

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
OXFORD, IOWA

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

JUNE 30, 2009

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CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
(Before September 2008 Election)		
Dan Schaapveld	President	2009
Tim Hennes	Vice President	2008
Kathi Huebner	Board Member	2008
Kathy Zimmerman	Board Member	2008
Matthew Croco	Board Member	2009
Elizabeth Momany	Board Member	2011
Kevin Kinney	Board Member	2011
<u>Board of Education</u>		
(After September 2008 Election)		
Dan Schaapveld	President	2009
Elizabeth Momany	Vice President	2011
Kathy Zimmerman	Board Member	2009
Matthew Croco	Board Member	2009
Tim Hennes	Board Member	2011
Kathi Huebner	Board Member	2011
Kevin Kinney	Board Member	2011
<u>School Officials</u>		
Paula Vincent	Superintendent	2009
Adelia Madden	District Secretary/Treasurer	2009
Simmons, Perrine, Albright and Elwood PLC	Attorney	Indefinite

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Clear Creek Amana Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clear Creek Amana Community School District, Iowa, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of the District's officials. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clear Creek Amana Community School District at June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated February 11, 2010 on our consideration of Clear Creek Amana 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison Information on pages 7 through 18 and 54 through 55 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clear Creek Amana Community School District's basic financial statements. The financial statements for the four years ended June 30, 2008 (which are not presented herein) were audited by other auditors who expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 8, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Oskaloosa, Iowa
February 11, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Clear Creek Amana 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, 2009. We encourage readers to consider this information in conjunction with the district's financial statements, which follow.

2009 FINANCIAL HIGHLIGHTS

- The district increased the ending fund balance in the general fund from a beginning balance of \$1,602,512 to \$1,783,527.
 - This represents an increase of \$181,015 and results in a general fund balance of 13.36% of general fund expenditures.
 - This ending fund balance continues a trend of increasing fund balances in the district since FY 2005.
 - 13.36% of general fund expenditures in FY 09
 - 12.96% of general fund expenditures in FY 08
 - 9.91% of general fund expenditures in FY 07
 - 7.33% of general fund expenditures in FY 06
 - 4.01% of general fund expenditures in FY 05
 - The general fund balance meets board policy parameters which set a minimum ending balance not to fall below a range of 6% to 10% of general fund expenditures (\$ 801,000 to \$1,340,000).
- Total general fund revenues continue to reflect a growth rate in excess of state funded growth primarily as a result of increased student enrollment.

<u>General Fund Revenue</u>	<u>Dollar and Percent Change</u>
-----------------------------	----------------------------------

○ FY09 \$13,536,485	(\$ 693,267 change or 5.40%)
○ FY08 \$12,843,218	(\$1,151,982 change or 9.85%)
○ FY07 \$11,691,236	(\$ 744,907 change or 6.81%)
○ FY06 \$10,946,329	(\$ 721,887 change or 7.06%)
○ FY05 \$10,224,441	(\$ 902,451 change or 9.68%)

- The state allowable growth of 4% accounted for an increase in district revenue of \$222 per pupil. CCA also increased resident students (1404.8 to 1418.2) a change of 13.4 students. The combined change in student enrollment and the increase in state allowable growth accounted for \$368,652 dollars of the increased revenue in the general fund. However, the state did not fully fund the financial commitment to schools and enacted a 1.5% rescission midyear which effectively reduced state aid cash received by \$83.70 per student or 118,746 dollars.

- In addition to increasing resident student enrollment, the district continued to have a net gain of students attending CCA schools as a result of the open enrollment law. The Clear Creek Amana schools have a greater number of students choosing to attend in the district under the open enrollment law than the number of students that choose to attend neighboring districts. For FY 2009, open enrollment brought a net gain of 22.1 students at a state cost per pupil of \$5582 or \$123,362 dollars.
- The District was able to utilize the prior A3 bond rating from Moody's Investor Service (designated for the sale of \$10,000,000 of general obligation bonds in June of 2007 and the sale of \$1,015,000 of general obligation bonds in May of 2008) for the issue of \$12,505,000 of revenue bonds against the state sales and usage tax revenue.
- The District continues to benefit from growth in the tax base (averaging \$ 51 million dollars per year or 9.4% growth per year since 2004).
- The combination of steady enrollment growth, steady increase in the district's property valuation trends and sound fiscal management of district resources enabled the district to reduce the property tax levy from fiscal 2008 to fiscal 2009. In FY 08, school taxes were set at \$16.94 per thousand dollars of property valuation and were reduced to \$15.79 per thousand dollars of valuation for FY 09- a decrease in tax rates of \$1.15 per thousand dollars of property value.

OVERVIEW OF THE FINANCIAL STATEMENTS

Within this audit report, you will find three primary sections: The Management's Discussion and Analysis (MD&A), The Basic Financial Statements, and Required Supplementary Information.

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the district's financial activities. In the MD&A, significant factors and trend lines affecting the overall financial health of the district are discussed.
- The Basic Financial Statements include the Government-wide Financial Statements. Governmental activities supported by tax and intergovernmental revenue are reported separately from activities typically supported through fees for service. These statements provide information about the activities of Clear Creek Amana Community School District as a whole and present an overall view of the district's finances.
- The Governmental Fund Financial Statements reports the Clear Creek Amana Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds.
 - Within the major governmental funds, the district reports on the General Fund which is the primary operating fund of the District. The Capital Projects Fund accounts for all resources used for the acquisition and construction of capital facilities, and the Debt Service Fund is utilized to account for the payment of interest and principal on the District's long-term debt.
 - Proprietary funds statements offer short and long-term financial information about the activities the District operates like businesses, such as Food and Nutrition, Day Care, and Public Pool.
 - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

Figure A-1

Clear Creek Amana Community School District Annual Financial Report

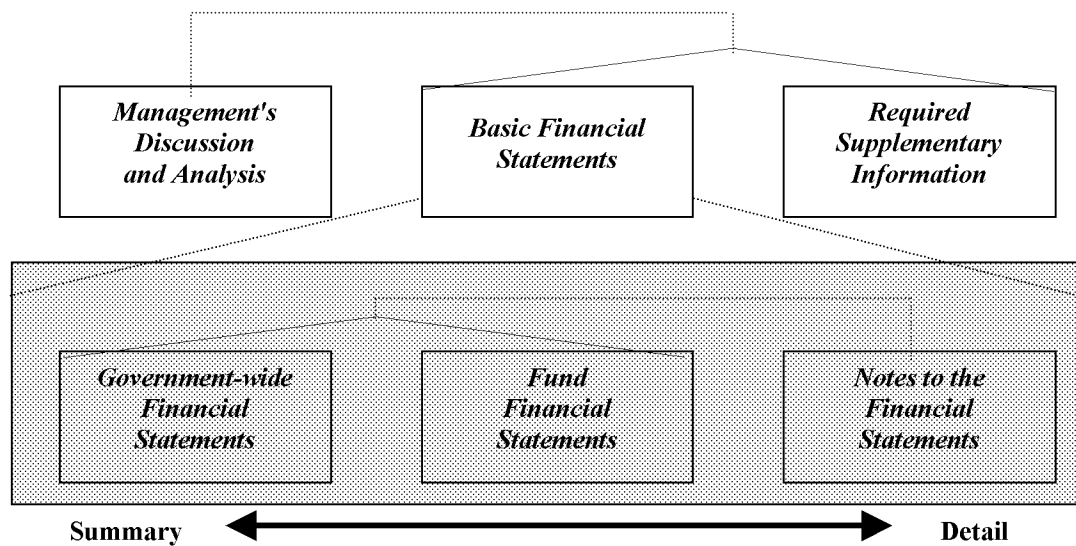


Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain.

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

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services, day care, and public pool	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 assets • 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 assets • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used 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, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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 Assets includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the district's net assets and how they have changed. Net assets – the difference between the district's assets and liabilities – are one way to measure the district's financial health or financial position. Over time, increases or decreases in the district's net assets are an indicator of whether financial position is improving or deteriorating. To assess the district's overall health, additional non-financial factors, such as changes in the district's property tax base and the condition of school buildings and other facilities, need to be considered.

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

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

Fund Financial Statements

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

Some funds are required by state law and by bond covenants. The district establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds, or to show that it is properly using certain revenues, such as federal grants. The district maintains three categories 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 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 districts' 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 several Enterprise Funds, the School Nutrition Fund, Day Care Fund, and Pool Fund. The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in fund net assets 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 Restricted Purpose Trust and Agency Funds.
- Restricted Purpose Trust Fund – The district accounts for outside donations from the Springmier endowment for the purpose of supporting the high school library.
 - Agency Funds – These are funds through which the district administers and accounts for certain donations collected for support of certain expenditures related to the operation of the curricular and extra-curricular programs of the district.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net assets at June 30, 2009 compared to June 30, 2008.

