review allowable expenditures for these programs to ensure all expenditures are properly coded to those projects. The District should develop a plan for expending carryover balances.

Response - We will periodically review expenditures during the year and decrease carry over amounts as necessary.

Conclusion - Response accepted.

- II-L-13 Statewide Sales, Service and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.3 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		\$	369,274
Revenues:			
Sales tax revenues	373,832		
Other local revenues	1,441		375,273
Total revenues and transfers			<u>744,547</u>
Expenditures/transfer out			
Equipment	71,634		
Transfer to another fund:			
Debt service fund	230,000		301,634
Ending balance		\$	<u><u>442,913</u></u>

For the year ended June 30, 2013, the District reduced the following levy as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa:

	Rate of Levy Reduction Per \$1,000 of Taxable Valuation	Property Tax Dollars Reduced
Debt service levy	<u>\$ 1.42796</u>	<u>\$ 230,000</u>

II-M-13 Student Activity Fund - In accordance with 298A.8 of the Code of Iowa and Iowa Administrative Code 281-12.6(1), the purpose of the Student Activity Fund is to account for financial transactions related to the cocurricular and extracurricular activities offered as a part of the education program for students. More specific examples of these instances of questioned items and recommendations are as follows:

Questionable Revenues and Expenses: We noted during our audit that the District records book fair revenues and expenses in the Library Club account in the Student Activity Fund. We also noted that the District records PSAT testing revenues and expenses in the AP Testing account in the Student Activity Fund. Book fair and PSAT testing revenues and expenses appear to be more instructional items and therefore, would be more appropriately handled in the General Fund.

Recommendation - The District should review the propriety of the revenues and expenditures that are approved in the Student Activity Fund. The revenues and expenditures in the Library Club account and the AP Testing account are instructional in nature. Revenues and expenditures for instructional supplies are more appropriately handled in the General Fund. In the future, the District should record book fair and PSAT testing revenues and expenses in the General Fund.

Response - Beginning in fiscal year 2015, the Library club account and the AP Testing account will be moved to the General Fund.

Conclusion - Response acknowledged. The District should review the propriety of revenues and expenditures that are approved in the Student Activity Fund and take the appropriate action.

Resale Accounts: We noted during our audit that the District has an Elementary Music, Instrumental Music and a Resale account in the Student Activity Fund that are used to track revenues and expenses for music and athletics resale items. According to Chapter 301.1 of the Code of Iowa, sales of school supplies (commonly called resale) shall be accounted for in the General Fund.

Recommendation - Any remaining balance in the Elementary Music, the Instrumental Music and the Resale account in the Student Activity Fund should be moved to the General Fund to be in compliance with 301.1 of the Code of Iowa.

Response - Beginning in fiscal year 2015, the Resale account revenues and expenses will be in the General Athletic account in the Student Activity Fund. Beginning in fiscal year 2015, the Elementary Music account and the Instrumental Music account will be combined into one account and moved to the General Fund.

Conclusion - Response acknowledged