

\$7,150,000 *
Clear Creek-Amana Community School District, Iowa
General Obligation School Refunding Bonds
Series 2012B

(FAST Closing)
(The Issuer will designate the Bonds as Bank-Qualified as described herein)
(Book Entry Only)
(Parity Bidding Available)

DATE: Monday, November 19, 2012
TIME: 11:00 A.M.
PLACE: Office of the Superintendent
327 S. Augusta Ave.
Oxford, IA 52322
Telephone: (319)828-4510
Fax: (319)828-4743

Moody's Rating: "Aa3"

* Preliminary, subject to change

PiperJaffray®

3900 Ingersoll Ave., Suite 110
Des Moines, IA 50312
515/247-2340

OFFICIAL BID FORM

TO: Board of Directors of the Clear Creek-Amana Community School District, Iowa (the "Issuer")

Re: \$7,150,000 General Obligation School Refunding Bonds, dated Date of Delivery, of the Issuer (the "Bonds")

For all or none of the above Bonds, in accordance with the notice of sale, we will pay you \$_____ and accrued interest to date of delivery for Bonds bearing interest rates and maturing on June 1 in each of the stated years as follows:

<u>Coupon</u>	<u>Yield</u>	<u>Due</u>	<u>Coupon</u>	<u>Yield</u>	<u>Due</u>
_____	_____	2014	_____	_____	2020
_____	_____	2015	_____	_____	2021
_____	_____	2016	_____	_____	2022
_____	_____	2017	_____	_____	2023
_____	_____	2018	_____	_____	2024
_____	_____	2019	_____	_____	2025

_____ We hereby elect to have the following issued as term bonds:

<u>Principal Amount</u>	<u>Month and Year (Inclusive)</u>	<u>Maturity Month and Year</u>
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____
\$ _____	_____ to _____	_____

Subject to mandatory redemption requirement in the amounts and at the times shown above

_____ We will not elect to have any bonds issued as term bonds

This bid is for prompt acceptance and for delivery of said Bonds to us in compliance with the Official Terms of Offering of General Obligation School Refunding Bonds, which is made a part of this proposal, by reference. Award will be made on a True Interest Cost Basis (TIC).

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

According to our computations (the correct computation being controlling in the award), we compute the following (to the dated date):

NET INTEREST COST:\$_____ TRUE INTEREST RATE _____%
(Computed from the dated date)

Account Manager

Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Clear Creek-Amana Community School District, in the Counties of Johnson and Iowa, State of Iowa, this 19th day of November, 2012.

ATTEST: _____
District Secretary

Board President

* _____
Preliminary, subject to change

OFFICIAL TERMS OF OFFERING

This section sets forth the description of certain of the terms of the Bonds as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

The Bonds. The Bonds to be offered are the following:

GENERAL OBLIGATION SCHOOL REFUNDING BONDS, in the principal amount of \$7,150,000 * dated Date of Delivery in the denomination of \$5,000 or multiples thereof, and maturing as shown on the front page of the official statement

* Adjustment to Principal Amount After Determination of Best Bid Each scheduled maturity of the Bonds are subject to increase or decrease. Such adjustments shall be made promptly after the sale and prior to the award of bids by the issuer and shall be in the sole discretion of the Issuer. The Issuer shall only make such adjustments in order to size the Bonds to provide enough funds to refinance the outstanding Bonds and pay costs of issuance. To cooperate with any adjustment in the principal amounts, the Successful Bidder is required, as a part of its bid, to indicate its Initial Reoffering yield and Initial Reoffering price on each maturity of the Bonds (said price shall be calculated to the date as indicated by the Issuer).

The dollar amount bid by the Successful Bidder may be changed if the aggregate principal amount of the Bonds, as adjusted as described below, is adjusted, however the interest rates specified by the Successful Bidder for all maturities will not change. The Issuer's financial advisor will make every effort to ensure that the percentage net compensation to the Successful Bidder (the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the Issuer (not including accrued interest), less any bond insurance premium and credit rating fee, if any, to be paid by the Successful Bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule.

The Successful Bidder may not withdraw or modify its bid once submitted to the Issuer for any reason, including post bond adjustment. Any adjustment shall be conclusive, and shall be binding upon the Successful Bidder.

Optional Redemption: The Bonds maturing after June 1, 2018, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on said Bonds will be payable on December 1, 2013, and semiannually on the 1st day of June and December thereafter. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Book Entry System: The Bonds will be issued by means of a book entry system with no physical distribution of certificates made to the public. The Bonds will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Issuer to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the certificates with DTC.

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of \$71,500 for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Financial Advisor or the Issuer will provide the apparent winning bidder (the "Purchaser") with wiring instructions, by facsimile and email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser ("Purchaser"), and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder's bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 99% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be received after the time specified in the Notice of Sale. The time as maintained by the Internet Bid System shall constitute the official time with respect to all Bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of Superintendent, Clear Creek-Amana Community School District, 327 S. Augusta Ave., Oxford, Iowa.

Internet Bidding: Internet bids must be submitted through Parity® ("the Internet Bid System"). Information about the Internet Bid System may be obtained by calling 212-849-5000.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purpose of submitting its internet bid in a timely manner and in compliance with the requirements of the Official Terms of Offering. The Issuer is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the internet bidding and the Internet Bid System is not an agent of the Issuer. Provisions of the Official Terms of Offering shall control in the events of conflict with information provided by the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the Internet Bid System. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at the phone number listed on the front cover of this Preliminary Official Statement. Electronic facsimile bids will be sealed and treated as sealed bids. Transmissions received after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received prior to the appointed time, and that the bid is sent to the telecopier number set forth above. The Financial Advisor will, in no instance correct, alter, or in any way change bids submitted through facsimile transmission. Neither the Issuer nor its agents will be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of this Official Terms of Offering. Bidders electing to submit bids via facsimile transmission will bear full and complete responsibility for the transmission of such bid. Neither the Issuer nor its agents will assume liability for the inability of the bidder to reach the above name fax number prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile operator.

Rates of Interest: The rates of interest specified in the bidder's proposal must conform to the limitations following:

All Bonds of each annual maturity must bear the same interest rate.

Rates of interest bid may be in multiples of 1/8th, 1/20th, or 1/100th of 1%.

Rates must be in level or ascending order.

Delivery: The Bonds will be delivered to the Purchaser via FAST delivery with the Paying Agent holding the Bonds on behalf of DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within sixty days after the sale. Should delivery be delayed beyond sixty days from date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw his bid and thereafter his interest in and liability for the Bonds will cease. (When the Bonds are ready for delivery, the Issuer may give the successful bidder five working days notice of the delivery date and the Issuer will expect payment in full on that date, otherwise reserving the right at its option to determine that the bidder has failed to comply with the offer of purchase.)

Certificate of Purchaser: The Purchaser will be required to certify to the Issuer immediately after the opening of bids: (i) the initial public offering price of each maturity of the Bonds (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds (not less than 10% of each maturity) were sold to the public; or (ii) if less than 10% of any maturity has been sold, the price for that maturity determined as of the time of the sale based upon the reasonably expected initial offering price to the public; and (iii) that the initial public offering price does not exceed their fair market value of the Bonds on the sale date. The purchaser will also be required to provide a certificate satisfactory to the Issuer and Bond Counsel at closing confirming the information required by this paragraph.

Official Statement: The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Issuer, shall constitute a "Final Official Statement" of the Issuer with respect to the Bonds, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefore, the Issuer agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded up to 25 copies of the Official Statement and the addendum described in the preceding sentence to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Issuer shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Issuer, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CUSIP Numbers: It is anticipated that CUSIP numbers will be printed on the Bonds. In no event will the Issuer be responsible for or Bond Counsel review or express any opinion of the correctness of such numbers, and incorrect numbers on said Bonds shall not be cause for the purchaser to refuse to accept delivery of the Bonds. The fee will be paid for by the Issuer.

Responsibility of Bidder: It is the responsibility of the bidder to deliver its signed, completed bid prior to the time of sale as posted on the front cover of the official statement and in the Official Notice of Sale. Neither the Issuer nor its Financial Consultant will assume responsibility for the collection of or receipt of bids. Bids received after the appointed time of sale will not be opened.

Continuing Disclosure: In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the Issuer to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

The Issuer has never failed to comply with the Rule.

Bond Insurance: Application has not been made for municipal bond insurance. Should the Bonds qualify for the issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance on the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the Issuer has requested and received a rating on the Bonds from a municipal bond rating service, the Issuer will pay that rating fee. Any other rating service fees shall be the responsibility of the Purchaser.

Requested modifications to the Issuance Resolution or other issuance documents shall be accommodated by the Issuer at its sole discretion. In no event will modifications be made regarding the investment of funds created under the Issuance Resolution or other issuance documents without prior Issuer consent, in its sole discretion. Either the purchaser or the insurer must agree, in the insurance commitment letter or separate agreement acceptable to the Issuer in its sole discretion, to pay any future continuing disclosure costs of the Issuer associated with any rating changes assigned to the municipal bond insurer after closing (for example, if there is a rating change on the municipal bond insurer that require a material event notice filing by the Issuer, the purchaser or the municipal bond insurer must agree to pay the reasonable costs associated with such filing). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 31, 2012

NEW ISSUE - DTC BOOK ENTRY ONLY

Moody's Rating "Aa3"

Subject to compliance by the Issuer with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present laws, interest on the Bonds (i) is excludable from gross income of the owners thereof for federal income tax purpose; (ii) is not an item of tax preference in computing the federal alternative minimum tax for individuals and corporations; and (iii) is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present Iowa income taxes. The Bonds will be designated as "qualified tax exempt obligations." See "THE BONDS - Tax Matters" herein.

\$7,150,000 *
Clear Creek-Amana Community School District, Iowa
General Obligation School Refunding Bonds
Series 2012B

Dated: Date of Delivery

The General Obligation School Refunding Bonds described above (the "Bonds") are issuable as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by Bankers Trust Company as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1 and December 1 in each year, beginning December 1, 2013 to the registered owners thereof. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds maturing after June 1, 2018 may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE

Table with 10 columns: Bonds Due, Amount*, Rate *, Yield *, Cusip #'s **, Bonds Due, Amount*, Rate *, Yield *, Cusip #'s **. Rows list maturity dates from June 1, 2014 to June 1, 2019 and corresponding amounts and CUSIP numbers.

\$ _____ % Term bond due _____, priced to yield _____, CUSIP # _____**

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. It is expected that the Bonds in the definitive form will be available for delivery on or about December 12, 2012. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is _____, 2012

* Preliminary, subject to change

** CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be “near final” within the meaning of Rule 15c2-12 of the Securities Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

FORWARD-LOOKING STATEMENTS

This Official Statement, including Appendix A, contains statements which should be considered “forward-looking statements,” meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as “plan,” “expect,” “estimate,” “budget” or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

OFFICIAL STATEMENT
\$7,150,000 *
GENERAL OBLIGATION SCHOOL REFUNDING BONDS
CLEAR CREEK-AMANA COMMUNITY SCHOOL DISTRICT, IOWA
SERIES 2012B

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Clear Creek-Amana Community School District, Iowa (the “Issuer”), in connection with the sale of the Issuer’s General Obligation School Refunding Bonds (the “Bonds”). The Bonds are being issued to provide for the partial advance refunding of the District’s outstanding General Obligation School Bonds, dated June 1, 2006. See “**THE BONDS - Sources and Uses of Funds**” herein.

This Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information which is to be made available through a final Official Statement.

This Introductory Statement is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety.

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against all of the property valuation of the Issuer. See “**THE BONDS - Sources and Uses of Funds**” herein.

All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

THE BONDS

General

The Bonds are dated as of Date of Delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on December 1, 2013, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Bonds are being issued pursuant to the Code of Iowa, 2011, as amended, Chapter 298.

Book Entry Only System

The following information concerning The Depository Trust Company (“DTC”), New York, New York and DTC’s book-entry system has been obtained from sources the Issuer believes to be reliable. However, the Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The Depository Trust Company (“DTC”), New York, NY will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of new York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S equity, corporate and municipal debt issues and money market instrument from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement

among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participations include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, national Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered in the transaction. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment transmission to them notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit have agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.]

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issue as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or successor securities depository). In that event Security certificates will be printed and delivered to DTC.

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest and premium, if any, on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Issuer nor the Paying Agent/Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as a Bondholder.

Transfer and Exchange

In the event that the Book Entry System is discontinued, any Bond may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall execute and deliver a new Bond or Bonds of the same maturity, interest rate, and aggregate principal amount.

Bonds may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Bonds which have been selected for prepayment and is not required to transfer or exchange any Bonds during the period beginning 15 days prior to the selection of Bonds for prepayment and ending the date notice of prepayment is mailed. The Registrar may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Bonds surrendered pursuant to the provisions of this and the preceding paragraph shall be canceled by the Registrar and shall not be redelivered.

Prepayment

Optional Prepayment: The Bonds maturing after June 1, 2018, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Notice of Prepayment. Prior to the redemption of any Bonds under the provisions of the Resolution, the Registrar shall give notice by ordinary mail not less than thirty (30) days prior to the redemption date to each registered owner thereof.

Mandatory Sinking Fund Redemption The Bonds maturing on _____ are subject to mandatory redemption (by lot, as selected by the Registrar) on ____ 1 and _____ in each of the years _____ through _____ at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

certain tax incentives, including interest on tax-exempt municipal bonds, potentially (in the extreme) eliminating the exemption from taxation that tax-exempt municipal bonds held at the time of issuance.

It is possible that further legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding the Jobs Act, the Reduction Act and any other pending or proposed federal income tax legislation. The likelihood of the Jobs Act or the Reduction Act being enacted or whether the currently proposed terms of the Jobs Act or the Reduction Act will be altered or removed during the legislative process cannot be reliably predicted.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through indirect Participants. Neither the Issuer nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See “THE BONDS—Book-Entry Only System.”

Other Factors

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

Pending Federal Tax Legislation

From time to time, legislative proposals are pending in Congress that would, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

LITIGATION

The District encounters litigation occasionally, as a course of business, however, no litigation currently exists that is not believed to be covered by current insurance carriers and no litigation has been proposed that questions the validity of these bonds.

ACCOUNTANT

The accrual-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by Hunt & Associates, P.C., to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement. The audited financial statements contained herein are not complete and cannot be relied on to fully portray the financial position of the Issuer.

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by _____ (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Bonds at an aggregate purchase price of \$_____ plus accrued interest to the Closing Date.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

THE PROJECT

Proceeds of this issue will be used to provide for the partial advance refunding of the District's outstanding General Obligation School Bonds, dated June 1, 2006 as well as pay for costs of issuance of the Bonds.