Figure A-3

	Condensed Statement of Net Assets						Percentage Change 2008-2009
	Governmental Activities		Business-type Activities		Total School District		
	2009	2008	2009	2008	2009	2008	
Current assets	\$30,754,769	\$24,555,100	\$306,435	241,683	\$31,061,204	24,796,783	25%
Capital assets	42,767,633	28,801,876	46,592	53,329	42,814,225	28,855,205	48%
Total assets	\$73,522,402	\$53,356,976	\$353,027	\$295,012	\$73,875,429	\$53,651,988	38%
Long-term liabilities(bonds)	\$40,145,968	\$28,668,953	-	-	\$40,145,968	\$28,668,953	40%
Other liabilities	15,609,684	10,268,194	51,772	51,186	15,661,456	10,319,380	52%
Total liabilities	\$55,755,652	\$38,937,147	\$51,722	\$51,186	\$55,807,424	38,988,333	43%
Net Assets:							
Invested in capital assets, net of related debt	\$12,197,617	11,016,379	46,592	53,329	12,244,209	11,069,708	11%
Restricted	3,779,976	2,065,135	2,984	-	3,782,960	2,065,135	83%
Unrestricted	1,789,157	1,338,315	251,679	190,497	2,040,836	1,528,812	33%
TOTAL NET ASSETS	\$17,766,750	\$14,419,829	\$301,255	\$243,826	\$18,068,005	\$14,663,655	23%

- The District's total net assets increased 23%, over the prior year. The largest portion of the District's total net assets is invested in capital assets (e.g., land, infrastructure, buildings and equipment) net of related debt.

- Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net assets increased over the prior year primarily as a result of increased debt service and other special revenue obligations-primarily use of the local option sales revenue.
- Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased just over \$500,000. This change in assets reflects the planned facility repayment of debt and the increased revenue due in part to the strong valuation growth in the district.
- District long-term liabilities reflect the bonds payable for the construction of a new elementary and a new secondary school in 2008 and 2009, respectively and the capital lease purchase of new computers for certified staff in 2009.

Figure A-4 compares the change in net assets for the years ended June 30, 2008 and June 30, 2009.

Figure A-4

	Change in Net Assets						Percentage Change 2008-2009
	Governmental Activities		Business-type Activities		Total School District		
	2009	2008	2009	2008	2009	2008	
Revenues							
Program Revenues:							
Charges for services	\$1,620,919	\$1,340,420	\$964,607	\$803,348	\$2,585,526	\$2,143,768	21%
Operating grants, contributions and restricted interest	1,820,186	2,488,622	273,536	263,458	2,093,722	2,752,080	-24%
Capital grants, contributions and restricted interest	403,021	267,670	-	-	403,021	267,670	51%
General Revenues:							
Property taxes	7,964,677	7,758,391	-	-	7,964,677	7,758,391	3%
Income Surtax	600,488	718,421	-	-	600,488	718,421	-16%
Local option sales tax	1,448,489	1,426,717	-	-	1,448,489	1,426,717	2%
Unrestricted state grants	5,209,834	5,375,801	-	-	5,209,834	5,375,801	-3%
Unrestricted investment earnings	424,951	154,078	3,440	7,775	428,391	161,853	165%
Other revenue	231,020	34,194	-	8,520	231,020	42,714	441%
Total Revenues	\$19,723,585	\$19,564,314	\$1,241,583	\$1,083,101	\$20,965,168	\$20,647,415	2%
Expenses:							
Instruction	9,162,783	8,649,142	-	-	9,162,783	8,649,142	6%
Support services	4,759,197	4,282,579	57,545	-	4,816,742	4,282,579	12%
Non-instructional programs	10,924	110,589	1,126,609	1,022,706	1,137,533	1,133,295	0%
Other expenditures	2,443,760	1,928,373	-	-	2,443,760	1,928,373	27%
Total expenses	\$16,376,664	\$14,970,683	\$1,184,154	\$1,022,706	\$17,560,818	\$15,993,389	10%
CHANGE IN NET ASSETS	3,346,921	4,593,631	57,429	60,395	3,404,350	4,654,026	-27%
Net assets beginning of year	14,419,829	9,826,198	243,826	183,431	14,663,655	10,009,629	46%
Net assets end of year	\$17,766,750	14,419,829	301,255	243,826	18,068,005	14,663,655	23%

The changes in Net Assets in Figure A-4 show that the district experienced a 2% increase in revenues. An increase in interest, property tax collections and local option sales tax revenue were the primary sources of revenue increases.

During the same period, the district increased expenditures at the rate of 10%. Maintaining expenditures to less than available revenue contributed to the overall improvement of net assets of 23%.

Governmental Activities

Revenue in Government Activities increased primarily in property tax revenue, interest and sales tax revenue. Expenditures also increased, primarily in the area of instruction and plant operations due to increased energy costs.

Business Type Activities

The District's business type activities include the School Food Nutrition, Day Care and Public Pool. Revenues of these activities were comprised of charges for service such as the increased price of school lunches, federal and state reimbursements, and investment income. Revenues for business type activities were \$1,241,583 and expenses were \$1,184,154. It is the district intent that these activities are self supporting and maintain minimal fund balances.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$14,637,607, an increase over last year's ending fund balances of \$13,723,808. The increase in combined fund balances in fiscal 2009 is the result of increases in interest, property tax and sales tax revenues as well as managing our expenditures at levels which are below our revenues.

Governmental Fund Highlights

- The General Fund balance increased from \$1,602,512 to \$1,783,527. This represents a balance of 13.36% of general fund expenditures, which is in excess of board policy minimum fund balance guideline of maintaining a balance of six to ten percent of expenditures.
- The Capital Projects Fund balance increase of \$728,215 is due to the expenditure of general obligation bond proceeds to fund the construction of the new high school of less than anticipated this fiscal year.
- The Physical Plant and Equipment Levy (PPEL) Fund balance decreased from \$388,011 in fiscal 2008 to \$321,522 in fiscal 2009. Funds had been carried forward from prior years in anticipation of needed capital improvements associated with the opening of the new high

school. These funds remain available for future capital improvements and major equipment purchases.

- The Management Fund balance increased from \$209,996 at June 30, 2008 to \$282,391 on June 30, 2009. The district is building a small balance in this fund in anticipation of future staff retirements.

Proprietary Fund Highlights

School Nutrition Fund net assets decreased from \$201,158 at June 30, 2008, to \$196,953 on June 30, 2009, representing a decrease of approximately 2%.

BUDGETARY HIGHLIGHTS

Over the course of the year, Clear Creek Amana Community School District amended its annual budget one time to reflect additional revenue and expenditures associated with increased costs in instruction, support services, non-instructional programs and other expenditures.

The District's revenues were \$2,753,545 more than budgeted revenues, a variance of 15%. The most significant variance resulted from increased property tax receipts and federal stabilization funds.

Total expenditures were \$7,187,466 less than the amended budget, due primarily to the District's budget for the General Fund and less construction expenses than expected. 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 ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2009 the District had invested 42.8 million dollars, net of accumulated depreciation, in a broad range of capital assets. These assets include: land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase from last year. Depreciation expense for the year was \$ 522,962.

Construction continued on the new high school (scheduled for completion in August of 2009).

Major facility improvements funded through the local option sales tax revenue included \$183,000 of roof improvements, (replacing one roof section at Amana Elementary) and beginning construction of the new athletic complex and auditorium at the high school.

Figure A-6**Capital Assets (net of depreciation)**

	Governmental Activities		Business type Activities		Total School District		Percentage Change
	2009	2008	2009	2008	2009	2008	2008-2009
Land	\$ 1,578,566	\$ 1,578,566	-	-	\$ 1,578,566	\$ 1,578,566	0%
Construction in progress	31,163,397	17,813,243	-	-	31,163,397	17,813,243	75%
Buildings	8,351,685	8,490,527	-	-	8,351,685	8,490,527	-2%
Improvements	704,117	143,921	-	-	704,117	143,921	389%
Equipment & Furniture	969,868	775,619	\$46,592	\$53,329	1,016,460	828,948	23%
TOTAL	\$42,767,633	\$28,801,876	\$46,592	\$53,329	\$42,814,225	\$28,855,205	48%

Long-Term Debt

At June 30, 2009, the District had \$40,145,968 in general obligation, revenue and other long-term debt. This is a 40% change from the prior year as a result of the addition of \$12,505,000 SAVE Revenue Bonds for construction of a new athletic complex and auditorium at the high school and the addition of a computer lease purchase obligation. Termination benefits and compensated absences decreased by \$184, 719.

