

CAMANCHE COMMUNITY SCHOOL DISTRICT

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

June 30, 2014

CAMANCHE COMMUNITY SCHOOL DISTRICT

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CAMANCHE COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
<u>(Before September 2013 Election)</u>		
Mike Dunn	President	2013
Daniel Srp	Vice-President	2013
Albert McManus	Member	2013
Jim Boysen	Member	2015
Molly Jess	Member	2015
Jeff Swalve	Member	2015
Brad Weber	Member	2015
<u>(After September 2013 Election)</u>		
Mike Dunn	President	2017
Daniel Srp	Vice-President	2017
Jim Boysen	Member	2015
Molly Jess	Member	2015
Jeff Swalve	Member	2015
Brad Weber	Member	2015
Larry McDonald	Member	2017
<u>School Officials</u>		
Thomas E. Parker	Superintendent	2014
Roxanne L. Aude	Business Director Board Secretary/Treasurer	Indefinite
Jerry D. Van Scoy	Attorney	Indefinite



Independent Auditor's Report

To the Board of Directors of
Camanche Community School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Camanche Community School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Camanche Community School District, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adjustments to Prior Period Financial Statements

The financial statements of Camanche Community School District as of June 30, 2013, were audited by other auditors, whose opinion dated February 7, 2014, on those statements was unmodified. As discussed in Note 15, Camanche Community School District has restated its June 30, 2013 financial statements during the current year to properly reflect capital asset values as a result of having a capital asset study performed. The other auditors reported on the 2013 financial statements before the restatement.

As part of our audit of the June 30, 2014 financial statements, we audited adjustments described in Note 15 that were applied to restate the June 30, 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied and our audit opinion was not modified with respect to this matter. We were not engaged to audit, review, or apply any procedures to the June 30, 2013 financial statements of Camanche Community School District other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the June 30, 2013 financial statements as a whole.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the schedule of funding progress for the retiree health plan on pages 5 through 19 and 52 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Camanche Community School District's basic financial statements. The financial statements for the one year ended June 30, 2013, as well as the financial statements for the four years ended June 30, 2008 (which are not presented herein) were audited by other auditors whose reports expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 7 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2014 on our consideration of Camanche Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Camanche Community School District's internal control over financial reporting and compliance.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
December 9, 2014

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Camanche 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, 2014. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2014 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$10,350,715 in fiscal year 2013 to \$10,593,186 in fiscal year 2014, while General Fund expenditures increased from \$10,216,915 in fiscal year 2013 to \$10,711,375 in fiscal year 2014. The District's General Fund balance decreased from \$1,618,793 in fiscal year 2013 to \$1,579,702 in fiscal year 2014, a 2.4% decrease.
- The increase in General Fund revenues was attributable to an increase in local and state sources. The increase in local tax is in direct correlation to the decrease in student enrollment which resulted in more funding being levied to meet general expenses that were not funded by the State Aid formula. There was also an increase in tuition payment amounts for both special education students and open enrolled students being served by the District compared to last fiscal year.
- The increase in General Fund expenditures is due to an overall increase in instruction and support service expenditures. Specifically wages, benefits, instructional supplies, technology, and transportation related expenses.
- Since the majority of the increased revenues were attached to regulations of how they were to be spent, general obligations were met with the use of the General Fund balance.

USING THIS ANNUAL REPORT

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

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

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

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

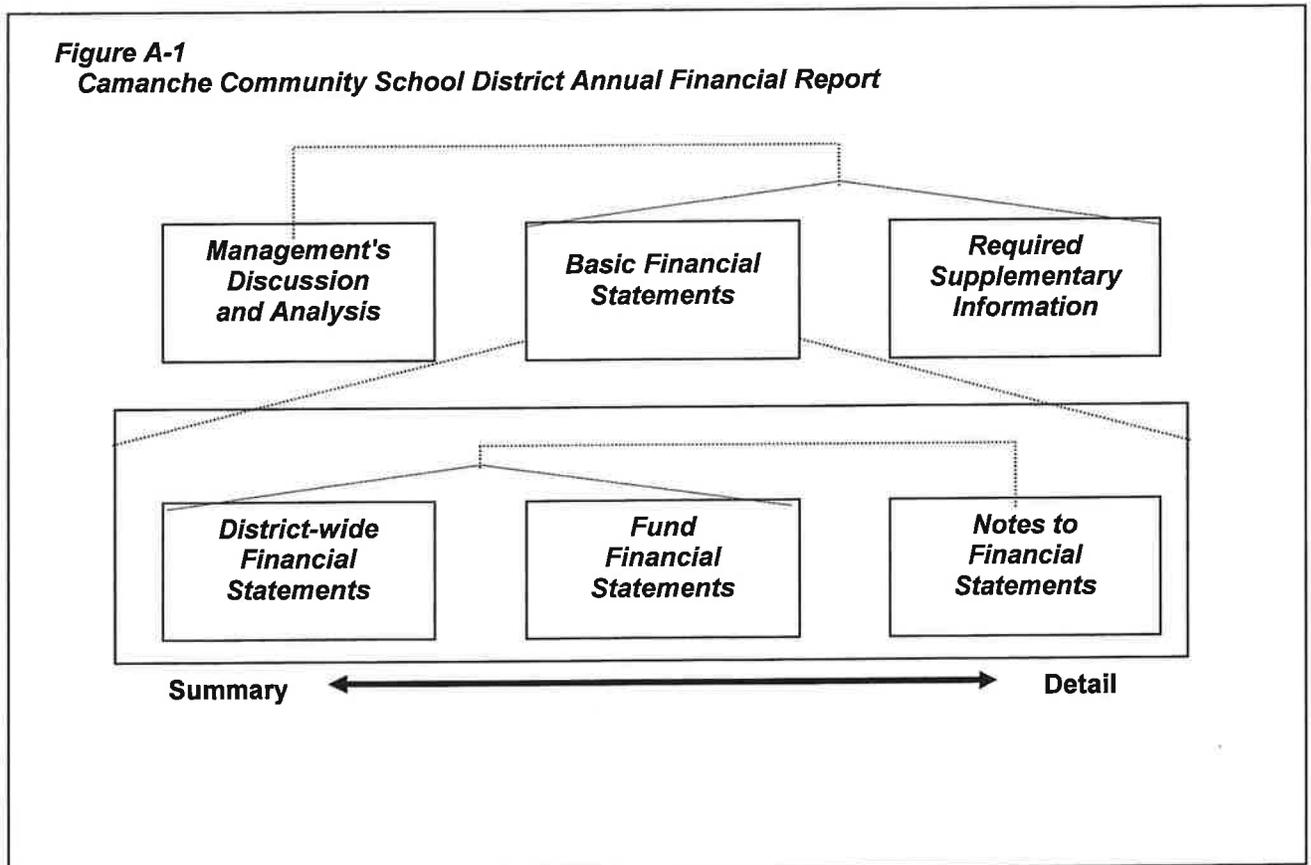
**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

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

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

Supplementary Information provides detailed information about the nonmajor governmental funds and capital project accounts.

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



**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

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 and adult education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, liabilities and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

The District has three kinds of funds:

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

The District's governmental funds include the General Fund, the Special Revenue Funds, the Debt Service Fund and the 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 District's Enterprise Fund, one type of proprietary fund, is the same as its business type activities, but provide more detail and additional information, such as cash flows. The District's Enterprise Fund is the School Nutrition Fund.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust and Agency Funds.

- Private-Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.
- Agency Funds - These are funds through which the District administers and accounts for certain local, federal and/or state grants as a fiscal agent.