SOURCES AND USES OF FUNDS *

Sources of Funds		
	Bond Proceeds	\$
	Reoffering Premium	
Total Sources of Funds		\$
Uses of Funds		
	Deposit to Escrow Fund	\$
	Costs of Issuance	
	Underwriter's Discount	
	Surplus	
Total Uses of Funds		\$

* Preliminary, subject to change

TAX MATTERS

Tax Exemption

Federal tax law contains a number of requirements and restrictions that apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond proceeds and facilities financed with Bond proceeds, and certain other matters. The Issuer has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Issuer's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes; (b) is not included as an item of tax preference in computing the federal alternative minimum tax imposed on individuals and corporations; and (c) is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

The interest on the Bonds is not exempt from present Iowa income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

Qualified Tax-Exempt Obligations

The Issuer will designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption". Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount of such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Related Tax Matters

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Issuer as a taxpayer and the bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

There are or may be pending in the Congress of the United States, legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to in this section or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal or state tax legislation.

Opinions

Bond Counsel’s opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Issuer described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel’s opinion is not binding on the Service. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

Bond Counsel has not participated in the preparation of this Official Statement except for guidance concerning the section regarding “TAX MATTERS,” and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements, or data contained in this Official Statement, and will express no opinion with respect thereto.

On September 12, 2011, President Obama submitted to Congress a legislative proposal entitled the “American Jobs Act of 2011” (the “Jobs Act”). If enacted, as proposed, the Jobs Act would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest, to 28 percent irrespective of the actual marginal tax rate imposed on such taxpayers. The Jobs Act would be effective for taxable years beginning on or after January 1, 2013.

On September 29, 2011, President Obama submitted to Congress a legislative proposal entitled the “Debt Reduction Act of 2011” (the “Reduction Act”). If enacted, as proposed, the Reduction Act would require the Office of Management and Budget establish a steadily declining ratio for debt as a percentage of Gross Domestic Product and would impose a penalty in the event that Congress failed to meet the requirements, including automatic sequestration of spending and the reduction in the value of certain tax incentives, including interest on tax-exempt municipal bonds, potentially (in the extreme) eliminating the exemption from taxation that tax-exempt municipal bonds held at the time of issuance.

It is possible that further legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding the Jobs Act, the Reduction Act and any other pending or proposed federal income tax legislation. The likelihood of the Jobs Act or Reduction Act being enacted or whether the currently proposed terms of the Jobs Act or Reduction Act will be altered or removed during the legislative process cannot be reliably predicted.

FINANCIAL CONSULTANT

The Issuer has retained Piper Jaffray & Co. as financial advisor (the “Financial Advisor”) in connection with the issuance of the Bonds. The Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the

Official Statement. The Financial Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution, to provide reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, and the events as to which notice is to be given, if material, is summarized below under the caption "**APPENDIX C - Form of Continuing Disclosure Certificate**" herein for more information

The Issuer has never failed to comply with the Rule.

I have reviewed the information contained within the Official Statement of the Clear Creek-Amana Community School District, State of Iowa, and to the best of our knowledge, information and belief said Official Statement does not contain any material misstatements of fact nor omissions of any material fact regarding the issue of \$7,150,000* General Obligation School Refunding Bonds, Series 2012B of the Issuer to be issued under date of Date of Delivery.

CLEAR CREEK-AMANA COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Lori Robertson
Board Secretary

* Preliminary, subject to change

**APPENDIX A - INFORMATION ABOUT THE ISSUER
CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS**

PRESIDENT Eileen Schmidt

BOARD MEMBERS Rick Hergert
Aimee Pitlick
Bob Broghammer
Terry Davis
Mick Kahler
Steve Swenka

SUPERINTENDENT Dr. Denise Schares

DISTRICT SECRETARY Lori Robertson

CONSULTANTS

BOND COUNSEL Ahlers & Cooney, P.C.
Des Moines, Iowa

FINANCIAL ADVISOR: Piper Jaffray
Des Moines, IA

PAYING AGENT Bankers Trust Company
Des Moines, Iowa

General Information

The Clear Creek Amana Community School District was reorganized in 1995 from the former Clear Creek and Amana school districts. The two districts participated in whole grade sharing for 5 years prior to the reorganization. The communities have come together and are working well together to provide the best possible educational opportunities for our students. The seven-member school board has 4 members representing geographical areas and 3 members elected at large. The District covers 162 square miles of beautiful eastern Iowa countryside, with both rural and urban housing contained within the District. The Iowa River Valley and Coralville Reservoir provide residents with recreational opportunities as well as outstanding scenery. The school district encompasses the towns of Tiffin (population 1947), Oxford (population 807), and the seven villages of the historic Amana Colonies (population 1600). In addition, the eastern portion of the District includes portions of the Cities of Coralville and North Liberty, two of Iowa’s fastest growing communities. The District maintains attendance centers in, the Cities of Tiffin, Oxford and North Liberty, as well as the unincorporated community of Middle Amana. The total population of the district is about 11,999. The district is located 7 miles west of Iowa City and 20 miles south of Cedar Rapids, and is part of the Iowa City-Cedar Rapids Corridor. The location provides a rural setting yet within minutes offers the cultural opportunities of a major university (the University of Iowa), the urban opportunities of major cities (Cedar Rapids and Iowa City), and the charm and uniqueness of the Amana Colonies, a national historic site and Iowa's number one tourist attraction. Both Interstate 80 and 380 pass through the district providing easy access to Des Moines (100 miles), Chicago (220 miles) and points beyond.

District Facilities

Presented below is a recap of the existing facilities of the District:

<u>Attendance Centers</u>	<u>Construction Dates</u>	<u>Grades</u>
CCA High School	1970; addition in 1996 – new building 2009	9-12
CCA Middle School	1953; additions 1961, 1965, 1966, 1969, 1985, 1988, 1992 & 1996	6-8
Clear Creek Elementary	1952; additions in 1986 & 1996	PK-5
Amana Elementary	Same as Middle School	PK-5
North Bend Elementary	2009	PK-5

Enrollment

Total enrollment in the District in the Fall of the past six school years has been as follows:

<u>Count Date</u>	<u>Fiscal Year</u>	<u>Enrollment</u>
October-11	2012-13	1,576.5
October -10	2011-12	1,565.2
October-09	2010-11	1,479.8
October-08	2009-10	1,439.5
October-07	2008-09	1,418.2
October-06	2007-08	1,405.8

Open Enrollment

The District has and may have in the future certain students enrolling into or enrolling out of the District. Presented below are open enrollment results for the periods outlined:

<u>Count Date</u>	<u>Enrolled In</u>	<u>Enrolled Out</u>	<u>Net</u>
October-11	225.2	58.4	166.8
October -10	212.1	80.9	131.2
October-09	177.0	80.7	96.3
October-08	171.0	91.2	79.8
October-07	140.0	117.9	22.1
October-06	139.0	122.5	16.5

Staff

Presented below is a list of the District's 248 employees.

Administrators:	20	Media Specialists:	5
Teachers:	108.8	Nurses:	1
Teacher Aids:	53	Guidance:	5
Custodians:	15	Secretaries:	9
Food Service:	14	Transportation:	17
Other:	0	Maintenance:	

District Funds

The District is organized and operates pursuant to Chapter 274 of the Code. The District maintains various funds. Presented below is a description of those funds.

The General Fund

The General Fund receives those revenues of the District not specifically required to be deposited in other funds. General fund revenues are obtained from ad-valorem taxation in the District, State foundation aid payments and minimal federal sources. In addition, revenues generated as miscellaneous revenues including, but not limited to, general fund investment income and tuition income are deposited in the general fund. The bulk of the general fund revenues are derived from local and State foundation aid sources.

The District receives a mix of property tax and State foundation aid based on a formula which takes into account District enrollment, District property valuations and District costs per pupil. The description of the formula is found in Chapter 257.1 of the Code and reads as follows:

"For a budget year, each school district in the State is entitled to receive foundation aid in an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district, and the combined district cost per pupil, whichever is less."

The Code allowed for an "Allowable growth," defined as ". . . the amount by which State cost per pupil and district cost per pupil will increase from one budget year to the next" which is calculated on or before September 15 of each year by the department of management of the State.

Presented below is the allowable growth the District has received (in total dollars) for the period indicated:

<u>Fiscal Year</u>	<u>Allowable Growth</u>
2013	\$252,912
2012	505,483
2011	404,078
2010	438,466
2009	368,652

Presented below is the District's per pupil cost for the period indicated:

<u>Fiscal Year</u>	<u>District Per Pupil Cost</u>	<u>State Average Per Pupil Cost</u>
2013	\$6,037	\$6,001
2012	5,919	5,883
2011	5,919	5,883
2010	5,804	5,768
2009	5,582	5,546

The District has generated a revenue mix in the operating fund as follows:

<u>Fiscal Year</u>	<u>Property Tax Revenues</u>	<u>State Aid Revenues</u>
2013	\$5,487,555	\$7,925,871
2012	5,537,055	7,798,299
2011	5,259,647	6,835,648
2010	5,225,459	6,775,588
2009	4,686,174	5,707,287

Additional General Fund State and Local Revenues

Instructional Support:

Districts are allowed to fund additional educational programs or enhanced current programs under the instructional support program, which allows a district to generate 10% of the total regular program district cost for the budget year. These revenues can be locally generated from either ad valorem taxation, income surtax or both. In addition, revenues are appropriated by the State and provided to each district depending on formula. The District can participate in the instructional support program by generating local revenues after either (i) scheduling and holding an election on the proposed funding, programs, and mix of funding, which requires 50% approval of those voting at a special district election and allows the program to be funded for a period of ten years; or (ii) after scheduling and holding two hearings on the programs and mix of funding, which can then be implemented after a 28-day period during which voters of the District can force an election, for a period of five years.

Presented below is a summary of the instructional support levy for the periods indicated:

<u>Fiscal Year</u>	<u>ISL Property Tax</u>	<u>ISL State Aid</u>	<u>ISL Income Surtax</u>
2013	\$179,134	\$0	\$578,541
2012	122,489	0	602,730
2011	127,749	20,094	568,236
2010	166,599	32,679	508,139
2009	150,990	37,475	483,113

Management Levy:

A District can levy for certain costs relating to payment of employee benefits, tort insurance and early retirement outside of the General Operating Levy. These revenues are generated through a property tax, and there is no limitation on the tax rate or amount. Presented below is the management fund levies for the period indicated:

<u>Fiscal Year</u>	<u>Management Levy</u>
2013	\$974,998
2012	500,000
2011	499,998
2010	450,000
2008	400,001

Educational Improvement Program

The District can schedule and hold an election on funding the educational improvement program if the District's per pupil cost is in excess of 110% of the State average per pupil cost, which takes 50% approval and is funded by a combination of property tax and income surtax.

Cash Reserve Levy

The District can certify as a part of its general fund levy but in addition to the property tax levied as a part of each of the above general fund levies. This levy covers cash-flow needs and funds programs when the above revenue sources are reduced. This is levied annually at the discretion of the Board of Directors. The District has levied the following in cash reserve for the period indicated:

<u>Fiscal Year</u>	<u>Regular Cash Reserve</u>	<u>Cash Reserve - SBRC</u>
2013	\$59,524	\$0
2012	250,000	500,000
2011	195,710	429,290
2010	400,000	325,000
2009	325,000	275,000
2008	325,000	275,000

Infrastructure Funds

Physical Plant & Equipment Levies

The District can, at Board discretion, annually levy on ad valorem tax of \$.33 per \$1,000 of assessed valuation for certain capital, land costs etc. In addition, upon voter approval, the District can institute a property tax or property tax income surtax that generates \$.67 per \$1,000 of assessed valuation. The District has historically levied the Board discretionary and voter authorized Physical Plant and Equipment Levies.

Debt Service Levy

The debt service levy is an ad valorem tax levied for the payment of bonds and interest and is approved at a special election of the District with minimum of 60% in favor of the proposal. The principal and interest on the Bonds will be paid from this levy.

Capital Projects Fund

This fund is used to account for the revenues received from the statewide school infrastructure sales, services and use tax revenues..

Historic and Potential State and Federal Actions that impact current and future District Budgets

The District's operating budget is subject to change based on events outside of its control, including State and Federal funding. There may be changes in funding that are unknown or unanticipated at this time. Presented below is a discussion of some of the known changes that might impact the District's operating budget:

State Funding

After the appropriation of State Aid (and after the adoption of the District's budget for a particular fiscal year), the Governor and the General Assembly have the ability to rescind all or a portion of the appropriation. Certain areas of the State's budget are exempt from these potential cuts, however, K-12 and community college funding are not exempt from rescission. Historically, rescissions were imposed in an "across-the-board" fashion, and all state funding was reduced in a percentage format. This had the potential to impact schools with low valuation per pupil much greater than schools with high per pupil valuations. In the 2002 General Assembly, the formula for rescission was altered for K-12 funding, such that all future rescissions, if any, would be applied to K-12 education on a "per-pupil" basis.

Historically, the Governor has rescinded state aid in the following percentages since 1980:

Date	Percentage Rescission
10/5/2009	10.00%
12/23/2008	1.50
10/10/2003	2.50
11/1/2001	4.30
4/8/1992	0.62
7/1/1991	3.25
9/3/1983	2.80
12/15/1980	1.00
8/12/1980	3.60

Note – reduction in state aid impacts only the general fund operating account of a district. The revenues pledged for the repayment of these Bonds are not impacted in any way by reductions in State Aid.

Federal Funding

Federal legislation with respect to student achievement in future years may result in sanctions that could have financial implications for the general fund operating budget. The "No Child Left Behind" act of 2001 applies sanctions to under-performing schools that, if the school remains under-performing (as defined by the act) allows the parents of pupils in the school to move to another school, transferring their funding to the new school. This act applies to individual school facilities and does not necessarily apply to school districts, however, the revenue impact to a school district could be material if the school district has a school facility that under-performs and starts to lose enrollment.

GASB 45

In June 2004, the Governmental Accounting Standards Board ("GASB") issued GASB 45, which address how state and local governments are required to account for and report their costs and obligations related to other post employment benefits ("OPEB"), defined to include post retirement healthcare benefits. GASB 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension establishes financial reporting standards designed to measure, recognize and display OPEB costs. OPEB costs would become measurable on an accrual basis of accounting, and contribution rates (actuarially determined) would be prescribed for funding such costs. The provisions of GASB 45 do not require governments to fund their OPEBs. The Issuer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however the unfunded actuarial liability is required to be amortized over future periods. In accordance with the requirements of GASB 45, the Issuer's financial statements must comply with these provisions no later than the fiscal year ending June 30, 2010.