Figure A-7**Outstanding Long-Term Obligations**

	Total School District		Percentage Change
	2009	2008	2008-2009
General Obligation Bonds	\$26,875,000	\$27,815,000	-3%
Capital Leases	154,238	57,504	168%
Termination Benefits	526,589	703,261	-25%
Compensated Absences	85,141	93,188	-9%
Revenue Bonds	12,505,000	-0-	100%
	\$40,145,968	\$28,668,953	40%

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:

- Clear Creek Amana has benefitted from an increase in total valuation, averaging 51 million dollars or 9.4% per year over the past five years. With the nation-wide economic downturn it is likely this rate of growth will trend down over the next few years.
- School financing is highly dependent upon the student enrollment from the prior year. The District's September 2004 certified head count was 1282.4 students. Enrollment has increased 13.84 percent in the past five years for an average rate of 2.77 % per year. Looking ahead to FY10, the district will again benefit from an increase in student enrollment to 1439.5 students. The interest in students from other districts requesting open enrollment also continues to increase which will likely result in increased numbers of students attending the district in future year.
- The one-cent option sales tax generated \$1,448,489 dollars of revenue in fiscal 2009 and is anticipated to generate a similar amount for each of the next three years. Beginning in fiscal 2013, the income generated per student in Johnson County converts to the state wide average which will likely result in a reduction of annual income from this revenue source.
- Construction of the district's new high school began in the summer of 2007 and will open at the start of the 2009 school year. The district anticipates this new facility combined with the movement of the middle school to a combined secondary campus will continue to accelerate enrollment growth in the secondary schools.
- The negative economic growth in the state and use of one time funding from federal stimulus funds for funding Iowa schools create a concern over the stability of school funding in the future. Reduced state revenue is anticipated for fiscal 2010 and 2011.

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 Ms. Adelia Kern, Business Manager or Dr. Paula Vincent, Superintendent, 327 South Augusta Avenue, Oxford, IA 52322. Phone: (319) 828-4510.

Basic Financial Statements

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2009

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled investments	\$ 21,131,308	\$ 282,208	\$ 21,413,516
Receivables:			
Property tax:			
Current year	140,291	-	140,291
Succeeding year	8,036,124	-	8,036,124
Income surtax	690,161	-	690,161
Accrued interest	8,754	-	8,754
Accounts	796	2,729	3,525
Due from other governments	747,335	8,408	755,743
Inventories	-	13,090	13,090
Capital assets, net of accumulated depreciation (note 4)	42,767,633	46,592	42,814,225
Total assets	73,522,402	353,027	73,875,429
Liabilities			
Accounts payable	2,043,466	5,693	2,049,159
Salaries and benefits payable	31,501	33,363	64,864
Retainage payable	1,276,685	-	1,276,685
Bond anticipation notes payable (note 5)	4,000,000	-	4,000,000
Accrued interest payable	182,683	-	182,683
Deferred revenue:			
Succeeding year property tax	8,036,124	-	8,036,124
Other	39,225	12,716	51,941
Long-term liabilities (note 6):			
Portion due within one year:			
Termination benefits	156,609	-	156,609
Bonds payable	1,075,000	-	1,075,000
Capital lease purchase agreement	51,993	-	51,993
Compensated absences	85,141	-	85,141
Portion due after one year:			
Termination benefits	369,980	-	369,980
Bonds payable	38,305,000	-	38,305,000
Capital lease purchase agreement	102,245	-	102,245
Total liabilities	55,755,652	51,772	55,807,424

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
June 30, 2009

	Governmental Activities	Business-type Activities	Total
Net Assets			
Invested in capital assets, net of related debt	\$ 12,197,617	\$ 46,592	\$ 12,244,209
Restricted for:			
State grants	-	2,984	2,984
Categorical funding	148,144	-	148,144
Physical plant and equipment levy	373,292	-	373,292
Library	53,280	-	53,280
Other special revenue purposes	182,128	-	182,128
Debt service	1,245,245	-	1,245,245
Capital projects	1,777,887	-	1,777,887
Unrestricted	1,789,157	251,679	2,040,836
Total net assets	\$ 17,766,750	\$ 301,255	\$ 18,068,005

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 9,162,783	\$ 1,515,050	\$ 1,290,240	\$ -
Support services:				
Student services	315,732	50,625	-	-
Instructional staff services	826,470	6,380	30,048	-
Administration services	1,525,930	-	-	-
Operation and maintenance of plant services	1,281,628	1,278	-	-
Transportation services	809,437	-	3,374	-
	4,759,197	58,283	33,422	-
Non-instructional programs	10,924	-	-	-
Other expenditures:				
Facilities acquisition	195,686	47,586	-	403,021
Long-term debt interest and fiscal charges	1,319,914	-	-	-
AEA flowthrough	496,524	-	496,524	-
Depreciation (unallocated) *	331,678	-	-	-
Loss on disposal of capital assets	99,958	-	-	-
	2,443,760	47,586	496,524	403,021
Total governmental activities	16,376,664	1,620,919	1,820,186	403,021
Business-Type Activities:				
Support services:				
Administration services	30,673	-	-	-
Operation and maintenance of plant services	19,064	-	-	-
Transportation services	7,808	-	-	-
	57,545	-	-	-

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
<hr/>		
\$ (6,357,493)	\$ -	\$ (6,357,493)
<hr/>		
(265,107)	-	(265,107)
(790,042)	-	(790,042)
(1,525,930)	-	(1,525,930)
(1,280,350)	-	(1,280,350)
(806,063)	-	(806,063)
<u>(4,667,492)</u>	<u>-</u>	<u>(4,667,492)</u>
<hr/>		
(10,924)	-	(10,924)
<hr/>		
254,921	-	254,921
(1,319,914)	-	(1,319,914)
-	-	-
(331,678)	-	(331,678)
(99,958)	-	(99,958)
<u>(1,496,629)</u>	<u>-</u>	<u>(1,496,629)</u>
<hr/>		
(12,532,538)	-	(12,532,538)
<hr/>		
-	(30,673)	(30,673)
-	(19,064)	(19,064)
-	(7,808)	(7,808)
<u>-</u>	<u>(57,545)</u>	<u>(57,545)</u>
<hr/>		

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-Type Activities (continued)				
Non-instructional programs:				
Food service operations	\$ 678,366	\$ 478,699	\$ 240,515	\$ -
Daycare operations	424,018	458,386	32,021	-
Pool operations	24,225	27,522	1,000	-
	<u>1,126,609</u>	<u>964,607</u>	<u>273,536</u>	<u>-</u>
Total business-type activities	<u>1,184,154</u>	<u>964,607</u>	<u>273,536</u>	<u>-</u>
Total	\$ 17,560,818	\$ 2,585,526	\$ 2,093,722	\$ 403,021

General Revenues:

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

Total general revenues

Change in net assets

Net assets beginning of year

Net assets end of year

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

See notes to financial statements.

Net (Expense) Revenue
and Changes in Net Assets

<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
\$ -	\$ 40,848	\$ 40,848
-	66,389	66,389
-	4,297	4,297
-	111,534	111,534
-	53,989	53,989
(12,532,538)	53,989	(12,478,549)

\$ 5,140,625	\$ -	\$ 5,140,625
2,088,642	-	2,088,642
735,410	-	735,410
600,488	-	600,488
1,448,489	-	1,448,489
5,209,834	-	5,209,834
424,951	3,440	428,391
231,020	-	231,020
15,879,459	3,440	15,882,899
3,346,921	57,429	3,404,350
14,419,829	243,826	14,663,655
\$ <u>17,766,750</u>	\$ <u>301,255</u>	\$ <u>18,068,005</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and pooled investments	\$ 1,833,942	\$ 18,416,577	\$ 50,625	\$ 830,164	\$ 21,131,308
Receivables:					
Property tax:					
Current year	83,463	-	39,002	17,826	140,291
Succeeding year	4,964,186	-	2,104,798	967,140	8,036,124
Income surtax	483,113	-	-	207,048	690,161
Accrued interest	-	8,754	-	-	8,754
Accounts	368	-	-	428	796
Due from other governments	149,164	597,911	-	260	747,335
Total assets	<u>\$ 7,514,236</u>	<u>\$ 19,023,242</u>	<u>\$ 2,194,425</u>	<u>\$ 2,022,866</u>	<u>\$ 30,754,769</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 214,142	\$ 1,821,425	\$ -	\$ 7,899	\$ 2,043,466
Salaries and benefits payable	30,043	-	-	1,458	31,501
Retainage payable	-	1,276,685	-	-	1,276,685
Bond anticipation notes payable (note 5)	-	4,000,000	-	-	4,000,000
Deferred revenue:					
Succeeding year property tax	4,964,186	-	2,104,798	967,140	8,036,124
Other	522,338	-	-	207,048	729,386
Total liabilities	<u>5,730,709</u>	<u>7,098,110</u>	<u>2,104,798</u>	<u>1,183,545</u>	<u>16,117,162</u>
Fund balances:					
Reserved for:					
State grants	-	-	-	90	90
Categorical funding	148,144	-	-	-	148,144
Revenue bonds	-	1,250,500	-	-	1,250,500
Revenue bond sinking fund	-	-	3,413	-	3,413
Debt service	-	-	86,214	-	86,214
Unreserved:					
Designated for special purposes	-	-	-	14,365	14,365
Undesignated, reported in:					
General fund	1,635,383	-	-	-	1,635,383
Special revenue funds	-	-	-	824,866	824,866
Capital projects fund	-	10,674,632	-	-	10,674,632
Total fund balances	<u>1,783,527</u>	<u>11,925,132</u>	<u>89,627</u>	<u>839,321</u>	<u>14,637,607</u>
Total liabilities and fund balances	<u>\$ 7,514,236</u>	<u>\$ 19,023,242</u>	<u>\$ 2,194,425</u>	<u>\$ 2,022,866</u>	<u>\$ 30,754,769</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 June 30, 2009

Total fund balances of governmental funds	\$ 14,637,607
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	42,767,633
Other long-term assets, including income surtax receivable, are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	690,161
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.	(182,683)
Long-term liabilities, including bonds payable, lease purchase agreements, termination benefits, and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(40,145,968)</u>
Net assets of governmental activities	<u>\$ 17,766,750</u>
See notes to financial statements.	