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

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Government-wide Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities and deferred inflows of resources by \$8,323,272 as of June 30, 2014.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following tables present a summary of the District's net position for the fiscal years ended June 30, 2014 and 2013:

2014

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current and other assets	\$ 8,716,614	\$ 51,303	\$ 8,767,917
Capital assets	<u>13,050,226</u>	<u>20,047</u>	<u>13,070,273</u>
Total assets	<u>21,766,840</u>	<u>71,350</u>	<u>21,838,190</u>
Long-term liabilities	8,082,614	18,953	8,101,567
Other liabilities	<u>1,078,024</u>	<u>39</u>	<u>1,078,063</u>
Total liabilities	<u>9,160,638</u>	<u>18,992</u>	<u>9,179,630</u>
Deferred inflows of resources	<u>4,335,288</u>	<u>-</u>	<u>4,335,288</u>
Net position:			
Net investment in capital assets	6,764,266	20,047	6,784,313
Restricted	2,438,904	-	2,438,904
Unrestricted	<u>(932,256)</u>	<u>32,311</u>	<u>(899,945)</u>
Total net position	<u>\$ 8,270,914</u>	<u>\$ 52,358</u>	<u>\$ 8,323,272</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

2013

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current and other assets	\$ 8,398,032	\$ 52,240	\$ 8,450,272
Capital assets	<u>13,912,020</u>	<u>13,605</u>	<u>13,925,625</u>
Total assets	<u>22,310,052</u>	<u>65,845</u>	<u>22,375,897</u>
Long-term liabilities	8,983,998	20,971	9,004,969
Other liabilities	<u>1,035,447</u>	<u>68</u>	<u>1,035,515</u>
Total liabilities	<u>10,019,445</u>	<u>21,039</u>	<u>10,040,484</u>
Deferred inflows of resources	<u>4,080,130</u>	<u>-</u>	<u>4,080,130</u>
Net position:			
Net investment in capital assets	5,921,624	13,605	5,935,229
Restricted	2,049,071	-	2,049,071
Unrestricted	<u>239,782</u>	<u>31,201</u>	<u>270,983</u>
Total net position	<u>\$ 8,210,477</u>	<u>\$ 44,806</u>	<u>\$ 8,255,283</u>

A portion of the District's net position (81.5%) reflects its investment in capital assets (e.g., land, land improvements, buildings and building improvements, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The government-wide statements also include \$8,101,567 in long-term liabilities (see Note 6 on page 43), including general obligation bonds, revenue bonds, compensated absences and net OPEB liability.

Restricted net position represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$389,833 or 19.0% over the prior year.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements decreased \$1,170,928 or 432.1% at year end.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Changes in net position. The District's total revenue for the fiscal year ended June 30, 2014 was \$13,376,311 compared to \$12,845,000 at June 30, 2013. The total cost of all programs and services for fiscal year 2014 was \$12,960,237 compared to \$12,213,328 in fiscal year 2013. The following tables present a summary of the changes in net position for the fiscal years ended June 30, 2014 and 2013:

<u>2014</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for service	\$ 1,969,666	\$ 263,611	\$ 2,233,277
Operating grants, contributions and restricted interest	843,098	258,710	1,101,808
General revenues:			
Property tax	4,514,214	-	4,514,214
Statewide sales, services and use tax	757,153	-	757,153
Unrestricted state aid	3,991,477	-	3,991,477
AEA flow through	354,618	-	354,618
Unrestricted investment earnings	1,667	63	1,730
Other	<u>422,034</u>	<u>-</u>	<u>422,034</u>
Total revenues	<u>12,853,927</u>	<u>522,384</u>	<u>13,376,311</u>
Program Expenses:			
Instruction	7,454,775	-	7,454,775
Support services	3,382,864	-	3,382,864
Non-instructional programs	-	524,509	524,509
Other expenditures	<u>1,598,089</u>	<u>-</u>	<u>1,598,089</u>
Total expenses	<u>12,435,728</u>	<u>524,509</u>	<u>12,960,237</u>
 Change in net position	 418,199	 (2,125)	 416,074
Net position beginning of year, as restated	<u>7,852,715</u>	<u>54,483</u>	<u>7,907,198</u>
Net position end of year	<u>\$ 8,270,914</u>	<u>\$ 52,358</u>	<u>\$ 8,323,272</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

2013

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for service	\$ 1,809,924	\$ 259,470	\$ 2,069,394
Operating grants, contributions and restricted interest	838,390	237,260	1,075,650
General revenues:			
Property tax	4,397,768	-	4,397,768
Statewide sales, services and use tax	710,186	-	710,186
Unrestricted student book fees	19,248	-	19,248
Unrestricted state aid	3,977,295	-	3,977,295
AEA flow through	345,322	-	345,322
Unrestricted investment earnings	1,907	45	1,952
Loss on disposition of capital assets	(2,593)	(5,654)	(8,247)
Other	<u>256,432</u>	<u>-</u>	<u>256,432</u>
Total revenues	<u>12,353,879</u>	<u>491,121</u>	<u>12,845,000</u>
Program expenses:			
Instruction	7,150,444	-	7,150,444
Support services	2,899,399	-	2,899,399
Non-instructional programs	-	481,906	481,906
Other expenditures	<u>1,681,579</u>	<u>-</u>	<u>1,681,579</u>
Total expenses	<u>11,731,422</u>	<u>481,906</u>	<u>12,213,328</u>
Change in net position	622,457	9,215	631,672
Net position beginning of year	<u>7,588,020</u>	<u>35,591</u>	<u>7,623,611</u>
Net position end of year	<u>\$ 8,210,477</u>	<u>\$ 44,806</u>	<u>\$ 8,255,283</u>

In fiscal year 2014, property tax, statewide sales, services and use tax and unrestricted state aid account for 69.2% of the total revenue for the year. The District's expenses primarily relate to instruction and support services, which account for 83.6% of the total expenses for fiscal year 2014.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Governmental Activities

Revenues for governmental activities were \$12,853,927 and expenses were \$12,435,728 for June 30, 2014. Revenues for governmental activities at June 30, 2013 were \$12,353,879 and expenses were \$11,731,422.

The following tables present the cost of the District's functional governmental activities. The tables also show each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District taxpayers by each of these functions.

2014

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instruction	\$ 7,454,775	\$ (4,657,704)
Support services		
Student	394,421	(394,421)
Instructional staff	318,613	(318,613)
Administration	1,514,716	(1,514,716)
Operation and maintenance of plant	864,186	(864,186)
Transportation	290,928	(275,235)
Other expenditures		
Facilities acquisition	148,259	(148,259)
Long-term debt interest	281,489	(281,489)
AEA flowthrough	354,618	(354,618)
Depreciation/amortization (unallocated)	812,123	(812,123)
Other expenditures	<u>1,600</u>	<u>(1,600)</u>
Total expenses	<u>\$ 12,435,728</u>	<u>\$(9,622,964)</u>

- The cost of all governmental activities this year was \$12,435,728.
- Federal and State governments and charges for services subsidized certain governmental activities with grants and contributions of \$2,812,764.
- Net cost of governmental activities (\$9,622,964), was financed by general revenues, which are made up of primarily property and statewide sales, services and use tax (\$5,271,367) and state aid (\$3,991,477). Investment earnings and other sources accounted for \$778,319.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

2013

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instruction	\$ 7,150,444	\$ (4,518,515)
Support services		
Student	381,947	(381,947)
Instructional staff	228,943	(228,943)
Administration	1,434,961	(1,434,961)
Operation and maintenance of plant	502,836	(502,836)
Transportation	350,712	(334,327)
Other expenditures		
Facilities acquisition	253,996	(253,996)
Long-term debt interest	312,194	(312,194)
AEA flow through	345,322	(345,322)
Depreciation/amortization (unallocated)	738,295	(738,295)
Other expenditures	<u>31,772</u>	<u>(31,772)</u>
Total expenses	<u>\$ 11,731,422</u>	<u>\$(9,083,108)</u>

- The cost of all governmental activities this year was \$11,731,422.
- Federal and State governments and charges for services subsidized certain governmental activities with grants and contributions of \$2,648,314.
- Net cost of governmental activities (\$9,083,108), was financed by general revenues, which are made up of primarily property and statewide sales, services and use tax (\$5,107,954) and state aid (\$3,977,295). Investment earnings and miscellaneous sources accounted for \$258,339.

Business-Type Activities

Revenues for business-type activities were \$522,384 and expenses were \$524,509 for June 30, 2014. Revenues for business-type activities were \$491,121 and expenses were \$481,906 for June 30, 2013. The District's business-type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

The increase in revenues was a result of an increase in the National School Lunch Program/USDA Program funding attributed to an increase in overall student participation in the School Nutrition Program plus the slight increase in meal prices. The increase in expenses was a direct result of the increase in food/supply prices plus the increase in transportation expenses for both. The increase in wage/utility expenses also contributed to the overall increase in expenses.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

INDIVIDUAL FUND ANALYSIS

As previously noted, Camanche 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 \$3,432,589. This is a combined increase of \$17,297 above last year's ending fund balance of \$3,415,292. The primary reason for the increase in combined fund balances at the end of fiscal year 2014 is due to decreased construction costs in the Capital Projects Fund which directly had an impact on fund balance.

Governmental Fund Highlights

- The General Fund balance decreased from \$1,618,793 to \$1,579,702. The District's decreased General Fund financial position is the result of the District's use of fund balance to meet the financial obligation of salaries and benefits.
- The Debt Service Fund balance increased from \$1,077,291 in fiscal year 2013 to \$1,081,794 in fiscal year 2014. This is due primarily to lower principal and interest payments.
- The Capital Projects Fund balance increased from \$523,690 in fiscal year 2013 to \$550,202 at the end of fiscal year 2014. This increase is due to the balance of construction costs being finalized and diligent monitoring of expenses.