Consistent with Iowa Code section 509A.13, the Issuer offers post-retirement health and dental benefits are available to all fulltime employees of the Issuer who retire before attaining age 65. The group health insurance plan provided to full time Issuer employees allows retirees to continue medical coverage until they reach age 65. Although retirees pay 100% of the "cost of coverage", the pre-age 65 group of retirees is grouped with the active employees when determining the cost of coverage. The computation creates an implicit rate subsidy that would not exist if the cost of the coverage for this group (pre-age 65 retirees) was computed separately and paid 100% by that group.

In addition, the district provides a Voluntary Early Retirement Program. This program provides a \$459.33/month benefit paid by the district towards the health premium, once retired, until Medicare eligibility. This explicit benefit is included in this valuation reflected below. There was most recently 9 eligible active employees that may choose this option upon retirement, and 25 retired employees for which this benefit is already being utilized. This retirement option remains available as a choice for future retirees at this time.

The Issuer contracted for an actuarial determination of the Issuer's implicit and explicit liability under GASB 45 as of July 1, 2009. The report computed the Issuer's Actuarial Accrued Liability ("AAL") at \$479,000. The report further computed the Issuer's Annual Required Contribution ("ARC") at \$65,000 with an offsetting pay-as-you-go funding of \$12,000 for a Net OPEB Obligation ("NOO") of \$53,000. The Issuer's unfunded actuarial accrued liability may have a material adverse impact upon the Issuer's finances and could force the Issuer to reduce services, raise taxes or both.

The Auditor of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of State school districts, including audits of the Issuer, which can be found at the following link <http://auditor.iowa.gov/reports/index.html>.

Bond Counsel, the Financial Advisor, the Issuer, and the Underwriter undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the State Auditor discussed in the preceding paragraph or included on the State Auditor's website, including, but not limited to, updates of such information on the State Auditor's website or links to other Internet sites accessed through the State Auditor's website.

Investment of Public Funds

The District invests its funds pursuant to Chapter 12B of the Code. Presented below is the District's investing activities as of September 30, 2012

<u>Type of Investment</u>	<u>Amount Invested</u>
Local Bank Deposit Accts	\$5,816,163.43
Local Bank Time CD's	165,577.95
ISJIT Money Market	173,398.66

Anticipatory Warrants

The District has not issued anticipatory warrants in the past five years.

Pensions

The Issuer contributes to the Iowa Public Employees' Retirement System ("IPERS"), which is a state-wide multiple-employer cost-sharing 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. All full-time employees of the Issuer are required to participate in IPERS. Employees who retire at age 65 (or anytime after age 58 with 30 or more years of service) are entitled to full monthly benefits. IPERS offers five options for distribution of retirement benefits. Benefits become fully vested after completing four years of service or after attaining age 55.

IPERS plan members are required to contribute a percentage of their annual salary, which amounted to 3.9% in fiscal year 2008, 4.1% in fiscal year 2009, 4.3% in fiscal year 2010 and 4.5% in fiscal year 2011. The Issuer is also required to make annual contributions to IPERS equal to amounts required by State statute. The Issuer's share, payable from the applicable funds of the Issuer, is provided by an annual levy of taxes without limit or restriction as to rate or amount against all the taxable property of the Issuer. All contributions are on a current basis. See "**APPENDIX B—AUDITED FINANCIAL STATEMENTS**" for additional information on IPERS.

The following table sets forth the statutorily required contributions made by the Issuer to IPERS for Fiscal Years 2008 through, and including, 2010. The Issuer has always made their full statutorily required contributions to IPERS. The Issuer cannot predict the levels of funding that will be required in the future.

<u>Fiscal Year</u>	<u>Amount Contributed</u>	<u>% of Covered Payroll</u>
2008	\$496,984	9.95
2009	575,253	10.45
2010	605,571	10.95
2011	618,928	11.45

Source: Clear Creek-Amana Community School District Independent Auditor's Reports for Fiscal Year Ending June 30, 2010.

The fund is administered by the State with administration costs paid from income derived from invested funds. IPERS has an unfunded actuarial liability and unrecognized actuarial loss. The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial report of IPERS for fiscal year 2011 (the "IPERS CAFR"). A complete copy of the IPERS CAFR can be obtained by visiting IPERS website at: <http://www.ipers.org/publications/misc/pdf/financial/cafr/cafr.pdf> or by writing to IPERS at P.O. Box 9117, Des Moines, Iowa 50306-9117. According to IPERS, as of the end of fiscal year 2011, there were approximately 328,975 total members participating in IPERS, including Issuer employees. IPERS does not break out the funding status for each participating entity, therefore, it is not possible to determine the Issuer's allocable share of the funding status of IPERS.

<u>Fiscal Year Ended June 30</u>	<u>Actuarial Value of Assets [a]</u>	<u>Actuarial Accrued Liability [b]</u>	<u>Unfunded Actuarial Accrued Liability (Actuarial Value) [b]-[a]</u>	<u>Funded Ratio (Actuarial Value) [a]/[b]</u>	<u>Covered Payroll [c]</u>	<u>UAAL as a % of Covered Payroll (Actuarial Value) [[b]-a]/[c]]</u>
2006	\$19,144,036,519	\$21,651,122,419	\$2,507,085,900	88.42%	\$5,523,863,321	45.39%
2007	20,759,628,415	23,026,113,782	2,266,485,367	90.16	5,781,706,199	39.20
2008	21,857,423,183	24,522,216,589	2,664,793,406	89.13	6,131,445,367	43.46
2009	21,123,979,941	26,018,593,823	4,894,613,882	81.19	6,438,643,124	76.02
2010	21,537,458,560	26,468,419,650	4,930,961,090	81.37	6,571,182,005	75.04
2011	22,575,309,199	28,257,080,114	5,681,770,915	79.89	6,574,872,719	86.42

Source: IPERS Comprehensive Annual Financial Report (Fiscal Year 2011)

When calculating the funding status of IPERS for fiscal year 2011, the following assumptions were used: (1) the amortization period for the total unfunded actuarial liability is 30 years (which is consistent with the maximum acceptable amortization period set forth by the Governmental Accounting Standards Board (“GASB”) in GASB Statement No. 25); (2) the rate of return on investments is assumed to be 7.5%; (3) salaries are projected to increase 4.0-17% for IPERS, depending on years of service; and (4) the rate of inflation is assumed to be 3.25% for prices and 4.0% for wages.

Bond Counsel, the Issuer and the Financial Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the IPERS website.

Population

Presented below are population figures as officially reported by the U.S. Census for the periods indicated for the cities of Oxford, Tiffin, North Liberty and Coralville

<u>Year</u>	<u>Oxford</u>	<u>Tiffin</u>	<u>North Liberty</u>	<u>Coralville</u>
2010	807	1947	13,374	18,907
2000	705	975	5,367	15,123
1990	663	460	2,926	10,347
1980	676	413	2,046	7,684
1970	666	299		6,130
1960	633	311		2,357
1950	543	256		973

Population by Age

Presented below is the 2010 Census figures according to age group for Johnson and Iowa Counties and the State of Iowa:

<u>Age Group</u>	<u>Johnson County</u>	<u>Iowa County</u>	<u>State of Iowa</u>
Under 19 years of age	25.2%	26.7%	26.9%
20 to 24 years of age	16.1	4.1	7.0
25 to 44 years of age	28.6	22.9	24.5
45 to 64 years of age	21.9	29.2	26.7
65 to 84 years of age	7.3	13.9	12.4
85 and over	1.2	3.3	2.3
Median age	29.3	42.4	38.1

Unemployment Statistics

The State of Iowa Department of Job Service reports unemployment unadjusted rates as follows (August 2012)

National Average:	8.10%
State of Iowa:	5.50%
Johnson County	4.20%
Iowa County	5.50%

Major Employers

The Clear Creek Amana CSD is located just west of the Iowa City-Coralville-North Liberty metro area. Therefore, many of the residents within the District are employed in these nearby communities where major employers include:

<u>Employer</u>	<u>Business</u>	<u>Approximate Employees</u>
University of Iowa / University Hospitals	Education/Health Care	24,500
Iowa City Community School District	Education	1,200
Verteran’s Administration Hospital	Health Care	1,200
Hy-Vee Food Stores	Grocery Store	1,200
Mercy Hospital	Health Care	1,100
National Computer Systems	Computers	950
ACT – American College Testing	College Testing	875
United Technologies	Rubber Manufacturing	840
Rockwell International	Electronics Manufacturing	800
Oral B Laboratories	Consumer Products	792
Proctor & Gamble	Consumer Products	580

Historical Employment Statistics

Presented below are the historical unemployment rates for the years indicated for Johnson and Iowa Counties and the State of Iowa.

<u>Calendar Year</u>	<u>Johnson County</u>	<u>Iowa County</u>	<u>State Of Iowa</u>
2011	4.40%	6.00%	6.00%
2010	4.60	6.60	6.70
2009	4.10	6.60	6.00
2008	2.80	4.00	4.00
2007	2.70	3.80	3.80

SOURCE: Iowa Workforce Development, Labor Market Information Bureau

Retail Sales

<u>Year Ended 3/31</u>	<u>Johnson County Taxable Retail Sales</u>	<u>Iowa County Taxable Retail Sales</u>
2011*	\$1,587,451,852	\$172,780,361
2010*	1,538,475,640	166,817,432
2009*	1,725,364,609	176,104,219
2008**	1,692,334,795	176,961,130
2007**	1,621,152,715	158,233,725

SOURCE: Iowa Retail Sales and Use Tax

* reported as of June 30

** reported as of March 31

Median Family Income

Johnson and Iowa Counties had a 2000 median household income of \$40,060 and \$41,222, respectively. The following table represents the distribution of family incomes for the County at the time of the 2000 census:

<u>Household Income</u>	<u># of Households</u>	<u>Johnson County</u>		<u>Iowa County</u>	
		<u>% of Households</u>	<u># of Households</u>	<u>% of Households</u>	<u># of Households</u>
Under \$9,999	4,654	10.6%	397	6.4%	
10,000 to 14,999	3,023	6.9	351	5.7	
15,000 to 24,999	5,931	13.5	863	14.0	
25,000 to 34,999	5,602	12.7	954	15.4	
35,000 to 49,999	6,713	15.2	1,347	21.8	
50,000 to 74,999	8,189	18.6	1,508	24.4	
75,000 to 99,999	4,725	10.7	514	8.3	
100,000 to 149,999	3,225	7.3	193	3.1	
150,000 to 199,999	1,034	2.3	22	0.4	
200,000 or more	978	2.2	37	0.6	

Effective Buying Income

The private publication "Sales & Marketing Management" has developed a wealth indicator termed "effective buying income" (EBI) defined as personal income less personal tax and non tax payments, which is considered by the publication to be a bulk measurement of market potential.

	<u>2009 Johnson County</u>	<u>2009 Iowa County</u>	<u>2009 State of Iowa</u>
Retail Sales (000)	\$1,905,645	\$154,385	\$40,982,154
Total EBI (000)	2,986,588	259,710	57,558,473
Median Household EBI	40,884	36,989	38,919
% of Households by EBI			
\$10,000 to \$19,999	21.4	19.5	19.9
\$20,000 to \$34,999	20.8	26.8	24.2
\$35,000 to \$49,999	16.8	24.7	20.5
\$50,000 and Over	41.0	29.0	35.4

Property Tax Assessment

In compliance with section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages for residential, agricultural and commercial valuations are as follows:

<u>Fiscal Year</u>	<u>Residential Rollback</u>	<u>Ag. Land & Buildings</u>	<u>Commercial</u>
2012-13	50.7518	57.5411	100.0000
2011-12	48.5299	69.0152	100.0000
2010-11	46.9094	66.2715	100.0000
2009-10	45.5893	93.8568	100.0000
2008-09	44.0803	90.1023	99.7312

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2009 are used to calculate tax liability for the tax year starting July 1, 2010 through June 30, 2011. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation

Valuation as of January	2011	2010	2009	2008	2007	2006
Fiscal Year	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
Residential:	599,967,857	559,898,814	534,005,673	507,801,462	476,277,102	422,142,206
Agricultural Land:	90,462,800	77,245,553	77,425,951	53,263,317	50,917,049	42,280,142
Ag Buildings:	4,351,374	3,813,050	3,678,743	3,157,707	3,788,760	7,001,477
Commercial:	157,673,040	145,740,802	148,268,919	152,960,895	132,893,022	108,701,528
Industrial:	14,443,399	14,484,918	14,622,766	15,534,726	15,820,883	16,230,245
Personal RE:	0	0	0	0	0	0
Railroads:	12,767,701	8,706,784	7,724,434	10,288,843	12,740,320	8,876,791
Utilities:	12,576,219	10,464,064	9,660,741	9,055,552	9,236,033	10,063,493
Other:	0	0	0	0	0	0
Total Valuation:	892,242,390	820,353,985	795,387,227	752,062,502	701,673,169	615,295,882
Less Military:	785,248	816,732	809,324	777,840	761,172	751,912
Net Valuation:	891,457,142	819,537,253	794,577,903	751,284,662	700,911,997	614,543,970
TIF Valuation:	374,049,146	377,394,465	336,011,390	297,242,139	282,416,488	256,656,573
Utility Replacement:	39,341,743	38,414,679	37,276,307	35,103,917	27,080,350	27,660,705

Taxable Valuation

Valuation as of January	2011	2010	2009	2008	2007	2006
Fiscal Year	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
Residential:	285,313,360	245,796,040	226,253,448	210,149,641	190,343,234	175,401,167
Agricultural Land:	51,930,126	53,249,162	51,255,513	49,987,594	45,872,047	42,280,142
Ag Buildings:	2,500,068	2,628,743	2,435,869	2,963,462	3,413,175	7,001,477
Commercial:	157,673,040	145,740,802	148,268,919	152,960,895	131,922,370	108,701,528
Industrial:	14,443,399	14,484,918	14,622,766	15,534,726	15,820,883	16,230,245
Personal RE:	0	0	0	0	0	0
Railroads:	12,767,701	8,706,784	7,724,434	10,288,843	12,706,074	8,876,791
Utilities:	12,576,219	10,464,064	9,660,741	9,055,552	9,236,033	10,063,493
Other:	0	0	0	0	0	0
Total Valuation:	537,203,913	481,070,513	460,221,690	450,940,713	409,313,816	368,554,843
Less Military:	763,024	716,725	707,464	681,536	666,720	659,312
Net Valuation:	536,440,889	480,353,788	459,514,226	450,259,177	408,647,096	367,895,531
TIF Valuation:	374,026,922	377,294,458	335,909,530	295,225,117	282,322,036	256,563,973
Utility Replacement:	16,755,591	17,025,134	16,646,905	17,308,906	15,962,163	15,592,657

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2011	1,304,848,031	5.63%	927,223,402	6.01%
2010	1,235,346,397	5.78%	874,673,380	7.71%
2009	1,167,865,600	7.77%	812,070,661	6.46%
2008	1,083,630,718	7.25%	762,793,200	7.90%
2007	1,010,408,835	12.41%	706,931,295	10.45%
2006	898,861,248	7.80%	640,052,161	8.47%