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Revenues:					
Local sources:					
Local tax	\$ 5,198,374	\$ 1,448,489	\$ 2,088,125	\$ 1,185,503	\$ 9,920,491
Tuition	1,130,035	-	-	-	1,130,035
Other	208,319	769,163	4,203	386,533	1,368,218
State sources	6,500,261	-	517	1,899	6,502,677
Federal sources	499,496	50,000	-	-	549,496
Total revenues	13,536,485	2,267,652	2,092,845	1,573,935	19,470,917
Expenditures:					
Current:					
Instruction	8,800,298	-	-	512,151	9,312,449
Support services:					
Student services	315,732	-	-	-	315,732
Instructional staff services	520,589	24,363	-	281,453	826,405
Administration services	1,369,264	12,957	-	162,092	1,544,313
Operation and maintenance of plant services	1,168,055	-	-	211,747	1,379,802
Transportation services	672,593	-	-	178,168	850,761
	4,046,233	37,320	-	833,460	4,917,013
Non-instructional programs	9,508	-	-	-	9,508
Other expenditures:					
Facilities acquisition	-	13,994,259	-	306,013	14,300,272
Long term debt:					
Principal	-	-	997,504	-	997,504
Interest and fiscal charges	-	171,461	1,173,649	-	1,345,110
AEA flowthrough	496,524	-	-	-	496,524
	496,524	14,165,720	2,171,153	306,013	17,139,410
Total expenditures	13,352,563	14,203,040	2,171,153	1,651,624	31,378,380
Excess (deficiency) of revenues over (under) expenditures	183,922	(11,935,388)	(78,308)	(77,689)	(11,907,463)

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Other financing sources (uses):					
Sale of equipment	\$ 5	\$ -	\$ -	\$ -	5
Sale of real property	-	-	-	2	2
Compensation for loss of capital assets	2,305	-	-	1,109	3,414
Interfund transfers in (note 3)	-	-	59,171	5,217	64,388
Interfund transfers out (note 3)	(5,217)	-	-	(59,171)	(64,388)
Lease purchase agreement	-	-	-	154,238	154,238
Revenue bonds issued	-	12,505,000	-	-	12,505,000
Premium on issuance of bonds	-	158,603	-	-	158,603
Total other financing sources (uses)	(2,907)	12,663,603	59,171	101,395	12,821,262
Net change in fund balances	181,015	728,215	(19,137)	23,706	913,799
Fund balances beginning of year	1,602,512	11,196,917	108,764	815,615	13,723,808
Fund balances end of year	\$ <u>1,783,527</u>	\$ <u>11,925,132</u>	\$ <u>89,627</u>	\$ <u>839,321</u>	\$ <u>14,637,607</u>

See notes to financial statements.

CLEAR CREEK AMANA 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, 2009

Net change in fund balances - total governmental funds \$ 913,799

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

Capital outlays to purchase or build capital assets are reported in
governmental funds as expenditures. However, those costs are not reported
in the Statement of Net Assets and are allocated over their estimated useful
lives as depreciation expense in the Statement of Activities. The amounts
of capital outlays and depreciation expense in the year are as follows:

Expenditures for capital assets	\$ 14,581,940	
Depreciation expense	<u>(516,225)</u>	14,065,715

In the Statement of Activities, the loss on disposition of capital assets is
reported, whereas the governmental funds report the proceeds from the
disposition as an increase in financial resources. (99,958)

Income surtax revenue not received until several months after the District's
fiscal year end is not considered available revenue in the governmental
funds and is deferred. It is, however, recorded as revenue in the
Statement of Activities. 90,644

Proceeds from issuing long-term liabilities provide current financial resources
to governmental funds but issuing debt increases long-term liabilities in the
Statement of Net Assets and does not affect the Statement of Activities. (12,659,238)

Repayment of long-term liabilities is an expenditure in the governmental
funds, but it reduces long-term liabilities in the Statement of Net Assets. 997,504

Interest on long-term debt in the Statement of Activities differs from the
amount reported in the governmental funds because interest is recorded as
an expenditure in the funds when due. In the Statement of Activities,
however, interest expense is recognized as the interest accrues, regardless
of when it is due. (83,027)

CLEAR CREEK AMANA 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, 2009

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

Termination benefits	\$	176,672	
Compensated absences		8,047	
Amortization of bond issue costs and bond premiums		<u>(63,237)</u>	\$ <u>121,482</u>
Change in net assets of governmental activities			\$ <u><u>3,346,921</u></u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	Nonmajor Enterprise Funds
Assets	
Cash and investments	\$ 282,208
Accounts receivable	2,729
Due from other governments	8,408
Inventories	13,090
Capital assets, net of accumulated depreciation (note 4)	46,592
Total assets	<u>353,027</u>
Liabilities	
Accounts payable	5,693
Salaries and benefits payable	33,363
Deferred revenue	12,716
Total liabilities	<u>51,772</u>
Net Assets	
Invested in capital assets	46,592
Restricted for state grants	2,984
Unrestricted	<u>251,679</u>
Total net assets	<u>\$ 301,255</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	<u>Nonmajor Enterprise Funds</u>
Operating revenues:	
Local sources:	
Charges for services	\$ <u>964,607</u>
Operating expenses:	
Support services:	
Administration services	30,673
Operation and maintenance of plant services	19,064
Transportation services	7,808
Non-instructional programs	<u>1,126,609</u>
	<u>1,184,154</u>
Operating loss	<u>(219,547)</u>
Non-operating revenues:	
Interest on investments	3,440
Contributions	1,045
State sources	11,132
Federal sources	<u>261,359</u>
Total non-operating revenues	<u>276,976</u>
Change in net assets	57,429
Net assets beginning of year	<u>243,826</u>
Net assets end of year	\$ <u><u>301,255</u></u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	Nonmajor Enterprise Funds
	<u> </u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 474,241
Cash received from miscellaneous operating activities	489,894
Cash payments to employees for services	(656,329)
Cash payments to suppliers for goods or services	<u>(493,998)</u>
Net cash used by operating activities	<u>(186,192)</u>
Cash flows from non-capital financing activities:	
Contributions received	1,045
State grants received	11,132
Federal grants received	<u>243,184</u>
Net cash provided by non-capital financing activities	<u>255,361</u>
Cash flows from investing activities:	
Interest on investments	3,440
Purchase of investments	<u>(69,318)</u>
Net cash used by investing activities	<u>(65,878)</u>
Net increase in cash and cash equivalents	3,291
Cash and cash equivalents beginning of year	<u>209,599</u>
Cash and cash equivalents end of year	<u><u>\$ 212,890</u></u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	<u>Nonmajor Enterprise Funds</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (219,547)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	6,737
Commodities used	27,125
(Increase) in accounts receivable	(818)
(Increase) in inventories	(275)
Increase in accounts payable	1,117
(Decrease) in salaries and benefits payable	(877)
Increase in deferred revenue	<u>346</u>
Net cash used by operating activities	<u><u>\$ (186,192)</u></u>
Reconciliation of cash and cash equivalents end of year to specific assets included on Statement of Net Assets:	
Cash and investments	\$ 282,208
Less items not meeting the definition of a cash equivalent:	
Certificates of deposit	<u>(69,318)</u>
Cash and cash equivalents end of year	<u><u>\$ 212,890</u></u>
Non-cash investing, capital and financing activities:	
During the year ended June 30, 2009, the District received \$27,125 of federal commodities.	
See notes to financial statements.	

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies

Clear Creek Amana Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. 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 Coralville, North Liberty, Oxford, Tiffin and the Seven Villages of the Amana Colonies, Iowa, and agricultural territory in Johnson and Iowa 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, Clear Creek Amana 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. Clear Creek Amana Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Johnson and Iowa County Assessor's Conference Boards.