Proprietary Fund Highlights

School Nutrition Fund net position decreased from \$54,483, as restated, at June 30, 2013 to \$52,358 at June 30, 2014, representing a decrease of approximately 3.9%. The District experienced a decrease in net position over the prior year due to the School Nutrition Fund paying for benefits and utilities in FY14.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District did not amend the adopted budget. The District's total revenues were \$713,809 more than budgeted revenues, a variance of 5.6%.

Total expenditures were less than budgeted over all. 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.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2014, the District had invested \$13,070,273 in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net decrease of \$855,352 from last year, primarily due to a restatement of beginning asset values due to the District having a capital asset study performed. Total depreciation expense for the year was \$815,358.

As of June 30, 2013, the District had invested \$13,925,625 in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase of \$114,084 from 2012, primarily due to construction in progress. Total depreciation expense for the year was \$740,557.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2014 and 2013:

2014

	Governmental Activities	Business- Type Activities	Total
Land	\$ 21,939	\$ -	\$ 21,939
Construction in progress	189,860	-	189,860
Land improvements	371,924	-	371,924
Buildings and building improvements	11,779,868	-	11,779,868
Machinery and equipment	<u>686,635</u>	<u>20,047</u>	<u>706,682</u>
Total	<u>\$ 13,050,226</u>	<u>\$ 20,047</u>	<u>\$ 13,070,273</u>

2013

	Governmental Activities	Business- Type Activities	Total
Land	\$ 21,939	\$ -	\$ 21,939
Land improvements	431,694	-	431,694
Buildings and building improvements	12,669,659	-	12,669,659
Machinery and equipment	<u>788,728</u>	<u>13,605</u>	<u>802,333</u>
Total	<u>\$ 13,912,020</u>	<u>\$ 13,605</u>	<u>\$ 13,925,625</u>

Additional information on the District's capital assets can be found in Note 5 on page 42 of this report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Long-Term Debt

At June 30, 2014, the District had \$8,101,567 in general obligation, revenue bond and other long-term debt outstanding. This represents a decrease of 10.0% from the prior year. Additional information about the District's long-term debt is presented in Note 6 on page 43 of this report.

	<u>Amount</u>
General obligation bonds	\$ 1,005,000
Revenue bonds, net of discount	6,285,960
Compensated absences	77,289
Net OPEB liability	<u>733,318</u>
Total	<u>\$ 8,101,567</u>

At June 30, 2013, the District had \$9,004,969 in general obligation, revenue bond and other long-term debt outstanding. This represents a decrease of 8.4% from June 30, 2012.

	<u>Amount</u>
General obligation bonds	\$ 1,505,000
Revenue bonds, net of discount	6,550,395
Compensated absences	129,868
Net OPEB liability	<u>819,706</u>
Total	<u>\$ 9,004,969</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

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:

- The significant increase in the cost of fuel, cost of supplies, and cost of transportation in general.
- Continued evaluation of the condition of the transportation vehicles and the rotation for replacement of these vehicles. Future purchases will be LOSST/SAVE expenditures or PPEL expenditures.
- The District has moved to a split funding status with Health Care/Prescription Drug Insurance and has offered a Health Reimbursement Arrangement to the employees. These two areas are constantly being monitored.
- The negotiation of salaries and benefits for all District employees.
- Continued evaluation of the need for technology upgrades (both hardware and software) and textbook purchases.
- The increase or decline in student enrollment.
- The stability of the District's Unspent Balance and overall Financial Solvency.
- Continued evaluation of the District-wide infrastructure.

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 Business and Finance Office, Camanche Community School District, 702 13th Avenue, Camanche, Iowa 52730.

BASIC FINANCIAL STATEMENTS

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
Year Ended June 30, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and pooled investments	\$ 3,461,024	\$ 47,240	\$ 3,508,264
Receivables:			
Property tax:			
Delinquent	26,753	-	26,753
Succeeding year	4,335,288	-	4,335,288
Accounts	14,670	-	14,670
Due from other governments	878,129	-	878,129
Prepaid expenditures	750	-	750
Inventories	-	4,063	4,063
Capital assets, net of accumulated depreciation/amortization	<u>13,050,226</u>	<u>20,047</u>	<u>13,070,273</u>
Total assets	<u>21,766,840</u>	<u>71,350</u>	<u>21,838,190</u>
LIABILITIES			
Accounts payable	101,876	-	101,876
Salaries and benefits payable	846,861	39	846,900
Accrued interest payable	129,287	-	129,287
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	505,000	-	505,000
Revenue bonds	285,000	-	285,000
Compensated absences	77,289	-	77,289
Portion due after one year:			
General obligation bonds	500,000	-	500,000
Revenue bonds, net of discount	6,000,960	-	6,000,960
Net OPEB liability	<u>714,365</u>	<u>18,953</u>	<u>733,318</u>
Total liabilities	<u>9,160,638</u>	<u>18,992</u>	<u>9,179,630</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	<u>4,335,288</u>	<u>-</u>	<u>4,335,288</u>
NET POSITION			
Net investment in capital assets	6,764,266	20,047	6,784,313
Restricted for:			
Categorical funding	83,217	-	83,217
Debt service	1,730,888	-	1,730,888
Management levy purposes	64,524	-	64,524
Student activities	128,198	-	128,198
School infrastructure	252,663	-	252,663
Physical plant and equipment	151,245	-	151,245
Other special revenue purposes	28,169	-	28,169
Unrestricted	<u>(932,256)</u>	<u>32,311</u>	<u>(899,945)</u>
Total net position	<u>\$ 8,270,914</u>	<u>\$ 52,358</u>	<u>\$ 8,323,272</u>

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014**

<u>Functions/Programs:</u>	Program Revenues		
	Expenses	Charges for Service	Operating Grants, Contributions, and Restricted Interest
Governmental activities:			
Instruction	\$ 7,454,775	\$ 1,960,960	\$ 836,111
Support services:			
Student	394,421	-	-
Instructional staff	318,613	-	-
Administration	1,514,716	-	-
Operation and maintenance of plant	864,186	-	-
Transportation	290,928	8,706	6,987
	3,382,864	8,706	6,987
Other expenditures:			
Facilities acquisition	148,259	-	-
Long-term debt interest	281,489	-	-
AEA flowthrough	354,618	-	-
Depreciation/amortization (unallocated)	812,123	-	-
Other expenditures	1,600	-	-
	1,598,089	-	-
Total governmental activities	12,435,728	1,969,666	843,098
Business-type activities:			
Non-instructional programs:			
Food service operations	524,509	263,611	258,710
Total	\$ 12,960,237	\$ 2,233,277	\$ 1,101,808
General revenues:			
Property tax levied for:			
General purposes			
Debt service			
Capital outlay			
Statewide sales, services and use tax			
Unrestricted state aid			
AEA flowthrough			
Unrestricted investment earnings			
Other			
Total general revenues			

CHANGE IN NET POSITION

NET POSITION BEGINNING OF YEAR, AS RESTATED

NET POSITION END OF YEAR

See notes to financial statements.

**Net (Expense) Revenue
and Changes in Net Position**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (4,657,704)	\$ -	\$ (4,657,704)
(394,421)	-	(394,421)
(318,613)	-	(318,613)
(1,514,716)	-	(1,514,716)
(864,186)	-	(864,186)
(275,235)	-	(275,235)
<u>(3,367,171)</u>	<u>-</u>	<u>(3,367,171)</u>
(148,259)	-	(148,259)
(281,489)	-	(281,489)
(354,618)	-	(354,618)
(812,123)	-	(812,123)
(1,600)	-	(1,600)
<u>(1,598,089)</u>	<u>-</u>	<u>(1,598,089)</u>
(9,622,964)	-	(9,622,964)
-	(2,188)	(2,188)
<u>(9,622,964)</u>	<u>(2,188)</u>	<u>(9,625,152)</u>
3,976,455	-	3,976,455
454,088	-	454,088
83,671	-	83,671
757,153	-	757,153
3,991,477	-	3,991,477
354,618	-	354,618
1,667	63	1,730
422,034	-	422,034
<u>10,041,163</u>	<u>63</u>	<u>10,041,226</u>
418,199	(2,125)	416,074
<u>7,852,715</u>	<u>54,483</u>	<u>7,907,198</u>
<u>\$ 8,270,914</u>	<u>\$ 52,358</u>	<u>\$ 8,323,272</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