Tax Rates

Presented below are the taxes levied by the District for the fund groups as presented, for the period indicated:

<u>Year</u>	<u>Operating</u>	<u>Management</u>	<u>Board PPEL</u>	<u>Voter PPEL</u>	<u>Debt Service</u>	<u>Levy</u>
2013	9.91972	1.76248	0.33000	0.38021	2.91822	15.31063
2012	11.13247	1.00527	0.33000	0.37467	2.70635	15.54876
2011	11.04594	1.05006	0.33000	0.37011	2.91391	15.71002
2010	11.09690	0.95563	0.33000	0.38457	2.90387	15.67097
2009	11.03644	1.05980	0.33000	0.37712	2.98754	15.79090

Historic Tax Rates

Presented below are the tax rates by taxing entity for residents of the:

City of Coralville

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2013	13.52767	15.31063	1.07888	0.00300	0.33390	0.08146	0.00000	6.74909	37.08463
2012	13.52770	15.54876	0.99870	0.00300	0.37289	0.08358	0.00000	6.98984	37.52447
2011	13.52770	15.71002	0.92566	0.00300	0.43792	0.08307	0.00000	7.22207	37.90944
2010	13.41766	15.67097	0.84042	0.00300	0.37928	0.08413	0.00000	7.38568	37.78114
2009	13.41977	15.79090	0.85161	0.00350	0.47873	0.06700	0.00000	7.48663	38.09814

City of North Liberty

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2013	11.03264	15.31063	1.07888	0.00300	0.33390	0.08146	0.00000	6.74909	34.58960
2012	11.03264	15.54876	0.99870	0.00300	0.37289	0.08358	0.00000	6.98984	35.02941
2011	11.20264	15.71002	0.92566	0.00300	0.43792	0.08307	0.00000	7.22207	35.58438
2010	10.90993	15.67097	0.84042	0.00300	0.37928	0.08413	0.00000	7.38568	35.27341
2009	11.33731	15.79090	0.85161	0.00350	0.47873	0.06700	0.00000	7.48663	36.01568

City of Oxford

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2013	10.93746	15.31063	1.07888	0.00300	0.33390	0.08146	0.00000	6.74909	34.49442
2012	11.03538	15.54876	0.99870	0.00300	0.37289	0.08358	0.00000	6.98984	35.03215
2011	11.40053	15.71002	0.92566	0.00300	0.43792	0.08307	0.00000	7.22207	35.78227
2010	10.80329	15.67097	0.84042	0.00300	0.37928	0.08413	0.00000	7.38568	35.16677
2009	10.85061	15.79090	0.85161	0.00350	0.47873	0.06700	0.00000	7.48663	35.52898

City of Tiffin

<u>Fiscal Year</u>	<u>City</u>	<u>School</u>	<u>College</u>	<u>State</u>	<u>Assessor</u>	<u>Ag Extens</u>	<u>Hospital</u>	<u>County</u>	<u>Total Levy Rate</u>
2013	11.97391	15.31063	1.07888	0.00300	0.33390	0.08146	0.00000	6.74909	35.53087
2012	11.97649	15.54876	0.99870	0.00300	0.37289	0.08358	0.00000	6.98984	35.97326
2011	10.35130	15.71002	0.92566	0.00300	0.43792	0.08307	0.00000	7.22207	34.73304
2010	12.05957	15.67097	0.84042	0.00300	0.37928	0.08413	0.00000	7.38568	36.42305
2009	12.88590	15.79090	0.85161	0.00350	0.47873	0.06700	0.00000	7.48663	37.56427

Legislation

It can be anticipated that, from time to time, legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the tax matters described herein. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the Issuer.

Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds: "The governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

Tax Collection History

Presented below are the actual ad-valorem tax levies and collections for the periods indicated:

Fiscal Year	Amount Levied	Amount Collected (1)	Percentage Collected
2012	\$9,043,173	\$8,842,830	97.78%
2011	8,716,516	8,427,551	96.68%
2010	8,459,080	8,446,832	99.86%
2009	7,770,588	7,708,982	99.21%
2008	7,720,185	7,723,573	100.04%
2007	6,215,567	6,167,624	99.23%

(1) Collections for Fiscal Year 2012 are unaudited

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2011 largest taxpayers within the Issuer, as provided by the Auditors Offices of each of said counties. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.:

Taxpayer	2011 Taxable Valuation	Percent of Total
Coral Ridge Mall LLC	\$44,725,430	5.11%
Maytag Corporation	40,000,230	4.57%
Northridge Group LLC	33,341,730	3.81%
ARC LLC	20,994,215	2.40%
Amana Society	17,792,300	2.03%
Ryan Companies US, Inc	15,684,300	1.79%
Wal-Mart Real Estate Business	13,300,000	1.52%
Integrated DNA Technologies	12,911,791	1.48%
Lowes Home Centers Inc	12,000,000	1.37%
Gerdin, Russell A	11,252,630	1.29%
Total of Top 10 Taxpayers:		25.38%

Direct Debt

Presented below is the principal and interest on the District's outstanding general obligation bonds, presented by fiscal year and issue:

Year	1-Aug-02	1-Jun-06	1-May-07	15-May-08	29-May-12	12-Dec-12	Total	Interest	Total P&I
2013	115,000		770,000	40,000	800,000		1,725,000	761,945	2,486,945
2014			910,000		385,000	990,000	2,285,000	718,483	3,003,483
2015			950,000			560,000	1,510,000	672,243	2,182,243
2016			1,410,000			200,000	1,610,000	633,343	2,243,343
2017			1,465,000			185,000	1,650,000	578,463	2,228,463
2018			1,520,000			185,000	1,705,000	521,220	2,226,220
2019		1,200,000	385,000			190,000	1,775,000	461,518	2,236,518
2020		1,670,000				190,000	1,860,000	388,915	2,248,915
2021		1,740,000				200,000	1,940,000	309,113	2,249,113
2022		1,815,000				150,000	1,965,000	223,363	2,188,363
2023		990,000				1,100,000	2,090,000	134,525	2,224,525
2024						2,200,000	2,200,000	66,600	2,266,600
2025						1,000,000	1,000,000	21,500	1,021,500
2026							0	0	0
2027							0	0	0
Totals:	115,000	7,415,000	7,410,000	40,000	1,185,000	7,150,000	23,315,000	5,491,227	28,806,227

School Infrastructure Sales, Services and Use Tax Revenue Bonds

Presented below is the principal and interest on the Issuer's outstanding School Infrastructure Sales, Services and Use Tax Revenue Bonds.

<u>Year</u>	<u>2009A</u>	<u>2009B</u>	<u>1-Oct-12</u>	<u>Total</u>
2013	426,788	579,369	170,386	1,176,543
2014	426,788	478,969	198,015	1,103,771
2015	426,788	491,969	185,215	1,103,971
2016	426,788	483,694	192,615	1,103,096
2017	426,788	489,994	184,815	1,101,596
2018	746,788	161,394	192,115	1,100,296
2019	920,788	0	184,215	1,105,003
2020	920,288	0	186,415	1,106,703
2021	908,538	0	193,515	1,102,053
2022	931,038	0	170,415	1,101,453
2023	926,038	0	177,445	1,103,483
2024	918,538	0	184,255	1,102,793
2025	914,738	0	185,845	1,100,583
2026	918,188	0	186,765	1,104,953
2027	919,488	0	182,558	1,102,045
2028	917,688	0	183,350	1,101,038
2029	918,688	0	183,250	1,101,938
2030	478,078	0	101,500	579,578
Totals	13,472,816	2,685,388	3,242,689	19,400,892

Debt Limit

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The District's debt limit, based upon said valuation, amounts to the following:

1/1/2011 Actual Valuation:	1,304,848,031
X	0.05
<u>Statutory Debt Limit:</u>	<u>65,242,402</u>
Total General Obligation Debt:	23,315,000
Total Lease Purchases:	
Total Loan Agreements:	
<u>Total Sales Tax Revenue Debt:</u>	<u>0</u>
Total Debt Subject to Limit:	23,315,000
Percentage of Debt Limit Obligated:	35.74%

It has not been determined whether the Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase \$13,055,000 to be \$36,370,000, or 55.75% of the statutory debt limit.

Overlapping & Underlying Debt

Presented below is a listing of the overlapping and underlying debt outstanding of Issuers within the Issuer.

<u>Taxing Authority</u>	<u>Outstanding Debt</u>	<u>2011 Taxable Valuation</u>	<u>Taxable Value Within Issuer</u>	<u>Percentage Applicable</u>	<u>Amount Applicable</u>
City of Coralville (1)	\$190,317,874	\$1,351,174,393	\$333,179,069	24.66%	\$46,929,495
City of North Liberty	25,474,001	651,926,561	184,275,022	28.27%	7,200,538
City of Oxford	390,000	22,936,331	22,936,331	100.00%	390,000
City of Tiffin	1,275,000	87,643,115	87,643,115	100.00%	1,275,000
Iowa County	3,599,000	879,770,865	154,155,871	17.52%	630,627
Johnson County	15,035,000	6,680,500,908	773,067,531	11.57%	1,739,850
Kirkwood Community College	147,121,969	21,085,133,001	927,223,402	4.40%	6,469,721
AEA #10 - Grant Wood	0	21,085,133,001	927,223,402	4.40%	0

Total Overlapping & Underlying Debt: \$64,635,231

(1) Although secured by an unlimited ad-valorem property tax, \$149,459,869 of the obligations of the City of Coralville are issued as "annual appropriation" obligations. The table assumes appropriation by the City for all remaining years of the obligation, although said appropriation has not occurred as of this point.

FINANCIAL SUMMARY

Actual Value of Property, 2011:	\$1,304,848,031
Taxable Value of Property, 2011:	927,223,402
Direct General Obligation Debt:	\$23,315,000
Overlapping Debt:	64,635,231
Direct & Overlapping General Obligation Debt:	\$87,950,231
Population, 2010 US Census:	11,999
Direct Debt per Capita:	\$1,943.08
Total Debt per Capita:	\$7,329.80
Direct Debt to Taxable Valuation:	2.51%
Total Debt to Taxable Valuation:	9.49%
Direct Debt to Actual Valuation:	1.79%
Total Debt to Actual Valuation:	6.74%
Actual Valuation per Capita:	\$108,746
Taxable Valuation per Capita:	\$77,275

APPENDIX B – FORM OF LEGAL OPINION

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Clear Creek Amana Community School District in the Counties of Iowa and Johnson, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Refunding Bonds, Series 2012B, dated the date of delivery, in the denominations of \$5,000 or multiples thereof, in the aggregate amount of \$7,150,000 (the "Bonds").

We have examined the law and certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

We have not been engaged to or undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material relating to the Bonds and we express no opinion relating thereto.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. The Bonds are valid and binding general obligations of the Issuer.
3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
4. The interest on the Bonds is excluded from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is included in adjusted current earnings for the purpose of determining the alternative minimum tax imposed on such corporations.

For the purpose of rendering the opinion set forth in paragraph numbered 4 above, we have assumed compliance by the Issuer with requirements of the Internal Revenue Code of 1986 (the "Code"), that must be met subsequent to the issuance of the Bonds in order that interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with such requirements.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

AHLERS & COONEY, P.C.

APPENDIX C – CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Clear Creek Amana Community School District, State of Iowa (the "Issuer"), in connection with the issuance of \$7,150,000* General Obligation School Refunding Bonds, Series 2012B (the "Bonds"), dated the date of delivery. The Bonds are being issued pursuant to a Resolution of the Issuer approved on December 12, 2012 (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1900 Duke Street, Suite 600, Alexandria, VA 22314.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Iowa.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days after the end of the Issuer's fiscal year (presently June 30th), commencing with the report for the 2012/2013 fiscal year, provide to the National Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Report may be submitted as a single document or as separate documents comprising a package. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Issuer is unable to provide to the National Repository an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

*Preliminary, subject to change.

(i) each year file the Annual Report with the National Repository; and

(ii) (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Report has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

b) A table, schedule or other information of the type contained in the final Official Statement under the caption "Enrollment," "Open Enrollment," "Population," "Historical Employment Statistics," "Retail Sales," "Property Valuations," "Tax Rates," "Historic Tax Rates," "Tax Collection History," "Largest Taxpayers," "Direct Debt," "Overlapping & Underlying Debt," "Debt Limit," and "Financial Summary."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event;

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;

(7) Modifications to rights of Holders of the Bonds, if material;

(8) Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;

(9) Defeasances of the Bonds;

(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) Rating changes on the Bonds;

(12) Bankruptcy, insolvency, receivership or similar event of the Issuer;

(13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as

are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: 12th day of December, 2012.

Clear Creek Amana Community School District, STATE OF IOWA

By: _____
President of the Board of Directors

ATTEST:

By: _____
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Clear Creek Amana Community School District, Iowa.

Name of Bond Issue: \$7,150,000* General Obligation School Refunding Bonds, Series 2012B

Dated Date of Issue: Date of Delivery

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____ day of _____, _____.

Clear Creek Amana Community School District, STATE OF IOWA

By: _____
Its: _____

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2011 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer, which can be found at the following link <http://auditor.iowa.gov/reports/index.html>.

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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, 2011

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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>		
Tim Hennes	President	2011
Eileen Schmidt	Vice President	2013
Kathi Huebner	Board Member	2011
Kevin Kinney	Board Member	2011
Elizabeth Momany	Board Member	2011
Mick Kahler	Board Member	2013
Aimee Pitlick	Board Member	2013
<u>School Officials</u>		
Denise Schares	Superintendent	2012
Adelia Madden	District Secretary/ Treasurer	(Resigned October 2010)
Lori Robertson	District Secretary/ Treasurer	(Appointed October 2010) 2011
Simmons, Perrine, Moyer and Bergman	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, 2011, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated February 13, 2012 on our consideration of Clear Creek Amana Community School District's internal control over financial reporting and 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, Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 17 and 56 through 58 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. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the two years ended June 30, 2010 (which are not presented herein) and expressed unqualified opinions on those 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 10, 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 is the responsibility of District management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 as a whole.

Oskaloosa, Iowa
February 13, 2012

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, 2011. We encourage readers to consider this information in conjunction with the district's financial statements, which follow.