B. Basis of Presentation

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

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

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

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

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

The District reports the following major governmental funds:

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

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

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

The District reports the following proprietary funds:

The District's enterprise funds are the School Nutrition Fund, Daycare Fund, and Public Pool Fund. These funds are used to account for the food service, daycare, and public pool operations of the District.

C. Measurement Focus and Basis of Accounting

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting (continued)

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

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

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

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

The proprietary funds of the District apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity

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

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

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and, at the day of purchase, have a maturity date no longer than three months. Investments not meeting the definition of cash equivalents at June 30, 2009 included \$69,318 of certificates of deposit with maturity dates longer than three months.

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

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

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2007 assessed property valuations; is for the tax accrual period July 1, 2008 through June 30, 2009 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2008.

Income Surtax Receivable – Income surtax budgeted for the fiscal year ended June 30, 2009 will not be received by the District until several months after the fiscal year end. Accordingly, income surtax is recorded as a receivable and included in deferred revenue on the modified accrual basis for the governmental funds. For the District-wide statements, on the Statement of Activities the income surtax revenue is recognized.

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.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the District-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

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

Asset Class	Estimated Useful Lives
Buildings	50 years
Improvements other than buildings	5-25 years
Furniture and equipment	3-20 years

Salaries and Benefits Payable – Payroll and related expenses for hourly employees, which are payable in July, have been accrued as liabilities.

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Fund Equity (continued)

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

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

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the District-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2009. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Fund Balances – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Invested in capital assets, net of related debt – In the District-wide Statement of Net Assets, the net asset balance invested in capital assets, net of related debt is equal to the capital assets balances, including restricted capital assets, less accumulated depreciation and the outstanding balances of any bonds, notes, or other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets – In the District-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net assets restricted through enabling legislation as of June 30, 2009 consists of \$3,779,976.

E. Budgets and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2009, expenditures did not exceed the amounts budgeted.

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2009 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.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 2. Cash and Pooled Investments (continued)

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District's investments at June 30, 2009 are as follows:

<u>Type</u>	<u>Amortized Cost/Fair Value</u>
Iowa Schools Joint Investment Trust -	
Diversified Portfolio	\$ 11,274,070
IPASeducation	1,485,199
Money Market Mutual Fund	<u>3,413</u>
	<u>\$ 12,762,682</u>

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

Credit Risk – The investments in the Iowa Schools Joint Investment Trust were rated Aaa by Moody's Investors Service. The investments in IPASeducation and the money market mutual fund are unrated.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2009 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Special Revenue:		
Student Activity	General	\$ 5,217
Debt Service	Special Revenue:	
	Physical Plant and Equipment Levy	<u>59,171</u>
Total		<u>\$ 64,388</u>

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2009 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,578,566	\$ -	\$ -	\$ 1,578,566
Construction in progress	17,813,243	13,405,770	55,616	31,163,397
Total capital assets not being depreciated	<u>19,391,809</u>	<u>13,405,770</u>	<u>55,616</u>	<u>32,741,963</u>
Capital assets being depreciated:				
Buildings	12,466,642	201,560	126,095	12,542,107
Improvements other than buildings	636,612	599,795	54,775	1,181,632
Furniture and equipment	2,111,995	430,431	232,041	2,310,385
Total capital assets being depreciated	<u>15,215,249</u>	<u>1,231,786</u>	<u>412,911</u>	<u>16,034,124</u>
Less accumulated depreciation for:				
Buildings	3,976,115	248,465	34,158	4,190,422
Improvements other than buildings	492,691	39,599	54,775	477,515
Furniture and equipment	1,336,376	228,161	224,020	1,340,517
Total accumulated depreciation	<u>5,805,182</u>	<u>516,225</u>	<u>312,953</u>	<u>6,008,454</u>
Total capital assets being depreciated, net	<u>9,410,067</u>	<u>715,561</u>	<u>99,958</u>	<u>10,025,670</u>
Governmental activities capital assets, net	<u>\$ 28,801,876</u>	<u>\$ 14,121,331</u>	<u>\$ 155,574</u>	<u>\$ 42,767,633</u>
Business-type activities:				
Furniture and equipment	\$ 80,869	\$ -	\$ -	\$ 80,869
Less accumulated depreciation	<u>27,540</u>	<u>6,737</u>	<u>-</u>	<u>34,277</u>
Business-type activities capital assets, net	<u>\$ 53,329</u>	<u>\$ 6,737</u>	<u>\$ -</u>	<u>\$ 46,592</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 4. Capital Assets (continued)

Depreciation expense was charged by the District to the following functions:

Governmental activities:

Instruction	\$ 39,324
Support services:	
Administration	6,319
Operation and maintenance of plant services	19,075
Transportation	<u>119,829</u>
	184,547
Unallocated depreciation	<u>331,678</u>
 Total governmental activities depreciation expense	 \$ <u><u>516,225</u></u>

Business-type activities:

Food service operations	\$ <u><u>6,737</u></u>
-------------------------	------------------------

Note 5. Bond Anticipation Notes Payable

During the year ended June 30, 2009, the District issued school infrastructure sales and services tax revenue bond anticipation notes. The bond anticipation notes include interest at 3.89%. The notes were paid off on July 1, 2009.

A summary of the short-term debt activity for the year ended June 30, 2009 is as follows:

	Balance Beginning of Year	Notes Issued	Notes Repaid	Balance End of Year
Bond Anticipation Notes	\$ <u><u>-</u></u>	\$ <u><u>4,000,000</u></u>	\$ <u><u>-</u></u>	\$ <u><u>4,000,000</u></u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2009 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
General obligation bonds	\$ 27,815,000	\$ -	\$ 940,000	\$ 26,875,000	\$ 1,075,000
Revenue bonds	-	12,505,000	-	12,505,000	-
Capital lease	57,504	-	57,504	-	-
Lease purchase agreement	-	154,238	-	154,238	51,993
Termination benefits	703,261	35,417	212,089	526,589	156,609
Compensated absences	93,188	85,141	93,188	85,141	85,141
Total	<u>\$ 28,668,953</u>	<u>\$ 12,779,796</u>	<u>\$ 1,302,781</u>	<u>\$ 40,145,968</u>	<u>\$ 1,368,743</u>

Termination Benefits

The District offers a voluntary early retirement plan to its employees. Eligible licensed employees must be at least age fifty-five and must have completed at least twelve years of full-time service to the District. Eligible classified employees must be at least age fifty-five and must have completed at least thirty years of full-time service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement cash stipend benefit for each eligible licensed employee is equal to 50% of the employee's base salary calculated by using the current year regular salary schedule, less any other additional pay. Early retirement cash stipend benefits will be paid into a 403b plan in two annual payments.

The early retirement insurance benefit for each eligible employee is the District's contribution to the retired employee's monthly health insurance premiums at the amount set by the master contract for a single policy, until the retiree is eligible for Medicare.

At June 30, 2009, the District has obligations to eighteen participants with a total liability of \$526,589. Actual early retirement expenditures for the year ended June 30, 2009 totaled \$212,089. The cost of early retirement payments is recorded as a long-term liability of the Governmental Activities in the District-wide financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 6. Long-Term Liabilities (continued)

General Obligation Bonds Payable

Details of the District's June 30, 2009 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue August 1, 2002				
	Interest Rates	Principal	Interest	Total	
2010	3.60 % \$	105,000 \$	17,275 \$	122,275	
2011	3.80	110,000	13,495	123,495	
2012	4.00	115,000	9,315	124,315	
2013	4.10	115,000	4,715	119,715	
		445,000	44,800	489,800	

Year Ending June 30,	Refunding Bond Issue August 1, 2003				
	Interest Rates	Principal	Interest	Total	
2010	3.00 % \$	345,000 \$	73,383 \$	418,383	
2011	3.10	350,000	63,033	413,033	
2012	3.25	365,000	52,183	417,183	
2013	3.30	380,000	40,320	420,320	
2014	3.40	395,000	27,780	422,780	
2015	3.50	410,000	14,350	424,350	
		2,245,000	271,049	2,516,049	

Year Ending June 30,	Bond Issue June 1, 2006				
	Interest Rates	Principal	Interest	Total	
2010	- % \$	- \$	684,450 \$	684,450	
2011	-	-	684,450	684,450	
2012	-	-	684,450	684,450	
2013	-	-	684,450	684,450	
2014	-	-	684,450	684,450	
2015-2019	4.625	1,200,000	3,422,250	4,622,250	
2020-2024	4.625-4.750	9,085,000	2,325,650	11,410,650	
2025-2026	4.750	4,200,000	301,387	4,501,387	
		14,485,000	9,471,537	23,956,537	

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 6. Long-Term Liabilities (continued)

General Obligation Bonds Payable (continued)