ASSETS

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Cash, cash equivalents and pooled investments	\$ 1,860,698	\$ 1,078,741	\$ 297,899	\$ 223,686	\$ 3,461,024
Receivables:					
Property tax:					
Delinquent	21,646	3,053	563	1,491	26,753
Succeeding year	3,476,267	513,775	95,246	250,000	4,335,288
Accounts	14,670	-	-	-	14,670
Due from other governments	605,820	-	272,309	-	878,129
Prepaid expenditures	-	-	750	-	750
TOTAL ASSETS	\$ 5,979,101	\$ 1,595,569	\$ 666,767	\$ 475,177	\$ 8,716,614

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND FUND BALANCES**

Liabilities:					
Accounts payable	\$ 76,271	\$ -	\$ 21,319	\$ 4,286	\$ 101,876
Salaries and benefits payable	846,861	-	-	-	846,861
Total liabilities	<u>923,132</u>	<u>-</u>	<u>21,319</u>	<u>4,286</u>	<u>948,737</u>

Deferred inflows of resources:

Unavailable revenues:					
Succeeding year property tax	3,476,267	513,775	95,246	250,000	4,335,288

Fund balances:

Nonspendable:					
Prepaid expenditures	-	-	750	-	750
Restricted for:					
Categorical funding	83,217	-	-	-	83,217
Debt service	-	1,081,794	145,544	-	1,227,338
Management levy purposes	-	-	-	64,524	64,524
Student activities	-	-	-	128,198	128,198
School infrastructure	-	-	252,663	-	252,663
Physical plant and equipment	-	-	151,245	-	151,245
Other purposes	-	-	-	28,169	28,169
Unassigned	1,496,485	-	-	-	1,496,485
Total fund balances	<u>1,579,702</u>	<u>1,081,794</u>	<u>550,202</u>	<u>220,891</u>	<u>3,432,589</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES**

	\$ 5,979,101	\$ 1,595,569	\$ 666,767	\$ 475,177	\$ 8,716,614
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See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2014**

Total fund balances of governmental funds (page 24)	\$ 3,432,589
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	13,050,226
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.	(129,287)
Long-term liabilities, including bonds payable, compensated absences payable and other postemployment benefits payable, are not due and payable in the current year and, therefore, are not reported in the governmental funds.	<u>(8,082,614)</u>
Net position of governmental activities (page 21)	<u>\$ 8,270,914</u>

See notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES:					
Local sources:					
Local tax	\$ 3,650,829	\$ 516,736	\$ 95,215	\$ 251,434	\$ 4,514,214
Tuition	1,523,133	-	-	-	1,523,133
Other	230,031	55	179,546	460,602	870,234
State sources	5,007,100	-	757,153	-	5,764,253
Federal sources	182,093	-	-	-	182,093
	<u>10,593,186</u>	<u>516,791</u>	<u>1,031,914</u>	<u>712,036</u>	<u>12,853,927</u>
Total revenues					
EXPENDITURES:					
Current:					
Instruction	7,083,927	-	-	441,754	7,525,681
Support services:					
Student	399,239	-	-	-	399,239
Instructional staff	289,397	-	36,987	-	326,384
Administration	1,479,325	-	-	103,125	1,582,450
Operation and maintenance of plant	811,073	-	-	62,686	873,759
Transportation	293,796	-	-	-	293,796
	<u>3,272,830</u>	<u>-</u>	<u>36,987</u>	<u>165,811</u>	<u>3,475,628</u>
Other expenditures:					
Facilities acquisition	-	-	429,629	-	429,629
Long-term debt:					
Principal	-	770,000	-	-	770,000
Interest and fiscal charges	-	279,474	-	-	279,474
AEA flowthrough	354,618	-	-	-	354,618
Other expenditures	-	1,600	-	-	1,600
	<u>354,618</u>	<u>1,051,074</u>	<u>429,629</u>	<u>-</u>	<u>1,835,321</u>
Total expenditures	<u>10,711,375</u>	<u>1,051,074</u>	<u>466,616</u>	<u>607,565</u>	<u>12,836,630</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(118,189)</u>	<u>(534,283)</u>	<u>565,298</u>	<u>104,471</u>	<u>17,297</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	79,098	538,786	-	-	617,884
Operating transfers out	-	-	(538,786)	(79,098)	(617,884)
Total other financing sources (uses)	<u>79,098</u>	<u>538,786</u>	<u>(538,786)</u>	<u>(79,098)</u>	<u>-</u>
CHANGE IN FUND BALANCES	(39,091)	4,503	26,512	25,373	17,297
FUND BALANCES BEGINNING OF YEAR	<u>1,618,793</u>	<u>1,077,291</u>	<u>523,690</u>	<u>195,518</u>	<u>3,415,292</u>
FUND BALANCES END OF YEAR	<u>\$ 1,579,702</u>	<u>\$ 1,081,794</u>	<u>\$ 550,202</u>	<u>\$ 220,891</u>	<u>\$ 3,432,589</u>

See notes to financial statements.

**CAMANCHE 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, 2014**

Change in fund balances - total governmental funds (page 26) \$ 17,297

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation/amortization expense in the Statement of Activities. Depreciation/amortization expense exceeded capital outlay expenditures in the current year, as follows:

Expenditures for capital assets	\$ 308,091	
Depreciation/amortization expense	<u>(812,123)</u>	(504,032)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repaid	770,000	
Amortization of discount and bond issuance costs	<u>(5,565)</u>	764,435

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

3,550

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:

Compensated absences	52,579	
Other postemployment benefits	<u>84,370</u>	<u>136,949</u>

Change in net position of governmental activities (page 23) **\$ 418,199**

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2014**

	Enterprise Fund - <u>School Nutrition</u>
ASSETS	
Current assets:	
Cash, cash equivalents and pooled investments	\$ 47,240
Inventories	<u>4,063</u>
Total current assets	51,303
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>20,047</u>
Total assets	<u>71,350</u>
LIABILITIES	
Current liabilities:	
Salaries and benefits payable	<u>39</u>
Noncurrent liabilities:	
Net OPEB liability	<u>18,953</u>
Total liabilities	<u>18,992</u>
NET POSITION	
Net investment in capital assets	20,047
Unrestricted	<u>32,311</u>
Total net position	<u>\$ 52,358</u>

See notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2014

	Enterprise Fund - <u>School Nutrition</u>
OPERATING REVENUES:	
Local sources:	
Charges for service	\$ <u>263,611</u>
OPERATING EXPENSES:	
Non-instructional programs:	
Food service operations:	
Salaries	144,357
Benefits	33,385
Purchased services	1,380
Supplies	340,672
Depreciation	3,235
Other	<u>1,480</u>
Total operating expenses	<u>524,509</u>
Operating loss	<u>(260,898)</u>
NON-OPERATING REVENUES:	
State sources	4,834
Federal sources:	
Federal food commodities	16,496
Federal subsidy	237,380
Interest income	<u>63</u>
Total non-operating revenues	<u>258,773</u>
DECREASE IN NET POSITION	(2,125)
NET POSITION BEGINNING OF YEAR, AS RESTATED	<u>54,483</u>
NET POSITION END OF YEAR	<u>\$ 52,358</u>

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2014**

	Enterprise Fund - <u>School Nutrition</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from sale of lunches and breakfasts	\$ 263,611
Cash paid to employees for services	(179,789)
Cash paid to suppliers for goods and services	<u>(347,595)</u>
Net cash used in operating activities	<u>(263,773)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State grants received	4,834
Federal grants received	<u>253,876</u>
Net cash provided by non-capital financing activities	<u>258,710</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	<u>63</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,000)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>52,240</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 47,240</u>

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2014

Enterprise
Fund -
School Nutrition

RECONCILIATION OF OPERATING LOSS TO
NET CASH USED IN OPERATING ACTIVITIES:

Operating loss	\$	(260,898)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		3,235
Increase in inventories		(4,063)
Decrease in accrued payroll		(29)
Decrease in OPEB liability		<u>(2,018)</u>
Net cash used in operating activities	\$	<u>(263,773)</u>

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

During the year ended June 30, 2014, the District received \$16,496 of federal commodities.

See notes to the financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2014**

	Private Purpose Trust <u>Scholarship</u>	<u>Agency</u>
ASSETS		
Cash, cash equivalents and pooled investments	\$ <u>13,855</u>	\$ <u>3,687</u>
LIABILITIES		
Due to others	<u>-</u>	<u>3,687</u>
NET POSITION		
Reserved for scholarships	\$ <u>13,855</u>	\$ <u>-</u>

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2014**

	Private Purpose Trust <u>Scholarship</u>
ADDITIONS:	
Local sources:	
Memorials/contributions	\$ <u>3,800</u>
DEDUCTIONS	
Support services:	
Scholarships awarded	<u>3,500</u>
CHANGE IN NET POSITION	300
NET POSITION BEGINNING OF YEAR	<u>13,555</u>
NET POSITION END OF YEAR	<u>\$ 13,855</u>

See notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

For financial reporting purposes, Camanche Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. The District has no component units which meet the Governmental Accounting Standards Board criteria.