2011 FINANCIAL HIGHLIGHTS

- The district increased the general fund balance from a beginning balance of \$ to \$2,225,821 to an ending balance of \$3,546,582.
 - This represents an increase of \$1,320,761 and results in a general fund balance of 25.1% of general fund expenditures.
 - This ending fund balance continues a trend of increasing fund balances in the district since FY 2006.
 - 25.10% of general fund expenditures in FY 11
 - 16.50% of general fund expenditures in FY 10
 - 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
 - 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 (\$ 846,000 to \$1,420,000).
- 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>
--	-----------------------------	----------------------------------

	FY11 \$15,366,642	(\$ 1,434,878 change or 10.3%)
○	FY10 \$13,931,764	(\$ 395,279 change or 2.92%)
○	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%)

- The state allowable growth of 4% accounted for an increase in district revenue of \$115 per pupil. CCA also increased resident students (1439.5 to 1479.8) a change of 40.3 students. The combined change in student enrollment and the increase in state allowable growth accounted for \$404,078 of the increased revenue in the general fund.

- 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 2011, open enrollment brought a net gain of 137 students at a state cost per pupil of \$5,919 or \$810,903 dollars.
- 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).

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.

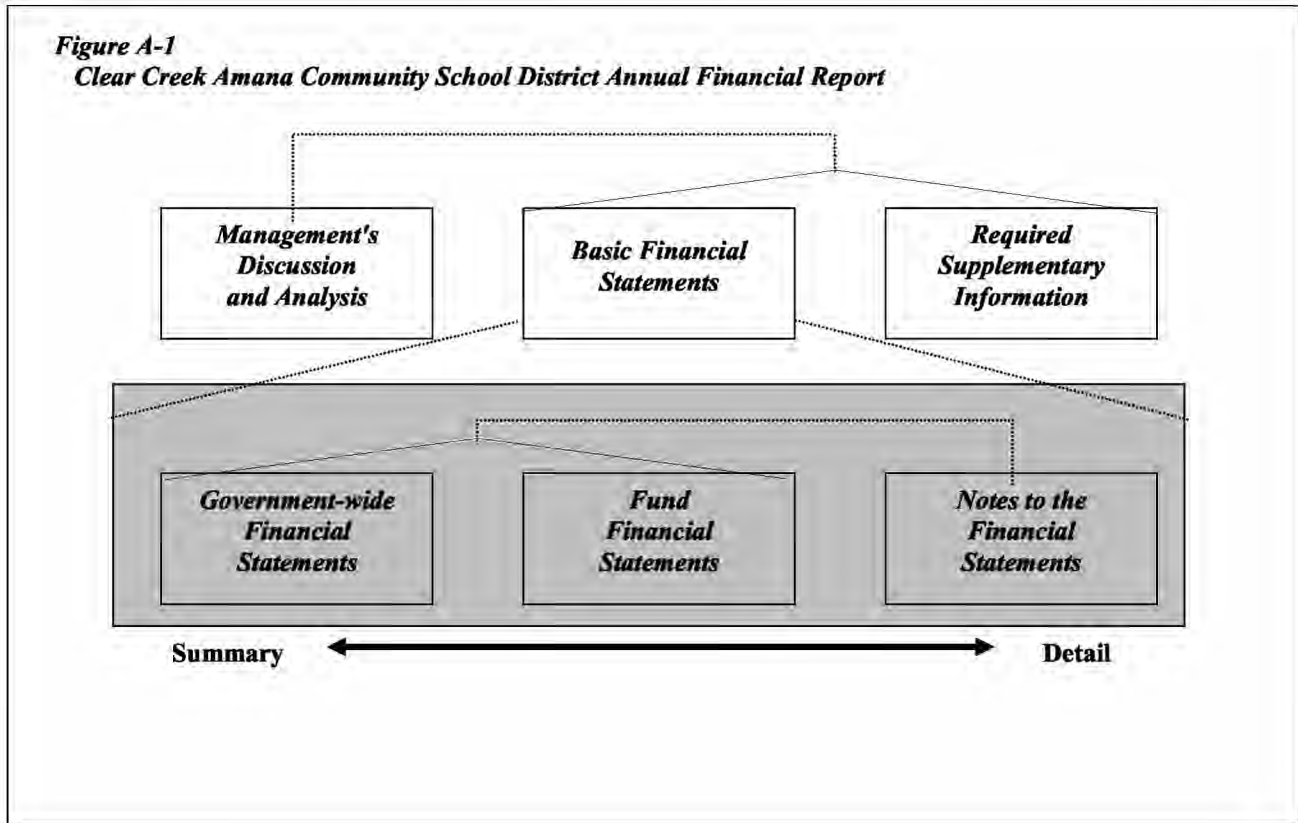


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain.

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, 2011 compared to June 30, 2010.

Figure A-3

	Condensed Statement of Net Assets						Percentage Change 2010-11
	Governmental Activities		Business-type Activities		Total School District		
	2011	2010	2011	2010	2011	2010	
Current assets	\$17,476,383	\$16,669,790	\$498,804	370,919	\$17,975,187	17,040,709	5.5%
Capital assets	51,968,120	51,706,004	428,854	466,161	52,396,974	52,172,165	0%
Total assets	\$69,444,503	\$68,375,794	\$927,658	\$837,080	\$70,372,161	\$69,212,874	1.7%
Long-term liabilities(bonds)	\$37,277,852	\$39,485,686	-	-	\$37,277,852	\$39,485,686	-5.6%
Other liabilities	9,886,101	10,143,147	53,953	53,666	9,940,054	10,196,813	-2.5%
Total liabilities	\$47,163,953	\$49,628,833	\$53,953	\$53,666	\$47,217,906	49,682,499	-5.0%
Net Assets:							
Invested in capital assets, net of related debt	\$15,558,120	13,401,004	428,854	466,161	15,986,974	13,867,165	15.3%
Restricted	3,894,239	3,794,551	-	-	3,894,239	3,794,551	0%
Unrestricted	2,828,191	1,551,406	444,851	317,253	3,273,042	1,868,659	7.52%
TOTAL NET ASSETS	\$22,280,550	\$18,746,961	\$873,705	\$783,414	\$23,154,255	\$19,530,375	18.6%

- The District's total net assets increased 18.6%, 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 remained constant from the prior year.
- Unrestricted net assets – the part of governmental activities 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 \$1,276,785. This change in unrestricted net assets is a largely due to ARRA funding from the federal government.
- District long-term liabilities reflect the bonds payable for the construction of a new elementary and a new secondary school in 2008 and 2009.

Figure A-4 compares the change in net assets for the years ended June 30, 2010 and June 30, 2011.

Figure A-4

	Change in Net Assets						Percentage Change 2010-11
	Governmental Activities		Business-type Activities		Total School District		
	2011	2010	2011	2010	2011	2010	
Revenues							
Program Revenues:							
Charges for services	\$2,088,027	\$1,977,354	\$1,021,566	\$969,998	\$3,109,593	\$2,947,352	5.5%
Operating grants, contributions and restricted interest	2,283,622	1,869,625	293,750	291,047	2,577,372	2,160,672	19.3%
Capital grants, contributions and restricted interest	1,500	1,100		470,651	1,500	471,751	-99%
General Revenues:							
Property taxes	8,719,122	8,480,458	-	-	8,719,122	8,480,458	2.8%
Income Surtax	946,849	847,877	-	-	946,849	847,877	11.7%
Local option sales tax	1,606,396	1,473,622	-	-	1,606,396	1,473,622	9%
Unrestricted state grants	5,424,670	4,744,688	-	-	5,424,670	4,744,688	14.3%
Unrestricted investment earnings	14,342	68,020	1,565	1,605	15,907	69,625	-77%
Other revenue	245,981	86,995	-	-	245,981	86,995	182%
Total Revenues	\$21,330,509	\$19,549,739	\$1,316,881	\$1,733,301	\$22,647,390	\$21,283,040	6.4%
Expenses:							
Instruction	9,547,906	9,487,183	-	-	9,547,906	9,487,183	0.6%
Support services	5,057,415	5,167,358	115	63,005	5,057,530	5,230,363	-3.3%
Non-instructional programs	-	-	1,226,475	1,188,137	1,226,475	1,188,137	3.2%
Other expenditures	3,191,599	3,914,987	-	-	3,191,599	3,914,987	-18.5%
Total expenses	\$17,796,290	\$18,569,528	\$1,226,590	\$1,251,142	\$19,023,510	\$19,820,670	-4%
CHANGE IN NET ASSETS	3,533,589	980,211	90,251	482,159	3,626,880	1,462,370	148%
Net assets beginning of year	18,746,961	17,766,750	783,414	301,255	19,530,375	18,068,005	8.1%
Net assets end of year	\$22,280,550	18,746,961	873,705	783,414	23,154,255	19,530,375	18.6%

The changes in Net Assets in Figure A-4 show that the district experienced a 6.4% increase in revenues. An increase in educational services, property tax collections and income surtax revenue were the primary sources of revenue increases.

During the same period, the district decreased expenditures at the rate of 4%. Maintaining expenditures to less than available revenue contributed to the overall improvement of net assets of 18.6%.

Governmental Activities

Revenue in Government Activities increased primarily in educational services, property tax revenue, and income surtax 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. Revenues for business type activities were \$1,316,881 and expenses were \$1,226,590. 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 \$7,140,464 an increase over last year's ending fund balances of \$6,174,836. This increase is largely due to receipt of ARRA funding from the federal government and maintaining a decrease in operating expenditures implemented during the 10% across the board cut from FY 2010.

Governmental Fund Highlights

- The General Fund balance increased from \$2,225,821 to \$3,546,582 on June 30, 2011. This represents a balance of 25% 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 decrease of \$430,169 is due to the expenditure of revenue bond proceeds to fund the completion of high school construction projects.

- The Physical Plant and Equipment Levy (PEEL) Fund balance increased from \$377,367 to \$379,036 on June 30, 2011. These funds remain available for future capital improvements and major equipment purchases.
- The Management Fund balance increased from \$288,059 to \$291,685 on June 30, 2011. The district is building a small balance in this fund in anticipation of staff retirements.

Proprietary Fund Highlights

School Nutrition Fund net assets decreased from \$635,046 to \$621,922 on June 30, 2011 due to increased fuel and food costs.

BUDGETARY HIGHLIGHTS

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

The District's revenues were \$618,313 more than budgeted revenues due mostly to ARRA funding and increased student enrollment.

Total expenditures were \$2,094,382 less than the amended budget, due primarily to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2011 the District had invested 52.4 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 \$ 1,016,275.

Major facility improvements funded through the local option sales tax revenue included completion of the high school auditorium, roof improvements and middle school renovations. Local option sales tax revenue is also used to pay principal and interest payments on revenue bonds issued in 2009.

Figure A-6

Capital Assets (net of depreciation)

	Governmental		Business type		Total		Percentage Change 2010-11
	Activities		Activities		School District		
	2011	2010	2011	2010	2011	2010	
Land	\$ 1,578,566	\$ 1,578,566	-	-	\$ 1,578,566	\$ 1,578,566	0%
Construction in progress	26,057,390	26,470,282	-	-	26,057,390	26,470,282	-2%
Buildings	20,471,483	20,494,463	-	-	20,471,483	20,494,463	0%
Improvements	2,304,112	1,557,231	-	-	2,304,112	1,557,231	48%
Equipment & Furniture	1,556,569	1,605,462	428,854	466,161	1,985,423	2,071,623	-4%
TOTAL	\$51,968,120	\$51,706,004	428,854	466,161	\$52,396,974	\$52,172,165	1%

Long-Term Debt

At June 30, 2011, the District had \$37,277,852 in general obligation, revenue and other long-term debt. This is a decrease of \$2,207,834 from the prior year due to debt payment obligations. Termination benefits and compensated absences decreased by \$313,450 due to decreased district retirement obligations.

Figure A-7

Outstanding Long-Term Obligations

	Total School District		Percentage Change 2010-11
	2011	2010	
General Obligation Bonds	\$24,540,000	\$25,800,000	-5%
Capital Leases	51,861	102,245	-49%
Termination Benefits	670,232	967,631	-31%
Compensated Absences	41,759	57,810	-28%
Revenue Bonds	11,870,000	12,505,000	-5.1%
Net OPEB Liability	104,000	53,000	96%
	\$37,277,852	\$39,485,686	-5.6%

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.
- 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 in the past five years for an average rate of 2.56 % per year. Looking ahead to FY12, the district will again benefit from an increase in student enrollment to 1565.2 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 years.
- The one-cent option sales tax generated \$1,606,395 dollars of revenue in fiscal 2011 and is anticipated to generate a similar amount for each of the next two 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.

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. Lori Robertson, Director of Finance or Dr. Denise Schares, Superintendent, 327 South Augusta Avenue, Oxford, IA 52322. Phone: (319) 828-4510.

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Basic Financial Statements

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2011

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ 7,495,610	\$ 476,679	\$ 7,972,289
Receivables:			
Property tax:			
Current year	59,261	-	59,261
Succeeding year	8,591,012	-	8,591,012
Income surtax	811,766	-	811,766
Accounts	1,406	3,099	4,505
Due from other governments	517,328	1,374	518,702
Inventories	-	17,652	17,652
Capital assets, net of accumulated depreciation (note 4)	51,968,120	428,854	52,396,974
	<hr/>	<hr/>	<hr/>
Total assets	69,444,503	927,658	70,372,161
Liabilities			
Accounts payable	512,631	5,533	518,164
Salaries and benefits payable	24,131	30,999	55,130
Retainage payable	189,212	-	189,212
Accrued interest payable	383,441	-	383,441
Deferred revenue:			
Succeeding year property tax	8,591,012	-	8,591,012
Other	185,674	17,421	203,095
Long-term liabilities (note 5):			
Portion due within one year:			
Termination benefits	243,257	-	243,257
Bonds payable	2,005,000	-	2,005,000
Lease purchase agreement	51,861	-	51,861
Compensated absences	41,759	-	41,759
Portion due after one year:			
Termination benefits	426,975	-	426,975
Bonds payable	34,405,000	-	34,405,000
Net OPEB liability	104,000	-	104,000
	<hr/>	<hr/>	<hr/>
Total liabilities	47,163,953	53,953	47,217,906