Year Ending June 30,	Bond Issue May 1, 2007			
	Interest Rates	Principal	Interest	Total
2010	3.80 %	\$ 175,000	\$ 342,572	\$ 517,572
2011	3.80	700,000	335,923	1,035,923
2012	3.80	725,000	309,323	1,034,323
2013	3.80	770,000	281,773	1,051,773
2014	3.80	910,000	252,513	1,162,513
2015-2019	3.80-3.85	5,730,000	615,421	6,345,421
		9,010,000	2,137,525	11,147,525

Year Ending June 30,	Bond Issue May 15, 2008			
	Interest Rates	Principal	Interest	Total
2010	3.00 %	\$ 450,000	\$ 20,900	\$ 470,900
2011	3.00	100,000	7,400	107,400
2012	3.00	100,000	4,400	104,400
2013	3.50	40,000	1,400	41,400
		690,000	34,100	724,100

Year Ending June 30,	Total		
	Principal	Interest	Total
2010	\$ 1,075,000	\$ 1,138,580	\$ 2,213,580
2011	1,260,000	1,104,301	2,364,301
2012	1,305,000	1,059,671	2,364,671
2013	1,305,000	1,012,658	2,317,658
2014	1,305,000	964,743	2,269,743
2015-2019	7,340,000	4,052,021	11,392,021
2020-2024	9,085,000	2,325,650	11,410,650
2025-2026	4,200,000	301,387	4,501,387
	<u>\$ 26,875,000</u>	<u>\$ 11,959,011</u>	<u>\$ 38,834,011</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 6. Long-Term Liabilities (continued)

Revenue Bonds

Details of the District's June 30, 2009 school infrastructure sales and services tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2010	- %	\$ -	\$ 358,367	\$ 358,367
2011	4.250	635,000	600,850	1,235,850
2012	4.250	700,000	572,481	1,272,481
2013	4.250	740,000	541,881	1,281,881
2014	4.250	480,000	515,956	995,956
2015-2019	4.000-4.714	2,210,000	2,302,472	4,512,472
2020-2024	5.000-5.200	2,820,000	1,715,563	4,535,563
2025-2029	5.200-5.500	3,610,000	881,213	4,491,213
2030	5.625	1,310,000	49,922	1,359,922
		<u>\$ 12,505,000</u>	<u>\$ 7,538,705</u>	<u>\$ 20,043,705</u>

The District pledged future school infrastructure (statewide) sales and services tax revenues to repay the \$12,505,000 bonds issued in June, 2009. The bonds were issued for the purpose of financing a portion of the costs of a new high school athletic complex and auditorium. The bonds are payable solely from the proceeds of the school infrastructure (statewide) sales and services tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. Annual principal and interest payments on the bonds are expected to require approximately 25 to 90 percent of the school infrastructure (statewide) sales and services tax revenues. The total principal and interest remaining to be paid on the notes is \$20,043,705. For the current year, no principal and interest were paid on the bonds and total statewide sales and services tax revenues were \$1,448,489.

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

- (a) The bonds will be redeemed from the future earnings of the school infrastructure sales and services tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- (b) A reserve will be maintained in the amount of \$1,250,500 to be used solely for the purpose of paying principal and interest in the event the funds available within the sinking fund are not sufficient for that purpose.
- (c) Sufficient monthly deposits amounting to one twelfth of the next principal payment and one sixth of the next interest payment shall be made to the sinking fund for the purpose of making the bond principal and interest payments when due.
- (d) Any monies remaining in the revenue fund after the required transfer to the sinking fund may be transferred to the project fund to be used for any lawful purpose.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 6. Long-Term Liabilities (continued)

Lease Purchase Agreement

During the year ended June 30, 2009, the District entered into an agreement for the lease purchase of computers and computer equipment. The agreement provides for three annual payments and includes interest at 2.9%.

Details of the District's June 30, 2009 lease purchase agreement indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 51,993	\$ 1,388	\$ 53,381
2011	50,384	2,997	53,381
2012	51,861	1,520	53,381
	<u>\$ 154,238</u>	<u>\$ 5,905</u>	<u>\$ 160,143</u>

Note 7. Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.10% of their annual covered salary and the District is required to contribute 6.35% of annual covered payroll for the year ended June 30, 2009. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$575,253, \$496,984, and \$431,508, respectively, equal to the required contributions for each year.

Note 8. Risk Management

Clear Creek Amana 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.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$496,524 for the year ended June 30, 2009 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 10. Construction Commitments

The District has entered into various contracts totaling \$34,281,134 for a new elementary school, high school building, athletic complex and auditorium. As of June 30, 2009, costs of \$24,236,998 had been incurred against the contracts. The balance of \$10,044,136 remaining at June 30, 2009 will be paid as work on the projects progresses.

Note 11. Contingency

The District has one ongoing lawsuit. The District's insurance carrier is providing coverage for the lawsuit. The outcome of the case can not be determined at this time.

Note 12. Subsequent Event

In February 2010, the District entered into contracts totaling \$245,921 for a roofing project.

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Required Supplementary Information

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances –
Budget and Actual – All Governmental Funds
and Proprietary Funds
Required Supplementary Information
Year Ended June 30, 2009

	Governmental Funds - Actual	Proprietary Funds - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
REVENUES:						
Local sources	\$ 12,418,744	\$ 969,092	\$ 13,387,836	\$ 10,808,942	\$ 10,808,942	\$ 2,578,894
State sources	6,502,677	11,132	6,513,809	6,573,013	6,573,013	(59,204)
Federal sources	549,496	261,359	810,855	577,000	577,000	233,855
Total revenues	19,470,917	1,241,583	20,712,500	17,958,955	17,958,955	2,753,545
EXPENDITURES/EXPENSES:						
Instruction	9,312,449	-	9,312,449	9,264,500	10,000,000	687,551
Support services	4,917,013	57,545	4,974,558	5,214,300	5,500,000	525,442
Non-instructional programs	9,508	1,126,609	1,136,117	1,085,000	1,250,000	113,883
Other expenditures	17,139,410	-	17,139,410	15,029,643	23,000,000	5,860,590
Total expenditures/ expenses	31,378,380	1,184,154	32,562,534	30,593,443	39,750,000	7,187,466
Excess (deficiency) of revenues over (under) expenditures/expenses	(11,907,463)	57,429	(11,850,034)	(12,634,488)	(21,791,045)	9,941,011
Other financing sources, net	12,821,262	-	12,821,262	247,000	247,000	12,574,262
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	913,799	57,429	971,228	(12,387,488)	(21,544,045)	22,515,273
Balance beginning of year	13,723,808	243,826	13,967,634	14,198,511	14,198,511	(230,877)
Balance end of year	\$ <u>14,637,607</u>	\$ <u>301,255</u>	\$ <u>14,938,862</u>	\$ <u>1,811,023</u>	\$ <u>(7,345,534)</u>	\$ <u>22,284,396</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING

June 30, 2009

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$9,156,557.

During the year ended June 30, 2009, expenditures did not exceed the amounts budgeted.

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Other Supplementary Information

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Special Revenue				
	Management Levy	Student Activity	Physical Plant and Equipment Levy	Library	Total
Assets					
Cash and pooled investments	\$ 275,425	\$ 188,177	\$ 312,404	\$ 54,158	\$ 830,164
Receivables:					
Property tax:					
Current year	8,015	-	9,231	580	17,826
Succeeding year	427,500	-	517,939	21,701	967,140
Income surtax	-	-	207,048	-	207,048
Accounts	-	428	-	-	428
Due from other governments	-	260	-	-	260
Total assets	<u>\$ 710,940</u>	<u>\$ 188,865</u>	<u>\$ 1,046,622</u>	<u>\$ 76,439</u>	<u>\$ 2,022,866</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,049	\$ 6,737	\$ 113	\$ -	\$ 7,899
Salaries and benefits payable	-	-	-	1,458	1,458
Deferred revenue:					
Succeeding year property tax	427,500	-	517,939	21,701	967,140
Other	-	-	207,048	-	207,048
Total liabilities	<u>428,549</u>	<u>6,737</u>	<u>725,100</u>	<u>23,159</u>	<u>1,183,545</u>
Fund balances:					
Reserved for:					
State grants	-	-	-	90	90
Unreserved:					
Designated for special purposes	-	-	-	14,365	14,365
Undesignated	282,391	182,128	321,522	38,825	824,866
Total fund balances	<u>282,391</u>	<u>182,128</u>	<u>321,522</u>	<u>53,280</u>	<u>839,321</u>
Total liabilities and fund balances	<u>\$ 710,940</u>	<u>\$ 188,865</u>	<u>\$ 1,046,622</u>	<u>\$ 76,439</u>	<u>\$ 2,022,866</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	Special Revenue				
	Management Levy	Student Activity	Physical Plant and Equipment Levy	Library	Total
Revenues:					
Local sources:					
Local tax	\$ 450,228	\$ -	\$ 712,742	\$ 22,533	\$ 1,185,503
Other	35,471	303,504	12,473	35,085	386,533
State sources	164	-	122	1,613	1,899
Total revenues	485,863	303,504	725,337	59,231	1,573,935
Expenditures:					
Current:					
Instruction	202,103	292,013	18,035	-	512,151
Support services:					
Instructional staff services	-	-	263,331	18,122	281,453
Administration services	124,817	1,079	-	36,196	162,092
Operation and maintenance of plant services	63,686	-	148,061	-	211,747
Transportation services	22,862	2,742	152,564	-	178,168
Other expenditures:					
Facilities acquisition	-	-	306,013	-	306,013
Total expenditures	413,468	295,834	888,004	54,318	1,651,624
Excess (deficiency) of revenues over (under) expenditures	72,395	7,670	(162,667)	4,913	(77,689)
Other financing sources:					
Sale of real property	-	-	2	-	2
Compensation for loss of capital assets	-	-	1,109	-	1,109
Interfund transfers in	-	5,217	-	-	5,217
Interfund transfers out	-	-	(59,171)	-	(59,171)
Lease purchase agreement	-	-	154,238	-	154,238
Total other financing sources (uses)	-	5,217	96,178	-	101,395