B. Basis of Presentation

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

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

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

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

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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 that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as 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 utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

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

The District reports the following major proprietary fund:

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

The District also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary funds include the following:

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (continued)

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

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

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1.5% per month penalty for delinquent payments; is based on January 1, 2012 assessed property valuations; is for the tax accrual period July 1, 2013 through June 30, 2014 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2013.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity (continued)

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

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

Capital Assets - Capital assets, which include property, furniture and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair 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.

Land	\$ 500
Land improvements	500
Buildings and building improvements	500
Machinery and equipment	500

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

Buildings	20-50 years
Improvements other than buildings	20-50 years
Machinery and equipment	5-20 years

Impairment of Long-Lived Assets - The District reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

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

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity (continued)

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 government-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, 2014. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

Deferred Inflows of Resources - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources 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 year. Deferred inflows of resources consists of property tax receivable and other receivables not collected within sixty days after year end.

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

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

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

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

Unassigned - All amounts not included in the preceding classifications.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2014, expenditures did not exceed the amounts budgeted and the District did not exceed its General Fund unspent authorized budget.

F. Subsequent Events

Management has evaluated subsequent events through December 9, 2014, the date the financial statements were available to be issued.

NOTE 2 - CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The District's deposits in banks at June 30, 2014 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2014, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$1,092,242 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Schools Joint Investment Trust was rated AAAM by Standard & Poor's Financial Services.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 3 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2014 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 79,098	\$ -
Debt service fund	538,786	-
Capital projects fund	-	538,786
Management levy fund	-	79,098
Total	<u>\$ 617,884</u>	<u>\$ 617,884</u>

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

NOTE 4 - IOWA SCHOOL CASH ANTICIPATION PROGRAM (ISCAP)

The District participates in the Iowa School Cash Anticipation Program (ISCAP). ISCAP is a program of the Iowa Association of School Boards and is designed to provide funds to participating entities during periods of cash deficits. ISCAP is funded by an annual issuance of anticipatory warrants. The warrant sizing of each school corporation is based on a projection of cash flow needs during the fiscal year. Bankers Trust Co. NA is the trustee for the program.

The District pledges its state foundation aid payments and General Fund receipts as security for the warrants issued. Repayments must be made when General Fund receipts are received. The District must make minimum warrant repayments on the 25th of each month immediately following the final date that the warrant proceeds may be used in an amount equal to 25% of the warrant amount. The Series 2013-2014 ONE included taxable warrants only. The interest rates on the Series 2013-2014 ONE warrants are variable rates, calculated daily, based on the one-month LIBOR rate plus 105 basis points. The LIBOR rate at June 30, 2014 was 0.1524%. A summary of the District's ISCAP activity for the year ended June 30, 2014 is as follows:

<u>Series</u>	<u>Warrant Date</u>	<u>Final Warrant Maturity</u>	<u>Balance Beginning of Year</u>	<u>Advances Received</u>	<u>Advances Repaid</u>	<u>Balance End of Year</u>
2012-2013	6/27/12	12/1/13	\$ -	\$ 750,000	\$ 750,000	\$ -
2013-2014	6/26/13	12/1/14	\$ -	\$ 600,000	\$ 600,000	\$ -

During the year ended June 30, 2014, the District paid \$1,555 of interest on the ISCAP warrants.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014 was as follows:

	<u>Balance Beginning of Year, as Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 21,939	\$ -	\$ -	\$ 21,939
Construction in progress	<u>-</u>	<u>189,860</u>	<u>-</u>	<u>189,860</u>
Total capital assets, not being depreciated/amortized	<u>21,939</u>	<u>189,860</u>	<u>-</u>	<u>211,799</u>
Capital assets, being depreciated/amortized:				
Land improvements	1,218,505	-	-	1,218,505
Buildings and building improvements	20,595,938	84,429	-	20,680,367
Machinery and equipment	<u>3,104,778</u>	<u>33,802</u>	<u>-</u>	<u>3,138,580</u>
Total capital assets being depreciated/amortized, as restated	<u>24,919,221</u>	<u>118,231</u>	<u>-</u>	<u>25,037,452</u>
Less accumulated depreciated/amortization for:				
Land improvements	802,571	44,010	-	846,581
Buildings and building improvements	8,374,251	526,248	-	8,900,499
Machinery and equipment	<u>2,210,080</u>	<u>241,865</u>	<u>-</u>	<u>2,451,945</u>
Total accumulated depreciation/amortization, as restated	<u>11,386,902</u>	<u>812,123</u>	<u>-</u>	<u>12,199,025</u>
Total capital assets being depreciated, net, as restated	<u>13,532,319</u>	<u>(693,892)</u>	<u>-</u>	<u>12,838,427</u>
Governmental activities net	<u>\$13,554,258</u>	<u>\$ (504,032)</u>	<u>\$ -</u>	<u>\$13,050,226</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Business type activities:				
Furniture and equipment	\$ 153,816	\$ -	\$ -	\$ 153,816
Less accumulated depreciation	<u>130,534</u>	<u>3,235</u>	<u>-</u>	<u>133,769</u>
Business type activities capital assets, net, as restated	<u>\$ 23,282</u>	<u>\$ (3,235)</u>	<u>\$ -</u>	<u>\$ 20,047</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Support services:	
Depreciation (unallocated)	<u>\$ 812,123</u>
Business type activities:	
Food service operations	<u>\$ 3,235</u>

NOTE 6 - LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2014 are summarized as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 1,505,000	\$ -	\$ 500,000	\$ 1,005,000	\$ 505,000
Revenue bonds	6,645,000	-	270,000	6,375,000	285,000
Less bond discount	(94,605)	-	(5,565)	(89,040)	-
Compensated absences	129,868	-	52,579	77,289	77,289
Net OPEB liability	<u>798,735</u>	<u>-</u>	<u>84,370</u>	<u>714,365</u>	<u>-</u>
Total	<u>\$ 8,983,998</u>	<u>\$ -</u>	<u>\$ 901,384</u>	<u>\$ 8,082,614</u>	<u>\$ 867,289</u>
Business type activities:					
Net OPEB liability	<u>\$ 20,971</u>	<u>\$ -</u>	<u>\$ 2,018</u>	<u>\$ 18,953</u>	<u>\$ -</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

On October 25, 2012, the District issued \$2,030,000 in General Obligation Refunding Bonds with an interest rate of 1.000%. The District issued the bonds to call \$1,965,000 of the outstanding General Obligation Bonds issued May 30, 2007, with interest rates of 4.000%. The refunding reduced total debt service payments over the next three years by \$78,120. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$76,362.

General Obligation Bonds

Details of the District's June 30, 2014 general obligation bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Bonds Issued on October 25, 2012</u>			
	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	1.000%	\$ 505,000	\$ 8,775	\$ 513,775
2016	1.000%	<u>500,000</u>	<u>3,750</u>	<u>503,750</u>
Total		<u>\$ 1,005,000</u>	<u>\$ 12,525</u>	<u>\$ 1,017,525</u>

Revenue Bonds

Details of the District's June 30, 2014 statewide sales, services and use tax revenue bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Bonds Issued on July 8, 2010</u>			
	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	3.250%	\$ 285,000	\$ 256,899	\$ 541,899
2016	3.250%	295,000	247,636	542,636
2017	3.500%	305,000	238,049	543,049
2018	3.700%	320,000	228,136	548,136
2019	4.000%	335,000	216,936	551,936
2020-2024	4.050-4.200%	1,905,000	874,806	2,779,806
2025-2029	4.250-4.375%	2,380,000	438,955	2,818,955
2030	4.375%	<u>550,000</u>	<u>24,063</u>	<u>574,063</u>
Total		<u>\$ 6,375,000</u>	<u>\$ 2,525,480</u>	<u>\$ 8,900,480</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds (continued)

The District has pledged future statewide sales, services and use tax revenues to repay the \$7,420,000 of bonds issued in July 2010. The bonds were issued for the purpose of financing the costs related to renovation and construction taking place at the elementary and middle schools. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 100% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$8,900,480. For the current year, total principal and interest paid was \$535,674 and total statewide sales, services and use tax revenues were \$757,153.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds includes the following provisions:

- a) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- b) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- c) Monies in the revenue account shall next be disbursed to establish and maintain a reserve account.
- d) Any monies remaining in the revenue account after the required transfers to the sinking account and reserve account may be transferred to any of the funds created by the Resolution and may be used to pay or redeem any of the bonds or for any lawful purpose.