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2011

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 15,558,120	\$ 428,854	\$ 15,986,974
Restricted for:			
Categorical funding (note 10)	783,814	-	783,814
Physical plant and equipment levy	569,248	-	569,248
Student activities	160,092	-	160,092
Library levy	87,834	-	87,834
Debt service	1,948,589	-	1,948,589
Capital projects	344,662	-	344,662
Unrestricted	<u>2,828,191</u>	<u>444,851</u>	<u>3,273,042</u>
 Total net assets	 <u>\$ 22,280,550</u>	 <u>\$ 873,705</u>	 <u>\$ 23,154,255</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 9,547,906	\$ 1,940,960	\$ 1,582,456	\$ -
Support services:				
Student services	309,140	130,449	5,355	-
Instructional staff services	686,465	5,178	45,595	-
Administration services	1,860,407	-	-	-
Operation and maintenance of plant services	1,486,852	11,440	-	-
Transportation services	714,551	-	4,931	-
	<u>5,057,415</u>	<u>147,067</u>	<u>55,881</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	236,955	-	47,482	1,500
Long-term debt interest and fiscal charges	1,695,122	-	-	-
AEA flowthrough	597,803	-	597,803	-
Depreciation (unallocated) *	661,719	-	-	-
	<u>3,191,599</u>	<u>-</u>	<u>645,285</u>	<u>1,500</u>
Total governmental activities	<u>17,796,920</u>	<u>2,088,027</u>	<u>2,283,622</u>	<u>1,500</u>
Business-Type Activities:				
Support services:				
Transportation services	115	-	-	-
Non-instructional programs:				
Food service operations	830,633	543,378	272,718	-
Daycare operations	370,258	449,468	20,030	-
Pool operations	25,584	28,720	1,002	-
	<u>1,226,475</u>	<u>1,021,566</u>	<u>293,750</u>	<u>-</u>
Total business-type activities	<u>1,226,590</u>	<u>1,021,566</u>	<u>293,750</u>	<u>-</u>
Total	<u>\$ 19,023,510</u>	<u>\$ 3,109,593</u>	<u>\$ 2,577,372</u>	<u>\$ 1,500</u>

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (6,024,490)	\$ -	\$ (6,024,490)
(173,336)	-	(173,336)
(635,692)	-	(635,692)
(1,860,407)	-	(1,860,407)
(1,475,412)	-	(1,475,412)
(709,620)	-	(709,620)
<u>(4,854,467)</u>	-	<u>(4,854,467)</u>
(187,973)	-	(187,973)
(1,695,122)	-	(1,695,122)
-	-	-
(661,719)	-	(661,719)
<u>(2,544,814)</u>	-	<u>(2,544,814)</u>
<u>(13,423,771)</u>	-	<u>(13,423,771)</u>
-	(115)	(115)
-	(14,537)	(14,537)
-	99,240	99,240
-	4,138	4,138
-	<u>88,841</u>	<u>88,841</u>
-	88,726	88,726
<u>(13,423,771)</u>	88,726	<u>(13,335,045)</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

Functions/Programs

General revenues:

Property tax levied for:

General purposes

Debt service

Capital outlay

Library services

Income surtax

Statewide sales, services and use tax

Unrestricted state and federal 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

Governmental Activities	Business-Type Activities	Total
\$ 5,766,693	\$ -	\$ 5,766,693
2,362,704	-	2,362,704
567,674	-	567,674
22,051	-	22,051
946,849	-	946,849
1,606,396	-	1,606,396
5,424,670	-	5,424,670
14,342	1,565	15,907
245,981	-	245,981
16,957,360	1,565	16,958,925
3,533,589	90,291	3,623,880
18,746,961	783,414	19,530,375
\$ 22,280,550	\$ 873,705	\$ 23,154,255

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 3,802,640	\$ 1,066,174	\$ 2,034,197	\$ 571,106	\$ 7,474,117
Receivables:					
Property tax:					
Current year	38,238	13,899	3,339	3,785	59,261
Succeeding year	5,260,202	2,248,813	585,538	496,459	8,591,012
Income surtax	568,236	-	243,530	-	811,766
Accounts	-	-	-	1,406	1,406
Due from other governments	249,638	-	267,430	260	517,328
Total assets	<u>\$ 9,918,954</u>	<u>\$ 3,328,886</u>	<u>\$ 3,134,034</u>	<u>\$ 1,073,016</u>	<u>\$ 17,454,890</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	General	Debt Service	Capital Projects	Nonmajor	Total
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 337,228	\$ -	\$ 141,556	\$ 33,847	\$ 512,631
Salaries and benefits payable	21,032	-	-	3,099	24,131
Retainage payable	-	-	189,212	-	189,212
Deferred revenue:					
Succeeding year property tax	5,260,202	2,248,813	585,538	496,459	8,591,012
Other	753,910	-	243,530	-	997,440
Total liabilities	6,372,372	2,248,813	1,159,836	533,405	10,314,426
Fund balances:					
Restricted for:					
Categorical funding (note 10)	783,814	-	-	-	783,814
Revenue bonds	-	-	1,250,500	-	1,250,500
Revenue bond sinking fund	-	993,678	-	-	993,678
Debt service	-	86,395	-	-	86,395
Management levy purposes	-	-	-	291,685	291,685
Student activities	-	-	-	160,092	160,092
Library purposes	-	-	-	87,834	87,834
School infrastructure	-	-	344,662	-	344,662
Physical plant and equipment	-	-	379,036	-	379,036
Assigned for special purposes	63,365	-	-	-	63,365
Unassigned	2,699,403	-	-	-	2,699,403
Total fund balances	3,546,582	1,080,073	1,974,198	539,611	7,140,464
Total liabilities and fund balances	\$ 9,918,954	\$ 3,328,886	\$ 3,134,034	\$ 1,073,016	\$ 17,454,890

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, 2011

Total fund balances of governmental funds	\$ 7,140,464
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.	51,968,120
Other long-term assets, including income surtax receivable, are not available to pay current period expenditures and, therefore, are deferred in the governmental funds.	811,766
The Internal Service Fund is used to charge the costs of the District's flexible benefits plan to the governmental funds and is therefore included in governmental activities.	21,493
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.	(383,441)
Long-term liabilities, including termination benefits, bonds payable, lease purchase agreements, compensated absences, and net OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(37,277,852)</u>
Net assets of governmental activities	<u>\$ 22,280,550</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, 2011

	General	Debt Service	Capital Projects	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 5,866,980	\$ 2,362,168	\$ 2,432,240	\$ 522,477	\$ 11,183,865
Tuition	1,539,521	-	-	-	1,539,521
Other	255,366	1,080	51,218	398,811	706,475
State sources	6,930,603	537	129	905	6,932,174
Federal sources	774,172	-	-	-	774,172
Total revenues	<u>15,366,642</u>	<u>2,363,785</u>	<u>2,483,587</u>	<u>922,193</u>	<u>21,136,207</u>
Expenditures:					
Current:					
Instruction	<u>9,090,399</u>	-	19,942	452,557	<u>9,562,898</u>
Support services:					
Student services	307,927	-	-	-	307,927
Instructional staff services	501,183	-	167,682	15,985	684,850
Administration services	1,710,680	-	115	259,361	1,970,156
Operation and maintenance of plant services	1,316,482	-	56,933	109,055	1,482,470
Transportation services	585,888	-	142,576	24,497	752,961
	<u>4,422,160</u>	-	<u>367,306</u>	<u>408,898</u>	<u>5,198,364</u>
Other expenditures:					
Facilities acquisition	-	-	1,260,829	-	1,260,829
Long term debt:					
Principal	-	1,945,384	-	-	1,945,384
Interest and fiscal charges	-	1,713,750	-	-	1,713,750
AEA flowthrough	597,803	-	-	-	597,803
	<u>597,803</u>	<u>3,659,134</u>	<u>1,260,829</u>	-	<u>5,517,766</u>
Total expenditures	<u>14,110,362</u>	<u>3,659,134</u>	<u>1,648,077</u>	<u>861,455</u>	<u>20,279,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,256,280</u>	<u>(1,295,349)</u>	<u>835,510</u>	<u>60,738</u>	<u>857,179</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	General	Debt Service	Capital Projects	Nonmajor	Total
Other financing sources (uses):					
Sale of equipment	\$ 1,225	\$ -	\$ -	\$ -	\$ 1,225
Compensation for loss of capital assets	29,787	-	77,437	-	107,224
Interfund transfers in (note 3)	33,469	1,343,116	-	-	1,376,585
Interfund transfers out (note 3)	-	-	(1,343,116)	(33,469)	(1,376,585)
Total other financing sources (uses)	<u>64,481</u>	<u>1,343,116</u>	<u>(1,265,679)</u>	<u>(33,469)</u>	<u>108,449</u>
Net change in fund balances	1,320,761	47,767	(430,169)	27,269	965,628
Fund balances beginning of year, as restated (note 12)	<u>2,225,821</u>	<u>1,032,306</u>	<u>2,404,367</u>	<u>512,342</u>	<u>6,174,836</u>
Fund balances end of year	<u>\$ 3,546,582</u>	<u>\$ 1,080,073</u>	<u>\$ 1,974,198</u>	<u>\$ 539,611</u>	<u>\$ 7,140,464</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, 2011

Net change in fund balances - total governmental funds \$ 965,628

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	\$ 1,232,188	
	Depreciation expense	<u>(970,072)</u>	262,116

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. 85,853

The change in net assets of the Internal Service Fund is included in governmental activities in the Statement of Activities due to the integral nature of the fund to the governmental funds. (6,470)

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets. 1,945,384

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. 18,628

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

	Early retirement	297,399	
	Compensated absences	16,051	
	Net OPEB liability	<u>(51,000)</u>	<u>262,450</u>

Change in net assets of governmental activities \$ 3,533,589

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2011

	Enterprise			Internal Service Flexible Benefits
	School Nutrition	Nonmajor	Total	
Assets				
Cash and investments	\$ 194,337	\$ 282,342	\$ 476,679	\$ 21,493
Accounts receivable	572	2,527	3,099	-
Due from other governments	-	1,374	1,374	-
Inventories	17,652	-	17,652	-
Capital assets, net of accumulated depreciation (note 4)	428,854	-	428,854	-
Total assets	641,415	286,243	927,658	21,493
Liabilities				
Accounts payable	520	5,013	5,533	-
Salaries and benefits payable	1,552	29,447	30,999	-
Deferred revenue	17,421	-	17,421	-
Total liabilities	19,493	34,460	53,953	-
Net Assets				
Invested in capital assets	428,854	-	428,854	-
Unrestricted	193,068	251,783	444,851	21,493
Total net assets	\$ 621,922	\$ 251,783	\$ 873,705	\$ 21,493

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, 2011

	Enterprise			Internal Service Flexible Benefits
	School Nutrition	Nonmajor	Total	
Operating revenues:				
Local sources:				
Charges for services	\$ 543,378	\$ 478,188	\$ 1,021,566	\$ 137,622
Operating expenses:				
Support services:				
Transportation services	-	115	115	-
Non-instructional programs	830,633	395,842	1,226,475	144,092
	<u>830,633</u>	<u>395,957</u>	<u>1,226,590</u>	<u>144,092</u>
Operating income (loss)	(287,255)	82,231	(205,024)	(6,470)
Non-operating revenues:				
Interest on investments	1,413	152	1,565	-
Contributions	662	1,002	1,664	-
State sources	9,451	-	9,451	-
Federal sources	262,605	20,030	282,635	-
Total non-operating revenues	<u>274,131</u>	<u>21,184</u>	<u>295,315</u>	<u>-</u>
Change in net assets	(13,124)	103,415	90,291	(6,470)
Net assets beginning of year	<u>635,046</u>	<u>148,368</u>	<u>783,414</u>	<u>27,963</u>
Net assets end of year	<u>\$ 621,922</u>	<u>\$ 251,783</u>	<u>\$ 873,705</u>	<u>\$ 21,493</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	Enterprise			Internal
	School Nutrition	Nonmajor	Total	Service Flexible Benefits
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 536,312	\$ -	\$ 536,312	\$ -
Cash received from miscellaneous operating activities	9,916	478,045	487,961	137,622
Cash payments to employees for services	(324,140)	(341,440)	(665,580)	-
Cash payments to suppliers for goods or services	(411,408)	(57,365)	(468,773)	(144,092)
Net cash provided by (used by) operating activities	(189,320)	79,240	(110,080)	(6,470)
Cash flows from non-capital financing activities:				
Contributions received	662	1,002	1,664	-
State grants received	9,451	-	9,451	-
Federal grants received	218,356	19,107	237,463	-
Net cash provided by non-capital financing activities	228,469	20,109	248,578	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(8,896)	-	(8,896)	-
Cash flows from investing activities:				
Interest on investments	286	152	438	-
Net increase (decrease) in cash and cash equivalents	30,539	99,501	130,040	(6,470)
Cash and cash equivalents beginning of year	92,072	182,841	274,913	27,963
Cash and cash equivalents end of year	\$ 122,611	\$ 282,342	\$ 404,953	\$ 21,493

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	Enterprise			Internal
	School Nutrition	Nonmajor	Total	Service Flexible Benefits
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:				
Operating income (loss)	\$ (287,255)	\$ 82,231	\$ (205,024)	\$ (6,470)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Depreciation	46,203	-	46,203	-
Commodities used	44,249	-	44,249	-
(Increase) decrease in accounts receivable	1,270	(143)	1,127	-
Decrease in inventories	3,078	-	3,078	-
Increase in accounts payable	420	2,106	2,526	-
Increase (decrease) in salaries and benefits payable	1,135	(4,954)	(3,819)	-
Increase in deferred revenue	1,580	-	1,580	-
Net cash provided by (used by) operating activities	\$ <u>(189,320)</u>	\$ <u>79,240</u>	\$ <u>(110,080)</u>	\$ <u>(6,470)</u>
Reconciliation of cash and cash equivalents end of year to specific assets included on Statement of Net Assets:				
Cash and investments	\$ 194,337	\$ 282,342	\$ 476,679	\$ 21,493
Less items not meeting the definition of a cash equivalent:				
Certificate of deposit	(71,726)	-	(71,726)	-
Cash and cash equivalents end of year	\$ <u>122,611</u>	\$ <u>282,342</u>	\$ <u>404,953</u>	\$ <u>21,493</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2011, the District received \$44,249 of federal commodities.

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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, 2011

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. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

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

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

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

The District reports the following major proprietary fund:

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

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, 2011

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.

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

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 funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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, 2011 included \$71,726 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, 2009 assessed property valuations; is for the tax accrual period July 1, 2010 through June 30, 2011 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2010.

Income Surtax Receivable – Income surtax budgeted for the fiscal year ended June 30, 2011 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, 2011

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
Intangibles	100,000
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, 2011

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, 2011. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

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

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

Unassigned – All amounts not included in other classifications.

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.

E. Budgets and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2011, expenditures did not exceed the amounts budgeted.