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	Special Revenue				
	Management Levy	Student Activity	Physical Plant and Equipment Levy	Library	Total
Net change in fund balances	\$ 72,395	\$ 12,887	\$ (66,489)	\$ 4,913	\$ 23,706
Fund balances beginning of year	209,996	169,241	388,011	48,367	815,615
Fund balances end of year	<u>\$ 282,391</u>	<u>\$ 182,128</u>	<u>\$ 321,522</u>	<u>\$ 53,280</u>	<u>\$ 839,321</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
June 30, 2009

	School Nutrition	Daycare	Public Pool	Total
Assets				
Cash and investments	\$ 141,596	\$ 119,132	\$ 21,480	\$ 282,208
Accounts receivable	970	1,759	-	2,729
Due from other governments	7,804	604	-	8,408
Inventories	13,090	-	-	13,090
Capital assets, net of accumulated depreciation	46,592	-	-	46,592
Total assets	<u>210,052</u>	<u>121,495</u>	<u>21,480</u>	<u>353,027</u>
Liabilities				
Accounts payable	383	4,177	1,133	5,693
Salaries and benefits payable	-	28,658	4,705	33,363
Deferred revenue	12,716	-	-	12,716
Total liabilities	<u>13,099</u>	<u>32,835</u>	<u>5,838</u>	<u>51,772</u>
Net Assets				
Invested in capital assets	46,592	-	-	46,592
Restricted for state grants	-	2,984	-	2,984
Unrestricted	150,361	85,676	15,642	251,679
Total net assets	<u>\$ 196,953</u>	<u>\$ 88,660</u>	<u>\$ 15,642</u>	<u>\$ 301,255</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2009

	School Nutrition	Daycare	Public Pool	Total
Operating revenues:				
Local sources:				
Charges for services	\$ 478,699	\$ 458,386	\$ 27,522	\$ 964,607
Operating expenses:				
Support services:				
Administration services	28,762	1,171	740	30,673
Operation and maintenance of plant services	19,064	-	-	19,064
Transportation services	-	7,808	-	7,808
Non-instructional programs	678,366	424,018	24,225	1,126,609
	<u>726,192</u>	<u>432,997</u>	<u>24,965</u>	<u>1,184,154</u>
Operating income (loss)	<u>(247,493)</u>	<u>25,389</u>	<u>2,557</u>	<u>(219,547)</u>
Non-operating revenues:				
Interest on investments	2,773	559	108	3,440
Contributions	-	45	1,000	1,045
State sources	7,132	4,000	-	11,132
Federal sources	233,383	27,976	-	261,359
Total non-operating revenues	<u>243,288</u>	<u>32,580</u>	<u>1,108</u>	<u>276,976</u>
Change in net assets	(4,205)	57,969	3,665	57,429
Net assets beginning of year	<u>201,158</u>	<u>30,691</u>	<u>11,977</u>	<u>243,826</u>
Net assets end of year	<u>\$ 196,953</u>	<u>\$ 88,660</u>	<u>\$ 15,642</u>	<u>\$ 301,255</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2009

	School Nutrition	Daycare	Public Pool	Total
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 474,241	\$ -	\$ -	\$ 474,241
Cash received from miscellaneous operating activities	6,171	456,043	27,680	489,894
Cash payments to employees for services	(257,503)	(377,686)	(21,140)	(656,329)
Cash payments to suppliers for goods or services	(434,727)	(57,039)	(2,232)	(493,998)
Net cash provided by (used by) operating activities	(211,818)	21,318	4,308	(186,192)
Cash flows from non-capital financing activities:				
Contributions received	-	45	1,000	1,045
State grants received	7,132	4,000	-	11,132
Federal grants received	214,985	28,199	-	243,184
Net cash provided by non-capital financing activities	222,117	32,244	1,000	255,361
Cash flows from investing activities:				
Interest on investments	2,773	559	108	3,440
Purchase of investments	(69,318)	-	-	(69,318)
Net cash provided by (used by) investing activities	(66,545)	559	108	(65,878)
Net increase (decrease) in cash and cash equivalents	(56,246)	54,121	5,416	3,291
Cash and cash equivalents beginning of year	128,524	65,011	16,064	209,599
Cash and cash equivalents end of year	\$ 72,278	\$ 119,132	\$ 21,480	\$ 212,890

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2009

	School Nutrition	Daycare	Public Pool	Total
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:				
Operating income (loss)	\$ (247,493)	\$ 25,389	\$ 2,557	\$ (219,547)
Adjustments to reconcile operating loss to net cash provided by (used by) operating activities:				
Depreciation	6,737	-	-	6,737
Commodities used	27,125	-	-	27,125
(Increase) decrease in accounts receivable	367	(1,343)	158	(818)
(Increase) in inventories	(275)	-	-	(275)
Increase (decrease) in accounts payable	375	(368)	1,110	1,117
Increase (decrease) in salaries and benefits payable	-	(1,360)	483	(877)
Increase (decrease) in deferred revenue	1,346	(1,000)	-	346
Net cash provided by (used by) operating activities	\$ <u>(211,818)</u>	\$ <u>21,318</u>	\$ <u>4,308</u>	\$ <u>(186,192)</u>
Reconciliation of cash and cash equivalents end of year to specific assets included on Schedule of Net Assets:				
Cash and investments	\$ 141,596	\$ 119,132	\$ 21,480	\$ 282,208
Less items not meeting the definition of a cash equivalent:				
Certificates of deposit	<u>(69,318)</u>	-	-	<u>(69,318)</u>
Cash and cash equivalents end of year	\$ <u>72,278</u>	\$ <u>119,132</u>	\$ <u>21,480</u>	\$ <u>212,890</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2009, the District received \$27,125 of federal commodities.

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2009

Account	Balance Beginning of Year	Revenues and Interfund Transfers	Expenditures	Balance End of Year
Interest	\$ -	\$ 4,093	\$ 4,093	\$ -
MS Student Activities	3,739	2,959	2,489	4,209
JH Bigger Faster Stronger	208	5	-	213
Class of 2009	9,682	3,452	6,010	7,124
Class of 2010	672	22,336	12,769	10,239
Class of 2011	488	155	-	643
Class of 2012	-	100	100	-
Amana Elementary Student Fundraiser	923	2,150	1,802	1,271
Amana Library Fundraiser	13,168	5,586	9,706	9,048
CC Elementary Library Fundraiser	3,638	7,361	6,652	4,347
MS Library Fundraiser	-	9,048	-	9,048
Elementary Student Account	11,272	9,925	13,458	7,739
CC Elementary Clipper Care Club	1,720	836	356	2,200
NBE Student Fundraiser	-	1,478	500	978
NBE Library Fundraiser	-	3,380	2,514	866
Drama	7,902	1,323	1,702	7,523
JH Drama	238	596	399	435
Art Club	2,038	7,227	4,893	4,372
MS Art Club	614	1	538	77
CC Elementary Art Club	286	1	264	23
HS Chorus	-	2,598	1,610	988
MS Show Choir	363	7	41	329
HS Band	3,672	-	3,672	-
HS Concessions	1,714	8,390	9,101	1,003
HS Student Fundraiser	2,472	731	2,074	1,129
Win With Wellness	296	6	-	302
Amana Fundraising	3,235	73	-	3,308
Athletics	21,840	68,353	77,410	12,783
JH Athletics	(565)	6,030	5,465	-
JH Athletic Fundraiser/Concessions	5,053	114	-	5,167
HS Volleyball Club	1,091	3,461	2,467	2,085
HS Girls Track Club	1,569	4,372	4,747	1,194
HS Girls Golf Club	-	27	-	27
HS Boys Basketball Club	2,279	6,465	6,240	2,504
HS Football Club	1,914	18,182	15,214	4,882
HS Boys Soccer Club	369	9	12	366
HS Girls Soccer Club	182	9	33	158
Baseball Club	4,157	5,609	6,491	3,275
Boys Track Club	152	3,188	2,205	1,135