NOTE 7 - OPERATING LEASES

The District has several operating leases for equipment. These leases have been classified as operating leases and, accordingly, all rents are charged to expenditures as incurred. The leases expire in 2015. All of the leases require the payment of normal maintenance. In most cases, management expects the leases will be renewed or replaced by other leases.

The following is a schedule by year of future minimum rental payments required under the operating leases.

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	<u>\$ 4,446</u>

Total rental expenditures for the year ended June 30, 2014 for the operating leases were \$7,621.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 8 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments by fund as of June 30, 2014 are as follows:

	<u>General Fund</u>
State appropriations:	
Vocational aid	\$ 14,098
Nonpublic pupil transportation	6,987
Federal appropriations:	
Title I	25,838
Title II	28,590
Title IV	1,180
Aids Education	339
Miscellaneous:	
Other	<u>528,788</u>
Total due from other governments	<u>\$ 605,820</u>
	<u>Capital Projects Fund</u>
Miscellaneous	
Statewide sales, services and use tax	<u>\$ 272,309</u>

NOTE 9 - PENSION AND RETIREMENT BENEFITS

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

Plan members are required to contribute 5.95% of their annual covered salary and the District is required to contribute 8.93% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2014, 2013, and 2012 were \$568,179, \$537,393, and \$489,381, respectively, equal to the required contributions for each year.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 10 - 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 100 active and 20 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 Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

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

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

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2014, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 64,058
Interest on net OPEB obligation	36,887
Adjustment to annual required contribution	<u>(32,433)</u>
Annual OPEB cost	68,512
Contributions made	<u>(154,900)</u>
Decrease in net OPEB obligation	(86,388)
Net OPEB obligation beginning of year	<u>819,706</u>
Net OPEB obligation end of year	<u><u>\$ 733,318</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, 2014.

For the year ended June 30, 2014, the District contributed \$154,900 to the medical plan. Plan members eligible for benefits contributed 100% of the premium costs.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2014 are summarized as follows:

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 566,908	40.4%	\$ 934,758
June 30, 2013	72,281	259.2%	819,706
June 30, 2014	68,512	226.1%	733,318

Funded Status and Funding Progress - As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2013 through June 30, 2014, the actuarial accrued liability was \$992,909, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$992,909. The covered payroll (annual payroll of active employees covered by the plan) was \$5,096,312, and the ratio of the UAAL to covered payroll was 19.5%. As of June 30, 2014, 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 for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2012 actuarial valuation date, the unit credit cost method was used. The actuarial assumptions include a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 8.5%. The ultimate medical trend rate is 5%. The medical trend rate is reduced 0.5% each year until reaching the ultimate trend rate.

Mortality rates are from the RP-2000 Combined Healthy Generational Mortality Table. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011.

The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 11 - RISK MANAGEMENT

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

NOTE 12 - 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 \$354,618 for the year ended June 30, 2014 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

NOTE 13 - CONTINGENT LIABILITY

In accordance with Iowa Code, the District has elected to reimburse the Iowa Employment Security Commission for benefits paid by the commission to former employees of the District. This election is in lieu of the District making deposits with the Commission based on a predetermined contribution rate. The amount of the contingent liability for future payments is indeterminable.

NOTE 14 - CONSTRUCTION COMMITMENT

The District has entered into contracts totaling \$196,000 for services related to the lighting project at the football stadium. As of June 30, 2014, costs of \$180,210 had been incurred against the contracts. The remaining balance of \$15,790 at June 30, 2014 will be paid as work on the projects progress.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 15 - RESTATEMENT OF NET POSITION

During the fiscal year 2014, the District had a capital asset study performed. This resulted in the need to restate beginning net position as well as beginning capital asset balances. The overall effect of the restatement is detailed below.

	Governmental Activities
Beginning Net Position, as previously reported	\$ 8,210,477
Capital asset balances overstated	<u>(357,762)</u>
Beginning Net Position, as restated	<u>\$ 7,852,715</u>
Business-Type Activities	
Beginning Net Position, as previously reported	\$ 44,806
Capital asset balances understated	<u>9,677</u>
Beginning Net Position, as restated	<u>\$ 54,483</u>

NOTE 16 - SUBSEQUENT EVENT

On September 19, 2014, the District entered into an operating lease with Dell Financial Services totaling \$146,736 for high school technology equipment.

This information is an integral part of the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CAMANCHE COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUND
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2014

	Governmental Funds		Proprietary Fund		Total Actual	Budgeted Amounts		Final to Actual Variance
	Actual		Actual			Original	Final	
REVENUES:								
Local sources	\$ 6,907,581	\$ 263,674	\$ 7,171,255	\$ 7,409,423	\$ 7,409,423	\$ (238,168)		
State sources	5,764,253	4,834	5,769,087	4,815,079	4,815,079	954,008		
Federal sources	182,093	253,876	435,969	438,000	438,000	(2,031)		
Total revenues	<u>12,853,927</u>	<u>522,384</u>	<u>13,376,311</u>	<u>12,662,502</u>	<u>12,662,502</u>	<u>713,809</u>		
EXPENDITURES:								
Instruction	7,525,681	-	7,525,681	7,866,239	7,866,239	340,558		
Support services	3,475,628	-	3,475,628	3,948,068	3,948,068	472,440		
Non-instructional programs	-	524,509	524,509	563,000	563,000	38,491		
Other expenditures	1,835,321	-	1,835,321	2,127,108	2,127,108	291,787		
Total expenditures/expenses	<u>12,836,630</u>	<u>524,509</u>	<u>13,361,139</u>	<u>14,504,415</u>	<u>14,504,415</u>	<u>1,143,276</u>		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	17,297	(2,125)	15,172	(1,841,913)	(1,841,913)	1,857,085		
OTHER FINANCING SOURCES, NET	-	-	-	550,000	550,000	(550,000)		
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES/EXPENSES AND OTHER FINANCING USES	17,297	(2,125)	15,172	(1,291,913)	(1,291,913)	1,307,085		
BALANCES BEGINNING OF YEAR, AS RESTATED	<u>3,415,292</u>	<u>54,483</u>	<u>3,469,775</u>	<u>2,303,988</u>	<u>2,303,988</u>	<u>1,165,787</u>		
BALANCES END OF YEAR	<u>\$ 3,432,589</u>	<u>\$ 52,358</u>	<u>\$ 3,484,947</u>	<u>\$ 1,012,075</u>	<u>\$ 1,012,075</u>	<u>\$ 2,472,872</u>		

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY REPORTING
Year Ended June 30, 2014**

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. 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 functional 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 did not make any amendments to the adopted budget.

During the year ended June 30, 2014, expenditures did not exceed the amounts budgeted and the District did not exceed its General Fund unspent authorized budget.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
(In Thousands)**

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UALL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	-	\$ 4,370	\$ 4,370	0.00%	\$ 4,591	94.0%
2011	July 1, 2009	-	4,314	4,314	0.00%	4,736	91.9%
2012	July 1, 2009	-	4,041	4,041	0.00%	4,844	83.4%
2013	July 1, 2012	-	993	993	0.00%	4,383	22.7%
2014	July 1, 2012	-	993	993	0.00%	5,100	19.5%

See Note 10 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

See accompanying independent auditor's report.