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2011 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, 2011

Note 2. Cash and Pooled Investments (continued)

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

At June 30, 2011, the District had investments in the Iowa Schools Joint Investment Trust as follows:

	Amortized Cost
Diversified Portfolio	\$ 995,578

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Credit Risk – The investment in the Iowa Schools Joint Investment Trust was rated Aaa by Moody’s Investors Service.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2011 is as follows:

Transfer to	Transfer from	Amount
General	Special Revenue: Student Activity	\$ 33,469
Debt Service	Capital Projects	1,343,116
		\$ 1,376,585

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, 2011

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2011 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	26,470,282	953,856	1,366,748	26,057,390
Total capital assets not being depreciated	<u>28,048,848</u>	<u>953,856</u>	<u>1,366,748</u>	<u>27,635,956</u>
Capital assets being depreciated:				
Buildings	25,173,922	489,419	-	25,663,341
Improvements other than buildings	2,121,331	877,329	-	2,998,660
Furniture and equipment	3,237,890	278,332	154,823	3,361,399
Total capital assets being depreciated	<u>30,533,143</u>	<u>1,645,080</u>	<u>154,823</u>	<u>32,023,400</u>
Less accumulated depreciation for:				
Buildings	4,679,459	512,399	-	5,191,858
Improvements other than buildings	564,100	130,448	-	694,548
Furniture and equipment	1,632,428	327,225	154,823	1,804,830
Total accumulated depreciation	<u>6,875,987</u>	<u>970,072</u>	<u>154,823</u>	<u>7,691,236</u>
Total capital assets being depreciated, net	<u>23,657,156</u>	<u>675,008</u>	<u>-</u>	<u>24,332,164</u>
Governmental activities capital assets, net	<u>\$ 51,706,004</u>	<u>\$ 1,628,864</u>	<u>\$ 1,366,748</u>	<u>\$ 51,968,120</u>
	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture and equipment	\$ 659,129	\$ 8,896	\$ 4,670	\$ 663,355
Less accumulated depreciation	192,968	46,203	4,670	234,501
Business-type activities capital assets, net	<u>\$ 466,161</u>	<u>\$ (37,307)</u>	<u>\$ -</u>	<u>\$ 428,854</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Note 4. Capital Assets (continued)

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

Governmental activities:

Instruction	\$ 115,823
Support services:	
Administration	2,942
Operation and maintenance of plant services	25,284
Transportation	164,304
	<u>308,353</u>
Unallocated depreciation	<u>661,719</u>

Total governmental activities depreciation expense \$ 970,072

Business-type activities:

Food service operations \$ 46,203

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2011 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Termination benefits	\$ 967,631	\$ -	\$ 297,399	\$ 670,232	\$ 243,257
General obligation bonds	25,800,000	-	1,260,000	24,540,000	1,305,000
Revenue bonds	12,505,000	-	635,000	11,870,000	700,000
Lease purchase agreement	102,245	-	50,384	51,861	51,861
Compensated absences	57,810	41,759	57,810	41,759	41,759
Net OPEB liability	53,000	51,000	-	104,000	-
Total	\$ 39,485,686	\$ 92,759	\$ 2,300,593	\$ 37,277,852	\$ 2,341,877

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 75% 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 three 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, 2011, the District has obligations to twenty-five participants with a total liability of \$670,232. Actual early retirement expenditures for the year ended June 30, 2011 totaled \$297,399. 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, 2011

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable

Details of the District's June 30, 2011 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue August 1, 2002			
	Interest Rates	Principal	Interest	Total
2012	4.00 %	\$ 115,000	\$ 9,315	\$ 124,315
2013	4.10	115,000	4,715	119,715
		230,000	14,030	244,030

Year Ending June 30,	Refunding Bond Issue August 1, 2003			
	Interest Rates	Principal	Interest	Total
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
		1,550,000	134,633	1,684,633

Year Ending June 30,	Bond Issue June 1, 2006			
	Interest Rates	Principal	Interest	Total
2012	- %	\$ -	\$ 684,450	\$ 684,450
2013	-	-	684,450	684,450
2014	-	-	684,450	684,450
2015	-	-	684,450	684,450
2016	-	-	684,450	684,450
2017-2021	4.625-4.750	4,610,000	3,234,013	7,844,013
2022-2026	4.750	9,875,000	1,446,374	11,321,374
		14,485,000	8,102,637	22,587,637

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable (continued)

Year Ending June 30,	Bond Issue May 1, 2007			
	Interest Rates	Principal	Interest	Total
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	3.80	950,000	217,933	1,167,933
2016	3.80	1,410,000	181,832	1,591,832
2017-2019	3.80-3.85	3,370,000	215,656	3,585,656
		8,135,000	1,459,030	9,594,030

Year Ending June 30,	Bond Issue May 15, 2008			
	Interest Rates	Principal	Interest	Total
2012	3.00 %	\$ 100,000	\$ 4,400	\$ 104,400
2013	3.50	40,000	1,400	41,400
		140,000	5,800	145,800

Year Ending June 30,	Total		
	Principal	Interest	Total
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	1,360,000	916,733	2,276,733
2016	1,410,000	866,282	2,276,282
2017-2021	7,980,000	3,449,669	11,429,669
2022-2026	9,875,000	1,446,374	11,321,374
	<u>\$ 24,540,000</u>	<u>\$ 9,716,130</u>	<u>\$ 34,256,130</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Note 5. Long-Term Liabilities (continued)

Revenue Bonds

Details of the District's June 30, 2011 school infrastructure sales and services tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
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	4.250	400,000	497,256	897,256
2016	4.250	430,000	479,619	909,619
2017-2021	4.000-5.000	2,425,000	2,095,547	4,520,547
2022-2026	5.000-5.375	3,105,000	1,413,713	4,518,713
2027-2030	5.375-5.625	3,590,000	463,035	4,053,035
		<u>\$ 11,870,000</u>	<u>\$ 6,579,488</u>	<u>\$ 18,449,488</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 55 to 80 percent of the school infrastructure (statewide) sales and services tax revenues. The total principal and interest remaining to be paid on the notes is \$18,449,488. For the current year, interest and principal of \$1,235,850 was paid on the bonds and total statewide sales and services tax revenues were \$1,606,396.

The resolution providing for the issuance of the school infrastructure sales and services tax revenue bonds includes 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, 2011

Note 5. 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 totaling \$154,238. The agreement provides for three annual payments and includes interest at 2.9%.

Details of the District's June 30, 2011 lease purchase agreement indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ <u>51,861</u>	\$ <u>1,520</u>	\$ <u>53,381</u>

Note 6. Other Postemployment Benefits (OPEB)

Plan Description – The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 177 active and 17 retired members in the plan. Participants must be age 55 or older at retirement.

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

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Note 6. Other Postemployment Benefits (OPEB) (continued)

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2011, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 70,000
Interest on net OPEB obligation	1,000
Adjustment to annual required contribution	<u>(5,000)</u>
Annual OPEB cost	66,000
Contributions made	<u>(15,000)</u>
Increase in net OPEB obligation	51,000
Net OPEB obligation beginning of year	<u>53,000</u>
Net OPEB obligation end of year	<u><u>\$ 104,000</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2011.

For the year ended June 30, 2011, the District contributed \$15,000 to the medical plan.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2011 are summarized as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 66,000	22.7%	\$ 104,000

Funded Status and Funding Progress – As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2010 through June 30, 2011, the actuarial accrued liability was \$475,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$475,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$9,423,000, and the ratio of the UAAL to covered payroll was 5.0%. As of June 30, 2011, there were no trust fund assets.

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Note 6. Other Postemployment Benefits (OPEB) (continued)

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

As of the July 1, 2009 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%.

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

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 4.50% of their annual covered salary and the District is required to contribute 6.95% of annual covered payroll for the year ended June 30, 2011. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2011, 2010, and 2009 were \$654,859, \$605,571, and \$575,253, 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.

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 \$597,803 for the year ended June 30, 2011 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Note 10. Categorical Funding

The District's fund balance restricted for categorical funding at June 30, 2011 is comprised of the following programs:

<u>Program</u>	<u>Amount</u>
Returning dropouts and dropout prevention programs	\$ 434,879
Gifted and talented programs	123,160
Salary improvement program	87,716
Statewide voluntary preschool program	45,329
Professional development for model core curriculum	45,151
Professional development	33,656
Iowa early intervention block grant	8,034
Beginning teacher mentoring and induction	3,359
Wise Iowa project grant	1,498
Transportation aid for nonpublic students	<u>1,032</u>
Total	<u>\$ 783,814</u>

Note 11. Construction Commitments

The District has entered into various contracts totaling \$23,472,648 for a new high school building and paving projects. As of June 30, 2011, costs of \$23,182,517 had been incurred against the contracts. The balance of \$290,131 remaining at June 30, 2011 will be paid as work on the projects progresses.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Note 12. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended June 30, 2011. The effect of fund type reclassifications is as follows:

	<u>Capital Projects</u>	<u>Special Revenue, Physical Plant and Equipment Levy</u>
Balances June 30, 2010, as previously reported	\$ 2,027,000	\$ 377,367
Change in fund type classification per implementation of GASB Statement No. 54	<u>377,367</u>	<u>(377,367)</u>
Balances July 1, 2010, as restated	<u>\$ 2,404,367</u>	<u>\$ -</u>

Note 13. Contingency

The District has one ongoing lawsuit. The outcome of the case cannot be determined at this time.

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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, 2011

	Governmental Funds - Actual	Proprietary Funds - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
REVENUES:						
Local sources	\$ 13,429,861	\$ 1,024,795	\$ 14,454,656	\$ 13,848,646	\$ 13,848,646	\$ 606,010
State sources	6,932,174	9,451	6,941,625	7,386,129	7,386,129	(444,504)
Federal sources	774,172	282,635	1,056,807	600,000	600,000	456,807
Total revenues	21,136,207	1,316,881	22,453,088	21,834,775	21,834,775	618,313
EXPENDITURES/EXPENSES:						
Instruction	9,562,898	-	9,562,898	9,863,272	10,000,000	437,102
Support services	5,198,364	115	5,198,479	5,673,500	5,800,000	601,521
Non-instructional programs	-	1,226,475	1,226,475	1,195,000	1,500,000	273,525
Other expenditures	5,517,766	-	5,517,766	5,394,179	6,300,000	782,234
Total expenditures/expenses	20,279,028	1,226,590	21,505,618	22,125,951	23,600,000	2,094,382
Excess (deficiency) of revenues over (under) expenditures/ expenses	857,179	90,291	947,470	(291,176)	(1,765,225)	2,712,695
Other financing sources, net	108,449	-	108,449	5,000	5,000	103,449
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	965,628	90,291	1,055,919	(286,176)	(1,760,225)	2,816,144
Balance beginning of year	6,174,836	783,414	6,958,250	2,876,506	2,876,506	4,081,744
Balance end of year	<u>\$ 7,140,464</u>	<u>\$ 873,705</u>	<u>\$ 8,014,169</u>	<u>\$ 2,590,330</u>	<u>\$ 1,116,281</u>	<u>\$ 6,897,888</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
Year Ended June 30, 2011

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 \$1,474,049.

During the year ended June 30, 2011, expenditures did not exceed the amounts budgeted.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

Required Supplementary Information
Year Ended June 30, 2011

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	\$ -	\$ 479	\$ 479	0.0%	\$ 9,177	5.2%
2011	July 1, 2009	-	475	475	0.0%	9,423	5.0%

See note 6 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

See accompanying independent auditor's report.

Other Supplementary Information

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

	Special Revenue			Total
	Management Levy	Student Activity	Library	
Assets				
Cash and pooled investments	\$ 293,424	\$ 186,635	\$ 91,047	\$ 571,106
Receivables:				
Property tax:				
Current year	3,635	-	150	3,785
Succeeding year	475,000	-	21,459	496,459
Accounts	-	1,406	-	1,406
Due from other governments	-	260	-	260
Total assets	<u>\$ 772,059</u>	<u>\$ 188,301</u>	<u>\$ 112,656</u>	<u>\$ 1,073,016</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 5,374	\$ 28,209	\$ 264	\$ 33,847
Salaries and benefits payable	-	-	3,099	3,099
Deferred revenue:				
Succeeding year property tax	475,000	-	21,459	496,459
Total liabilities	<u>480,374</u>	<u>28,209</u>	<u>24,822</u>	<u>533,405</u>
Fund balances:				
Restricted for:				
Management levy purposes	291,685	-	-	291,685
Student activities	-	160,092	-	160,092
Library purposes	-	-	87,834	87,834
Total fund balances	<u>291,685</u>	<u>160,092</u>	<u>87,834</u>	<u>539,611</u>
Total liabilities and fund balances	<u>\$ 772,059</u>	<u>\$ 188,301</u>	<u>\$ 112,656</u>	<u>\$ 1,073,016</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, 2011

	Special Revenue			Total
	Management Levy	Student Activity	Library	
Revenues:				
Local sources:				
Local tax	\$ 500,438	\$ -	\$ 22,039	\$ 522,477
Other	36,427	316,295	46,089	398,811
State sources	171	-	734	905
Total revenues	<u>537,036</u>	<u>316,295</u>	<u>68,862</u>	<u>922,193</u>
Expenditures:				
Current:				
Instruction	172,669	279,888	-	452,557
Support services:				
Instructional staff services	-	-	15,985	15,985
Administration services	230,198	120	29,043	259,361
Operation and maintenance of plant services	109,055	-	-	109,055
Transportation services	21,488	3,009	-	24,497
Total expenditures	<u>533,410</u>	<u>283,017</u>	<u>45,028</u>	<u>861,455</u>
Excess of revenues over expenditures	3,626	33,278	23,834	60,738
Other financing uses:				
Interfund transfers out	-	(33,469)	-	(33,469)
Net change in fund balances	3,626	(191)	23,834	27,269
Fund balances beginning of year	<u>288,059</u>	<u>160,283</u>	<u>64,000</u>	<u>512,342</u>
Fund balances end of year	<u>\$ 291,685</u>	<u>\$ 160,092</u>	<u>\$ 87,834</u>	<u>\$ 539,611</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
CAPITAL PROJECTS ACCOUNTS
June 30, 2011

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Assets				
Cash and pooled investments	\$ 1,505,185	\$ 529,012	\$ -	\$ 2,034,197
Receivables:				
Property tax:				
Current year	-	3,339	-	3,339
Succeeding year	-	585,538	-	585,538
Income surtax	-	243,530	-	243,530
Due from other governments	267,430	-	-	267,430
Total assets	<u>\$ 1,772,615</u>	<u>\$ 1,361,419</u>	<u>\$ -</u>	<u>\$ 3,134,034</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 101,911	\$ 39,645	\$ -	\$ 141,556
Retainage payable	44,702	113,670	30,840	189,212
Deferred revenue:				
Succeeding year property tax	-	585,538	-	585,538
Other	-	243,530	-	243,530
Total liabilities	<u>146,613</u>	<u>982,383</u>	<u>30,840</u>	<u>1,159,836</u>
Fund balances:				
Restricted for:				
Revenue bonds	1,250,500	-	-	1,250,500
School infrastructure	375,502	-	(30,840)	344,662
Physical plant and equipment	-	379,036	-	379,036
Total fund balances	<u>1,626,002</u>	<u>379,036</u>	<u>(30,840)</u>	<u>1,974,198</u>
Total liabilities and fund balances	<u>\$ 1,772,615</u>	<u>\$ 1,361,419</u>	<u>\$ -</u>	<u>\$ 3,134,034</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS ACCOUNTS
 Year Ended June 30, 2011