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2009

Account	Balance Beginning of Year	Revenues and Interfund Transfers	Expenditures	Balance End of Year
Wrestling Club	\$ 5,668	\$ 2,664	\$ 2,319	\$ 6,013
HS Girls Basketball Club	1,336	4,983	4,403	1,916
Softball Club	3,283	18,998	20,701	1,580
HS German Club	18	1	-	19
Publications	15,879	355	1,317	14,917
Annual	10,230	21,035	15,854	15,411
HS Cheerleading Club	1,603	214	198	1,619
JH Cheerleading Club	837	19	-	856
Close Up	1,350	30	-	1,380
NHS	93	1,373	1,466	-
Safe	88	133	-	221
Student Assistance Team	216	2,084	1,555	745
Spanish Club	585	423	420	588
Student Council	2,204	8,936	7,934	3,206
MS Student Council	16,246	27,047	23,021	20,272
CC Elementary Student Council	153	1,785	1,622	316
Weight Club	-	6,225	6,213	12
Pom Squad	3,071	2,780	3,784	2,067
	<u>\$ 169,241</u>	<u>\$ 308,721</u>	<u>\$ 295,834</u>	<u>\$ 182,128</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS
FOR THE LAST FIVE YEARS

		Modified Accrual Basis Years Ended June 30,				
		2009	2008	2007	2006	2005
Revenues:						
Local sources:						
Local tax	\$	9,920,491	\$ 9,877,435	\$ 7,005,106	\$ 5,563,759	\$ 4,668,747
Tuition		1,130,035	894,697	843,785	864,055	831,045
Other		1,368,218	1,649,981	1,657,083	622,669	490,905
State sources		6,502,677	6,481,142	5,726,397	5,486,156	5,262,267
Federal sources		549,496	625,576	524,561	315,725	299,347
Total revenues	\$	<u>19,470,917</u>	<u>19,528,831</u>	<u>15,756,932</u>	<u>12,852,364</u>	<u>11,552,311</u>
Expenditures:						
Instruction	\$	9,312,449	\$ 8,442,875	\$ 7,867,766	\$ 7,349,809	\$ 7,386,489
Support services:						
Student services		315,732	253,504	238,943	221,792	212,790
Instructional staff services		826,405	523,684	606,214	494,515	471,945
Administration services		1,544,313	1,483,939	1,545,928	1,269,213	935,683
Operation and maintenance of plant services		1,379,802	1,196,637	1,271,048	1,143,662	1,099,448
Transportation services		850,761	836,655	745,477	669,869	665,794
Non-instructional programs		9,508	110,589	-	31,086	21,792
Other expenditures:						
Facilities acquisition		14,300,272	16,440,617	2,365,508	466,890	223,868
Long-term debt:						
Principal		997,504	1,285,883	549,171	470,000	450,000
Interest and fiscal charges		1,345,110	1,225,102	816,347	146,439	164,629
AEA flowthrough		496,524	467,919	433,596	388,998	370,505
Total expenditures	\$	<u>31,378,380</u>	<u>32,267,404</u>	<u>16,439,998</u>	<u>12,652,273</u>	<u>12,002,943</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2009

Grantor / Program	CFDA Number	Grant Number	Expenditures
Direct:			
U. S. Department of Education:			
Impact Aid	84.041	FY 09	\$ <u>52,200</u>
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
National School Lunch Program (noncash)	10.555	FY 09	\$ 27,125
National School Lunch Program	10.555	FY 09	147,051
School Breakfast Program	10.553	FY 09	<u>21,905</u>
			<u>196,081</u>
Child and Adult Care Food Program	10.558	FY 09	<u>7,343</u>
Fresh Fruit and Vegetable Program	10.582	FY 09	<u>37,302</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I, Part A Cluster Programs:			
Title 1 Grants to Local Educational Agencies	84.010	1221GC FY 09	6,512
Title 1 Grants to Local Educational Agencies	84.010	1221G FY 09	84,925
Title I Grants to Local Educational Agencies, Recovery Act	84.389	FY 09	<u>10,499</u>
			<u>101,936</u>
Improving Teacher Quality State Grants	84.367	FY 09	<u>33,692</u>
Grants for State Assessments and Related Activities	84.369	FY 09	<u>9,282</u>
State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	FY 09	<u>113,669</u>
Safe and Drug-Free Schools and Communities - State Grants	84.186	FY 09	<u>3,232</u>
Special Education - Grants to State	84.027	FY 08	<u>15,575</u>
Fund for the Improvement of Education	84.215	FY 08	<u>50,000</u>
Grant Wood Area Education Agency:			
Special Education - Grants to States	84.027	FY 09	<u>69,703</u>
Career and Technical Education - Basic Grants to States	84.048	FY 09	<u>7,615</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

<u>Grantor / Program</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
Indirect (continued):			
U. S. Department of Health and Human Services:			
Iowa County Empowerment Board:			
Temporary Assistance for Needy Families	93.558	FY 09	\$ <u>20,633</u>
Iowa Department of Human Services:			
Temporary Assistance for Needy Families	93.558	FY 09	<u>24,075</u>
Total			\$ <u><u>742,338</u></u>

Basis of Presentation –

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

See accompanying independent auditor's report.

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
Clear Creek Amana Community School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Clear Creek Amana Community School District as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated February 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Clear Creek Amana Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clear Creek Amana Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Clear Creek Amana Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Clear Creek Amana Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood a misstatement of Clear Creek Amana Community School District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Clear Creek Amana Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about Clear Creek Amana Community School District's operations for the year ended June 30, 2009 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.

Clear Creek Amana Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Clear Creek Amana Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Clear Creek Amana Community School District and other parties to whom Clear Creek Amana Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

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

Oskaloosa, Iowa
February 11, 2010

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133

To the Board of Education of
Clear Creek Amana Community School District:

Compliance

We have audited the compliance of Clear Creek Amana Community School District with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Clear Creek Amana Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Clear Creek Amana Community School District's management. Our responsibility is to express an opinion on Clear Creek Amana Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clear Creek Amana Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Clear Creek Amana Community School District's compliance with those requirements.

In our opinion, Clear Creek Amana Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Clear Creek Amana Community School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Clear Creek Amana Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency in a District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We noted no matters involving internal control over compliance that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Clear Creek Amana Community School District and other parties to whom Clear Creek Amana Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Oskaloosa, Iowa
February 11, 2010

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - Clustered programs:
 - CFDA Number 10.553 – School Breakfast Program
 - CFDA Number 10.555 – National School Lunch Program
 - Clustered programs:
 - CFDA Number 84.010 – Title I Grants to Local Educational Agencies
 - CFDA Number 84.389 – Title I Grants to Local Educational Agencies, Recovery Act
 - CFDA Number 84.394 – State Fiscal Stabilization Fund – Education State Grants, Recovery Act
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Clear Creek Amana Community School District did not qualify as a low-risk auditee.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Significant Deficiencies:

No matters were reported.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Significant Deficiency:

No matters were reported.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-09 Certified Budget – Expenditures for the year ended June 30, 2009, did not exceed the amounts budgeted.
- IV-B-09 Questionable Expenditures – No expenditures were noted that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.
- IV-C-09 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-09 Business Transactions – No business transactions between the District and District officials or employees were noted.
- IV-E-09 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.
- IV-F-09 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.
- IV-G-09 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.
- IV-H-09 Deposits and Investments – At June 30, 2009, the District had investments in IPASeducation and money market mutual funds, which are not allowable investments under its investment policy.
- Recommendation – The District should either update the investment policy or transfer the investments in IPASeducation and the money market mutual funds to an allowable investment.
- Response – The money market mutual funds were closed in July 2009. We have updated our investment policy to include IPASeducation as an allowable investment.
- Conclusion – Response accepted.
- IV-I-09 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-J-09 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2009

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

- IV-K-09 Statewide Sales and Services Tax – No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax. For the year ended June 30, 2009, the District's financial activity and other required information for the statewide sales and services tax are as follows:

Beginning balance	\$	-
Statewide sales and services tax revenue		1,448,489
Expenditures/transfers out:		
None		<u>-</u>
Ending balance	\$	<u><u>1,448,489</u></u>

- IV-L-09 Official Depositories – A resolution naming official depositories has been adopted by the Board of Education. However, Hills Bank and Bankers Trust were not listed in the resolution.

Recommendation – The Board should update the depository resolution to include all depositories used by the District.

Response – We approved new depository resolutions for these banks in October 2009.

Conclusion – Response accepted.