SUPPLEMENTARY INFORMATION

**CAMANACHE COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014**

ASSETS	Management Levy	Student Activity	Klinge Library Fund	Other Funds	Total
Cash, cash equivalents and pooled investments	\$ 63,366	\$ 131,934	\$ 25,316	\$ 3,070	\$ 223,686
Receivables:					
Property tax:					
Delinquent	1,491	-	-	-	1,491
Succeeding year	250,000	-	-	-	250,000
TOTAL ASSETS	\$ 314,857	\$ 131,934	\$ 25,316	\$ 3,070	\$ 475,177

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND FUND BALANCES**

Liabilities:					
Accounts payable	\$ 333	\$ 3,736	\$ -	\$ 217	\$ 4,286
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	250,000	-	-	-	250,000
Fund balances:					
Restricted for:					
Management levy purposes	64,524	-	-	-	64,524
Student activities	-	128,198	-	-	128,198
Other purposes	-	-	25,316	2,853	28,169
Total fund balances	64,524	128,198	25,316	2,853	220,891
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 314,857	\$ 131,934	\$ 25,316	\$ 3,070	\$ 475,177

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2014**

	Management Levy	Student Activity	Klinge Library Fund	Other Funds	Total
REVENUES:					
Local sources:					
Local tax	\$ 251,434	-	-	-	\$ 251,434
Other	<u>2,254</u>	<u>406,944</u>	<u>3</u>	<u>51,401</u>	<u>460,602</u>
Total revenues	<u>253,688</u>	<u>406,944</u>	<u>3</u>	<u>51,401</u>	<u>712,036</u>
EXPENDITURES:					
Current:					
Instruction	7,738	379,356	-	54,660	441,754
Support services:					
Administration	103,125	-	-	-	103,125
Operation and maintenance of plant	<u>62,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,686</u>
Total expenditures	<u>173,549</u>	<u>379,356</u>	<u>-</u>	<u>54,660</u>	<u>607,565</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	80,139	27,588	3	(3,259)	104,471
OTHER FINANCING USES:					
Operating transfers out	<u>(79,098)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,098)</u>
CHANGE IN FUND BALANCES	1,041	27,588	3	(3,259)	25,373
FUND BALANCES BEGINNING OF YEAR	<u>63,483</u>	<u>100,610</u>	<u>25,313</u>	<u>6,112</u>	<u>195,518</u>
FUND BALANCES END OF YEAR	<u>\$ 64,524</u>	<u>\$ 128,198</u>	<u>\$ 25,316</u>	<u>\$ 2,853</u>	<u>\$ 220,891</u>

See accompanying independent auditor's report.

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2014

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues and Interfund Transfers</u>	<u>Expenditures</u>	<u>Balance End of Year</u>
Drama	\$ 5,496	\$ 8,526	\$ 4,292	\$ 9,730
MS drama	2,031	2,679	1,795	2,915
Speech	-	1,944	1,944	-
Music boosters	8,123	2,083	2,305	7,901
Band boosters	5,906	21,098	24,631	2,373
Fine arts boosters	5,777	6,459	8,998	3,238
Cross country	-	1,164	1,164	-
Boys basketball	1,290	4,223	4,790	723
Boys football	2,665	13,807	9,698	6,774
Boys bowling	-	4,303	4,303	-
Boys baseball	600	6,920	7,520	-
Boys track	-	12,175	12,175	-
Boys tennis	-	1,873	1,873	-
Boys golf	-	1,048	1,048	-
Boys wrestling	-	8,838	8,838	-
Girls basketball	2,535	9,766	12,301	-
Girls volleyball	892	3,010	3,261	641
Girls softball	400	4,903	5,303	-
Girls track	-	3,711	3,711	-
Girls tennis	-	2,734	2,542	192
Girls golf	-	1,809	1,809	-
Gate change	-	1,200	1,200	-
Indian basketball - boys	4,623	10,856	11,078	4,401
Indian basketball - girls	6,813	13,096	11,548	8,361
Indian volleyball	1,037	6,305	7,206	136
Indian baseball	-	8,631	7,054	1,577
Indian softball	1,086	5,013	3,244	2,855
Indian football	-	11,194	11,194	-
Weight lifting club	-	1,449	722	727
Summer tennis	3,064	2,915	3,735	2,244
Activity tickets	-	7,753	7,753	-
Junior wrestling	14,654	23,190	14,949	22,895
WR cheerleaders	-	292	292	-
BB cheerleaders	-	137	-	137
Football cheerleaders	354	2,444	2,316	482
Dance team	7	-	-	7
MS cheerleaders	-	152	-	152
Athletic boosters	63	57,661	54,726	2,998
Gaming license	98	157	100	155
Athletic corporate	1,753	25,982	27,735	-
Athletic fund raising/corporate	3,508	15,026	7,816	10,718
Athletic booster apparel	-	5,448	5,239	209
T & I Club	24	-	-	24
Camanche Teen Club	1,971	26,944	23,992	4,923
Peer Helpers	282	-	-	282

**SCHEDULE 3
(CONTINUED)**

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2014**

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues and Interfund Transfers</u>	<u>Expenditures</u>	<u>Balance End of Year</u>
DJ Club	\$ 119	\$ 50	\$ 125	\$ 44
National Honor Society	682	1,119	1,606	195
Student Council	2,469	6,227	5,803	2,893
Business Club	5,483	2,053	1,552	5,984
Industrial Arts Club	842	2,421	3,187	76
Key Club	358	772	801	329
Spanish Club	497	118	190	425
Securities/investments	56	408	452	12
Class of 2011	2	-	2	-
Class of 2012	258	-	258	-
Class of 2013	835	60	895	-
Class of 2014	2,570	150	677	2,043
Class of 2015	608	16,040	13,252	3,396
Class of 2016	42	780	57	765
Class of 2017	-	256	199	57
Garden Club	458	615	358	715
Elementary school activity snacks	4,966	10,369	6,816	8,519
Elementary music	925	405	912	418
Elementary book fair	115	4,384	4,384	115
Junior high activity snacks	125	4,123	4,248	-
High school activity snacks	1,069	3,583	3,866	786
High school concession sales	1,871	2,008	1,906	1,973
Middle school book fair	-	1,610	1,610	-
MS Pride Fair	1,243	440	-	1,683
Unreserved	(35)	35	-	-
TOTAL	<u>\$ 100,610</u>	<u>\$ 406,944</u>	<u>\$ 379,356</u>	<u>\$ 128,198</u>

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECT ACCOUNTS
June 30, 2014**

	<u>Statewide Sales, Services and Use Tax</u>	<u>Physical Plant and Equipment Levy</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and pooled investments	\$ 145,544	\$ 152,355	\$ 297,899
Receivables:			
Property tax:			
Delinquent	-	563	563
Succeeding year	-	95,246	95,246
Due from other governments	272,309	-	272,309
Prepaid expenditures	<u>750</u>	<u>-</u>	<u>750</u>
TOTAL ASSETS	<u>\$ 418,603</u>	<u>\$ 248,164</u>	<u>\$ 666,767</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	<u>\$ 19,646</u>	<u>\$ 1,673</u>	<u>\$ 21,319</u>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	<u>-</u>	<u>95,246</u>	<u>95,246</u>
Fund balances:			
Nonspendable:			
Prepaid expenditures	750	-	750
Restricted for:			
Debt service	145,544	-	145,544
School infrastructure	252,663	-	252,663
Physical plant and equipment	<u>-</u>	<u>151,245</u>	<u>151,245</u>
Total fund balances	<u>398,957</u>	<u>151,245</u>	<u>550,202</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 418,603</u>	<u>\$ 248,164</u>	<u>\$ 666,767</u>

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECT ACCOUNTS
Year Ended June 30, 2014**

	<u>Statewide Sales, Services and Use Tax</u>	<u>Physical Plant and Equipment Levy</u>	<u>Total</u>
REVENUES:			
Local sources:			
Local tax	\$ -	\$ 95,215	\$ 95,215
Other	179,437	109	179,546
State sources	<u>757,153</u>	<u>-</u>	<u>757,153</u>
Total revenues	<u>936,590</u>	<u>95,324</u>	<u>1,031,914</u>
EXPENDITURES:			
Support services:			
Instructional staff	36,987	-	36,987
Other expenditures:			
Facilities acquisition	<u>278,871</u>	<u>150,758</u>	<u>429,629</u>
Total expenditures	<u>315,858</u>	<u>150,758</u>	<u>466,616</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>620,732</u>	<u>(55,434)</u>	<u>565,298</u>
OTHER FINANCING USES			
Operating transfers out	<u>(538,786)</u>	<u>-</u>	<u>(538,786)</u>
CHANGE IN FUND BALANCES	81,946	(55,434)	26,512
FUND BALANCES BEGINNING OF YEAR	<u>317,011</u>	<u>206,679</u>	<u>523,690</u>
FUND BALANCES END OF YEAR	<u>\$ 398,957</u>	<u>\$ 151,245</u>	<u>\$ 550,202</u>

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
Year Ended June 30, 2014**

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
TEACHERS REVOLVING				
Assets				
Cash, cash equivalents and pooled investments	\$ 20	\$ 4,066	\$ 3,932	\$ 154
Liabilities				
Due to others	\$ 20	\$ 4,066	\$ 3,932	\$ 154
CAMANCHE URBAN FORESTERS				
Assets				
Cash, cash equivalents and pooled investments	\$ 73	\$ -	\$ -	\$ 73
Liabilities				
Due to others	\$ 73	\$ -	\$ -	\$ 73
EDENS LIBRARY				
Assets				
Cash, cash equivalents and pooled investments	\$ 400	\$ -	\$ -	\$ 400
Liabilities				
Due to others	\$ 400	\$ -	\$ -	\$ 400
SPECIAL OLYMPICS				
Assets				
Cash, cash equivalents and pooled investments	\$ 367	\$ 4,701	\$ 2,008	\$ 3,060
Liabilities				
Due to others	\$ 367	\$ 4,701	\$ 2,008	\$ 3,060
MOD SQUAD				
Assets				
Cash, cash equivalents and pooled investments	\$ 668	\$ -	\$ 668	\$ -
Liabilities				
Due to others	\$ 668	\$ -	\$ 668	\$ -
TOTAL				
Assets				
Cash, cash equivalents and pooled investments	\$ 1,528	\$ 8,767	\$ 6,608	\$ 3,687
Liabilities				
Due to others	\$ 1,528	\$ 8,767	\$ 6,608	\$ 3,687

See accompanying independent auditor's report.