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ 1,606,396	\$ 825,844	\$ -	\$ 2,432,240
Other	48,061	1,738	1,419	51,218
State sources	-	129	-	129
Total revenues	<u>1,654,457</u>	<u>827,711</u>	<u>1,419</u>	<u>2,483,587</u>
Expenditures:				
Current:				
Instruction	-	19,942	-	19,942
Support services:				
Instructional staff services	-	167,682	-	167,682
Administration services	-	-	115	115
Operation and maintenance of plant services	-	56,933	-	56,933
Transportation services	-	142,576	-	142,576
Other expenditures:				
Facilities acquisition	529,129	475,165	256,535	1,260,829
Total expenditures	<u>529,129</u>	<u>862,298</u>	<u>256,650</u>	<u>1,648,077</u>
Excess (deficiency) of revenues over (under) expenditures	1,125,328	(34,587)	(255,231)	835,510
Other financing sources (uses):				
Compensation for loss of capital assets	-	77,437	-	77,437
Interfund transfers out	(1,289,735)	(53,381)	-	(1,343,116)
Intrafund transfers in	-	125,870	113,670	239,540
Intrafund transfers out	-	(113,670)	(125,870)	(239,540)
Total other financing sources (uses)	<u>(1,289,735)</u>	<u>36,256</u>	<u>(12,200)</u>	<u>(1,265,679)</u>
Net change in fund balances	(164,407)	1,669	(267,431)	(430,169)
Fund balances beginning of year, as restated	<u>1,790,409</u>	<u>377,367</u>	<u>236,591</u>	<u>2,404,367</u>
Fund balances end of year	<u>\$ 1,626,002</u>	<u>\$ 379,036</u>	<u>\$ (30,840)</u>	<u>\$ 1,974,198</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS

June 30, 2011

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Assets			
Cash and investments	\$ 251,878	\$ 30,464	\$ 282,342
Accounts receivable	1,152	1,375	2,527
Due from other governments	1,374	-	1,374
Total assets	<u>254,404</u>	<u>31,839</u>	<u>286,243</u>
Liabilities			
Accounts payable	4,463	550	5,013
Salaries and benefits payable	23,147	6,300	29,447
Total liabilities	<u>27,610</u>	<u>6,850</u>	<u>34,460</u>
Net Assets			
Unrestricted	<u>\$ 226,794</u>	<u>\$ 24,989</u>	<u>\$ 251,783</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, 2011

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Operating revenues:			
Local sources:			
Charges for services	\$ 449,468	\$ 28,720	\$ 478,188
Operating expenses:			
Support services:			
Transportation services	115	-	115
Non-instructional programs	370,258	25,584	395,842
	<u>370,373</u>	<u>25,584</u>	<u>395,957</u>
Operating income	79,095	3,136	82,231
Non-operating revenues:			
Interest on investments	128	24	152
Contributions	-	1,002	1,002
Federal sources	20,030	-	20,030
Total non-operating revenues	<u>20,158</u>	<u>1,026</u>	<u>21,184</u>
Change in net assets	99,253	4,162	103,415
Net assets beginning of year	<u>127,541</u>	<u>20,827</u>	<u>148,368</u>
Net assets end of year	<u>\$ 226,794</u>	<u>\$ 24,989</u>	<u>\$ 251,783</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2011

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ 448,395	\$ 29,650	\$ 478,045
Cash payments to employees for services	(318,190)	(23,250)	(341,440)
Cash payments to suppliers for goods or services	(56,091)	(1,274)	(57,365)
Net cash provided by operating activities	<u>74,114</u>	<u>5,126</u>	<u>79,240</u>
Cash flows from non-capital financing activities:			
Contributions received	-	1,002	1,002
Federal grants received	19,107	-	19,107
Net cash provided by non-capital financing activities	<u>19,107</u>	<u>1,002</u>	<u>20,109</u>
Cash flows from investing activities:			
Interest on investments	128	24	152
Net increase in cash and cash equivalents	93,349	6,152	99,501
Cash and cash equivalents beginning of year	<u>158,529</u>	<u>24,312</u>	<u>182,841</u>
Cash and cash equivalents end of year	<u>\$ 251,878</u>	<u>\$ 30,464</u>	<u>\$ 282,342</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 79,095	\$ 3,136	\$ 82,231
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Increase) decrease in accounts receivable	(1,073)	930	(143)
Increase in accounts payable	1,556	550	2,106
Increase (decrease) in salaries and benefits payable	(5,464)	510	(4,954)
Net cash provided by operating activities	<u>\$ 74,114</u>	<u>\$ 5,126</u>	<u>\$ 79,240</u>

See accompanying independent auditor's report.

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CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2011

Account	Balance Beginning of Year	Revenues	Expenditures/ Transfers Out	Balance End of Year
Interest	\$ -	\$ 1,691	\$ 1,691	\$ -
MS Student Fundraiser	4,826	2,172	5,777	1,221
MS Bigger Faster Stronger	215	-	-	215
Class of 2010	5,944	-	2,425	3,519
Class of 2011	7,480	540	4,585	3,435
Class of 2012	1,011	18,454	12,837	6,628
Class of 2013	1,011	-	-	1,011
Amana Elementary Student Fundraiser	617	692	1,309	-
Amana Library Fundraiser	11,032	5,705	16,737	-
CC Elementary Library Fundraiser	5,023	5,968	10,991	-
MS Library Fundraiser	7,291	4,043	11,334	-
Elementary Student Account	6,967	6,350	13,652	(335)
CC Elementary Clipper Care Club	1,619	1,200	2,819	-
NBE Student Fundraiser	1,389	4,008	5,397	-
NBE Library Fundraiser	696	2,812	3,508	-
Drama	7,629	1,645	4,520	4,754
MS Drama	616	321	208	729
Art Club	3,136	5,009	3,921	4,224
MS Art Club	78	-	-	78
CC Elementary Art Club	23	-	23	-
Robotics Club	-	750	-	750
HS Musical	1,412	6,424	2,023	5,813
MS Show Choir	270	-	-	270
HS Jazz Band	-	1,250	98	1,152
HS Concessions	2,229	15,415	11,729	5,915
HS Student Fundraiser	2,178	1,586	718	3,046
Win With Wellness	305	-	-	305
Amana Fundraising	2,105	-	1,972	133
HS Athletics	16,725	157,103	117,547	56,281
MS Athletics	-	7,673	9,861	(2,188)
MS Athletic Fundraiser/Concessions	347	-	321	26
HS German Club	19	-	19	-
Publications	15,082	-	15,082	-
Annual	16,074	20,470	6,633	29,911
MS Cheerleading Club	866	-	-	866
Close Up	1,395	-	1,395	-
NHS	109	1,079	302	886
Safe	99	100	121	78
Student Assistance Team	253	333	227	359
Spanish Club	594	19	-	613
Student Council	3,009	7,596	8,225	2,380

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2011

Account	Balance Beginning of Year	Revenues	Expenditures/ Transfers Out	Balance End of Year
MS Student Council	\$ 25,445	\$ 27,069	\$ 30,702	\$ 21,812
CC Elementary Student Council	308	142	450	-
Weight Club	2,325	4,379	5,577	1,127
Pom Squad	2,531	4,297	1,750	5,078
	<u>\$ 160,283</u>	<u>\$ 316,295</u>	<u>\$ 316,486</u>	<u>\$ 160,092</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 SEVEN YEARS

	Modified Accrual Basis Years Ended June 30,			
	2011	2010	2009	2008
Revenues:				
Local sources:				
Local tax	\$ 11,183,865	\$ 10,763,604	\$ 9,920,491	\$ 9,877,435
Tuition	1,539,521	1,357,176	1,130,035	894,697
Other	706,475	797,538	1,368,218	1,649,981
State sources	6,932,174	5,506,741	6,502,677	6,481,142
Federal sources	774,172	1,077,779	549,496	625,576
Total revenues	\$ 21,136,207	\$ 19,502,838	\$ 19,470,917	\$ 19,528,831
Expenditures:				
Instruction	\$ 9,562,898	\$ 9,080,537	\$ 9,312,449	\$ 8,442,875
Support services:				
Student services	307,927	379,260	315,732	253,504
Instructional staff services	684,850	628,140	826,405	523,684
Administration services	1,970,156	1,767,268	1,544,313	1,483,939
Operation and maintenance of plant services	1,482,470	1,563,413	1,379,802	1,196,637
Transportation services	752,961	755,626	850,761	836,655
Non-instructional programs	-	-	9,508	110,589
Other expenditures:				
Facilities acquisition	1,260,829	10,520,006	14,300,272	16,440,617
Long-term debt:				
Principal	1,945,384	1,215,529	997,504	1,285,883
Interest and fiscal charges	1,713,750	1,502,835	1,345,110	1,225,102
AEA flowthrough	597,803	564,144	496,524	467,919
Total expenditures	\$ 20,279,028	\$ 27,976,758	\$ 31,378,380	\$ 32,267,404

See accompanying independent auditor's report.

2007	2006	2005
\$ 7,005,106	\$ 5,563,759	\$ 4,668,747
843,785	864,055	831,045
1,657,083	622,669	490,905
5,726,397	5,486,156	5,262,267
524,561	315,725	299,347
<u>\$ 15,756,932</u>	<u>\$ 12,852,364</u>	<u>\$ 11,552,311</u>
\$ 7,867,766	\$ 7,349,809	\$ 7,386,489
238,943	221,792	212,790
606,214	494,515	471,945
1,545,928	1,269,213	935,683
1,271,048	1,143,662	1,099,448
745,477	669,869	665,794
-	31,086	21,792
2,365,508	466,890	223,868
549,171	470,000	450,000
816,347	146,439	164,629
433,596	388,998	370,505
<u>\$ 16,439,998</u>	<u>\$ 12,652,273</u>	<u>\$ 12,002,943</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Grantor / Program	CFDA Number	Grant Number	Expenditures
Direct:			
U. S. Department of Education:			
Impact Aid	84.041	FY 11	\$ <u>71,112</u>
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 11	27,949
National School Lunch Program	10.555	FY 11	190,406
National School Lunch Program (non-cash)	10.555	FY 11	<u>44,249</u>
			<u>262,604</u>
Child and Adult Care Food Program	10.558	FY 11	<u>8,131</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I, Part A Cluster Programs:			
Title I Grants to Local Educational Agencies	84.010	1221G FY 11	33,839
Title I Grants to Local Educational Agencies	84.010	1221GC FY 11	20,485
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	FY 10	<u>31,581</u>
			<u>85,905</u>
Improving Teacher Quality State Grants	84.367	FY 11	<u>35,035</u>
Grants for State Assessments and Related Activities	84.369	FY 11	<u>491</u>
State Fiscal Stabilization Fund Cluster Programs:			
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	FY 11	76,773
ARRA - State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397	FY 11	<u>68,478</u>
			<u>145,251</u>
Education Jobs Fund	84.410	FY 11	<u>123,892</u>
Grant Wood Area Education Agency:			
Special Education Cluster Programs:			
Special Education - Grants to States	84.027	FY 11	73,463
ARRA - Special Education - Grants to States, Recovery Act	84.391	FY 10	<u>78,448</u>
			<u>151,911</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011

Grantor / Program	CFDA Number	Grant Number	Expenditures
Indirect (continued):			
U. S. Department of Education (continued):			
Grant Wood Area Education Agency (continued):			
Career and Technical Education - Basic Grants to States	84.048	FY 11	\$ <u>8,393</u>
University of Iowa:			
Education Research, Development and Dissemination	84.305	FY 10	3,000
Education Research, Development and Dissemination	84.305	FY 11	<u>667</u>
			<u>3,667</u>
U. S. Department of Health and Human Services:			
Iowa County Empowerment Board:			
Temporary Assistance for Needy Families	93.558	FY 11	4,923
Johnson County Empowerment Board:			
Temporary Assistance for Needy Families	93.558	FY 11	<u>6,976</u>
			<u>11,899</u>
University of Iowa:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	FY 10	<u>5,355</u>
Total			\$ <u><u>913,646</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, 2011, which collectively comprise the District's basic financial statements listed in the table of contents, and have issued our report thereon dated February 13, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. During our audit, we did not identify any deficiencies in 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, 2011 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 13, 2012

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON 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 Clear Creek Amana Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in the District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. During our audit, we did not identify any deficiencies in 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 13, 2012

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

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 84.010 – Title I Grants to Local Educational Agencies
 - CFDA Number 84.389 – ARRA – Title I Grants to Local Educational Agencies, Recovery Act
 - Clustered programs:
 - CFDA Number 84.027 – Special Education – Grants to States
 - CFDA Number 84.391 – ARRA – Special Education – Grants to States, Recovery Act
 - Clustered programs:
 - CFDA Number 84.394 – ARRA – State Fiscal Stabilization Fund – Education State Grants, Recovery Act
 - CFDA Number 84.397 – ARRA – State Fiscal Stabilization Fund – Government Services, Recovery Act
 - CFDA Number 84.410 – Education Jobs Fund
- (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, 2011

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-11 Certified Budget – Expenditures for the year ended June 30, 2011, did not exceed the amounts budgeted.
- IV-B-11 Questionable Expenditures – No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-11 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-11 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Elizabeth Momany, Board Member Spouse is owner of Amana Family Practice Clinic	Health services and supplies	\$2,280
Aimee Pitlick, Board Member Owner of Busy Bees Childcare	Preschool furniture	\$1,155
Don Schneider, Bus Driver Owner of Golden Touch Power Cleaning	Bus washes	\$5,092

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

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

- IV-E-11 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- IV-F-11 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.
- IV-G-11 Certified Enrollment – No variances in the basic enrollment data certified to the Department of Education were noted.
- IV-H-11 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-11 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2011

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

- IV-J-11 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-K-11 Categorical Funding – No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- IV-L-11 Statewide Sales and Services Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2011, the District reported the following information regarding the statewide sales, services and use tax revenue in the District’s CAR:

Beginning balance		\$	1,790,409
Revenues:			
Sales tax revenues	\$	1,606,396	
Other local revenues		48,061	1,654,457
Expenditures/transfers out:			
School infrastructure construction services		424,200	
Equipment		104,929	
Transfers to other funds:			
Debt Service Fund		1,289,735	1,818,864
Ending balance		\$	1,626,002

For the year ended June 30, 2011, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

- IV-M-11 Energy Rebate Receipt – We noted an energy rebate receipt from the school building construction that was recorded in the General Fund but should have been recorded in the Capital Projects Fund since the related expenditures were from that fund.

Recommendation – The District should transfer \$33,836 from the General Fund to the Capital Projects Fund for this receipt.

Response – We will make the recommended corrective transfer for this receipt.

Conclusion – Response accepted.