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
 For the Last Ten Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Modified Accrual Basis										
REVENUES:										
Local sources	\$ 6,907,581	\$ 7,195,465	\$ 7,033,626	\$ 6,679,583	\$ 6,208,767	\$ 6,171,240	\$ 5,913,181	\$ 5,763,514	\$ 5,311,704	\$ 4,767,842
State sources	5,764,253	4,950,547	4,988,426	4,308,214	4,175,184	4,643,632	4,505,533	4,115,052	3,905,648	3,865,031
Federal sources	182,093	210,460	401,221	284,021	781,301	283,368	154,410	186,286	172,412	243,994
TOTAL	\$12,853,927	\$12,356,472	\$12,423,273	\$11,271,818	\$11,165,252	\$11,098,240	\$10,573,124	\$10,064,852	\$ 9,389,764	\$ 8,876,867
EXPENDITURES:										
Instruction	\$ 7,525,681	\$ 7,232,290	\$ 7,100,050	\$ 6,942,744	\$ 6,787,492	\$ 6,694,162	\$ 6,009,656	\$ 5,441,255	\$ 5,441,727	\$ 5,471,767
Support services:										
Student	399,239	386,446	373,137	348,862	338,982	345,742	317,165	262,217	235,996	278,579
Instructional staff	326,384	231,563	216,646	272,284	258,469	225,329	209,171	216,922	216,847	283,682
Administration	1,582,450	1,447,315	1,374,719	1,363,414	1,308,850	1,233,668	1,146,840	1,134,755	1,083,369	1,067,033
Operation and maintenance of plant	873,759	791,609	756,602	784,152	813,755	730,807	748,960	721,765	726,376	660,476
Transportation	293,796	353,421	313,282	366,560	242,379	234,767	242,855	216,758	217,321	225,443
Non-instructional programs	-	-	-	-	-	-	-	-	-	22,297
Other expenditures:										
Facilities acquisition	429,629	830,551	2,509,572	3,985,063	980,304	764,731	593,281	358,738	388,933	356,478
Long-term debt:										
Principal	770,000	785,000	700,000	685,000	415,000	395,000	390,000	360,000	345,000	335,200
Interest and other charges	279,474	317,079	375,025	253,662	125,900	141,900	157,947	189,942	204,793	217,792
Bond issuance costs	-	-	-	-	-	-	-	12,924	-	-
AEA flowthrough	354,618	345,322	343,789	376,921	374,140	333,590	323,564	298,934	273,321	259,215
Other expenditures	1,600	31,772	602	-	-	-	-	-	-	-
TOTAL	\$12,836,630	\$12,752,368	\$14,063,424	\$15,378,662	\$11,645,271	\$11,099,696	\$10,139,439	\$ 9,214,210	\$ 9,133,703	\$ 9,177,962

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
Camanche Community School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Camanche Community School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Camanche Community School District's basic financial statements and have issued our report thereon dated December 9, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item II-A-14 and II-B-14 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camanche Community School District's financial statements are free from 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*.

Comments involving statutory and other legal matters about Camanche Community School District's operations for the year ended June 30, 2014 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Camanche Community School 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.

Camanche Community School District's Responses to Findings

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

Purpose of this Report

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

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

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
December 9, 2014

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2014**

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

II-A-14 Segregation of Duties

Criteria - The District does not have effective internal controls to safeguard assets, and prevent or detect and correct misstatements on a timely basis, as a result of a lack of segregation of duties. Internal controls should be in place to reduce to a relatively low level the likelihood of a material misstatement in the financial statements that is not detected and corrected in a timely period by employees in the normal course of performing their assigned functions. A good system of internal controls contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion. Due to the small number of people employed in administrative functions, the District may not be able to fully achieve an ideal segregation of duties.

Condition - Although there are three individuals with accounting and financial duties in the Business Office, at various times the Business Director has the ability to initiate, authorize and record transactions with no review process in place. She is also authorized to transfer funds between bank accounts and performs monthly bank reconciliations. As a result, all of those aspects of internal control which rely upon an adequate segregation of duties are, for all practical purposes, missing.

Effect - As a result of these conditions, there is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period.

Cause - The District has a limited number of personnel performing accounting functions and limited review procedures in place.

Recommendation - The District should be aware of the lack of segregation of duties and regularly review controls which could be put in place to mitigate the risk that misstatements could occur and not be detected and corrected.

Response - The District recognizes that it would not be cost effective to hire additional personnel to maximize the segregation of accounting duties due to its size. However, the Board of Education will maintain close oversight in relation to financial and other matters.

Conclusion - Response accepted.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2014**

Part II: Findings Related to the Financial Statements (continued)

II-B-14 Financial Reporting

Criteria - The Board of Education and management share the ultimate responsibility for the District's financial statements, including disclosures. Camanche Community School District's internal controls over financial reporting should include adequately trained personnel with the knowledge, skill, and experience to prepare and/or thoroughly review financial statements to ensure they are free of material misstatements and include all disclosures as required by the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (Statement), requires governments to present government-wide and fund financial statements as well as a summary reconciliation of the (a) total governmental funds balances to the net position of governmental activities in the Statement of Net Position, and (b) total change in governmental fund balances to the change in the net position of governmental activities in the Statement of Activities.

Condition - Camanche Community School District does not have sufficient internal controls over the financial reporting process. While the District maintains controls over the processing of day to day accounting transactions, audit adjustments were proposed to record capital asset and debt transactions in order to prepare the government-wide financial statements and summary reconciliations. In addition, during our review of the accounts payable balance, invoices were noted with service dates relating to fiscal year 2014; however, the invoices were not included on the year-end accounts payable listing.

Effect - As a result of this condition, there is a higher risk that financial statement omissions or other errors could occur and not be detected and corrected.

Cause - Management did not effectively identify all adjustments required in order to present the financial statements in accordance with generally accepted accounting principles and GASB Statement No. 34.

Recommendation - We recommend that the District continue to perform a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. These procedures should be performed by a properly trained individual possessing a thorough understanding of applicable accounting principles, GASB pronouncements, and knowledge of the District's activities and operations.

Response - Management will perform a comprehensive review of the financial statements to ensure that the financial statements, including disclosures, are complete and accurate.

Conclusion - Response accepted.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2014**

Part II: Findings Related to the Financial Statements (continued)

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Other Findings Related to Required Statutory Reporting

III-A-14 Certified Budget - Expenditures for the year ended June 30, 2014 did not exceed the certified budget amount and the District did not exceed its General Fund unspent authorized budget.

III-B-14 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.

III-C-14 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.

III-D-14 Business Transactions - No business transactions between the District and District officials or employees were noted.

III-E-14 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 coverage is adequate for current operations.

III-F-14 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

III-G-14 Certified Enrollment - Variances in the basic enrollment data certified to the Department of Education were noted.

Recommendation - Certified enrollment numbers should be verified prior to being submitted to the Department of Education.

Response - Certified enrollment numbers will be verified in the future prior to submission.

Conclusion - Response accepted.

III-H-14 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

III-I-14 Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy were noted.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2014**

Part III: Other Findings Related to Required Statutory Reporting (Continued)

- III-J-14 Certified Annual Report - The Certified Annual Report was certified to the Iowa Department of Education timely.
- III-K-14 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.
- III-L-14 Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.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, 2014, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning Balance		\$ 317,011
Revenues/transfers in:		
Sales tax revenues	\$ 757,153	
Other local revenues	<u>179,437</u>	<u>936,590</u>
Expenditures/transfers out:		
School infrastructure construction	\$ 221,575	
Equipment	11,939	
Other	82,344	
Transfers to other funds	<u>538,786</u>	<u>854,644</u>
Ending Balance		<u>\$ 398,957</u>

For the year ended June 30, 2014, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

- III-M-14 Student Activity Fund - No instances were noted where monies in the Student Activity Fund were used to support activities other than those in accordance with Chapter 298A.8 of the Code of Iowa and Iowa Administrative Rule 281-12.6(1).