

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
OXFORD, IOWA

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

JUNE 30, 2014

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CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
(Before September 2013 election)		
Eileen Schmidt	President	2013
Rick Hergert	Vice President	2015
Jim Seelman	Board Member	2013
Aimee Pitlick	Board Member	2013
Bob Broghammer	Board Member	2015
Terry Davis	Board Member	2015
Steve Swenka	Board Member	2015
(After September 2013 election)		
Steve Swenka	President	2015
Bob Broghammer	Vice President	2015
Terry Davis	Board Member	2015
Rick Hergert	Board Member	2015
Eileen Schmidt	Board Member	2017
Kevin Kinney	Board Member	2017
Jim Seelman	Board Member	2017
<u>School Officials</u>		
Tim Kuehl	Superintendent	2015
Lori Robertson	District Secretary/Treasurer and Business Manager	2014
Ahlers and Cooney	Attorney	Indefinite

DOUGLAS T. HUNT, CPA  
DONALD D. KAIN  
CHUCK C. CONVERSE, CPA  
RUSSELL S. TERPSTRA, CPA  
MICHAEL G. STANLEY, CPA  
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of  
Clear Creek Amana 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 Clear Creek Amana Community School District, Oxford Iowa, as of and for the year ended June 30, 2014 and the related notes to financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 11 of the Code of Iowa. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Clear Creek Amana 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 U.S. generally accepted accounting principles.

Other*Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information and the Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 16 and 54 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clear Creek Amana Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the five years ended June 30, 2013 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the four years ended June 30, 2008 (which are not presented herein) were audited by other auditors who expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures and of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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 financials statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 12, 2015 on our consideration of Clear Creek Amana Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Clear Creek Amana Community School District's internal control over financial reporting and compliance.



Oskaloosa, Iowa  
February 12, 2015

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## MANAGEMENT’S DISCUSSION AND ANALYSIS

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The Clear Creek Amana Community School District provides this Management’s Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2014 . We encourage readers to consider this information in conjunction with the district’s financial statements, which follow.

### 2014 FINANCIAL HIGHLIGHTS

- The district decreased the general fund balance from a beginning balance of \$4,785,385 to an ending balance of \$2,986,799.
  - This represents a decrease of \$1,798,586 and results in a general fund balance of 15.49% of general fund expenditures.
  - Fund balance trends in the district since FY 2009.
    - 15.49% of general fund expenditures in FY 14
    - 27.56% of general fund expenditures in FY 13
    - 33.60% of general fund expenditures in FY 12
    - 25.10% of general fund expenditures in FY 11
    - 16.50% of general fund expenditures in FY 10
    - 13.36% of general fund expenditures in FY 09
  - The general fund balance meets board policy parameters which set a minimum ending balance not to fall below a range of 6% to 10% of general fund expenditures (\$1,156,597 to \$1,927,662).
- Total general fund revenues continue to reflect a growth rate in excess of state funded growth primarily as a result of increased student enrollment.

	<u>General Fund Revenue</u>	<u>Dollar and Percent Change</u>
FY14	\$17,478,033	(\$ 416,614 change or 2.44%)
FY13	\$17,061,419	(\$ 370,745 change or 2.22%)
FY12	\$16,690,674	(\$ 1,324,032 change or 8.62%)
FY11	\$15,366,642	(\$ 1,434,878 change or 10.3%)
FY10	\$13,931,764	(\$ 395,279 change or 2.92%)
FY09	\$13,536,485	(\$ 693,267 change or 5.40%)

- CCA increased resident students (1,671.3 to 1,797.6) a change of 126.3 students. The increase in resident students results in an increase in revenue in the general fund.
- In addition to increasing resident student enrollment, the district continued to have a net gain of students attending CCA schools as a result of the open enrollment law. The Clear Creek Amana schools have a greater number of students choosing to attend in the district under the open enrollment law than the number of students that choose to attend neighboring districts. For FY 2014, open enrollment brought a net gain of 162.9 students at a state cost per pupil of \$6,157 or \$1,002,975 dollars.
- The District continues to benefit from growth in the taxable valuation; averaging \$70.6 million per year or 8.62% over the past 10 years.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

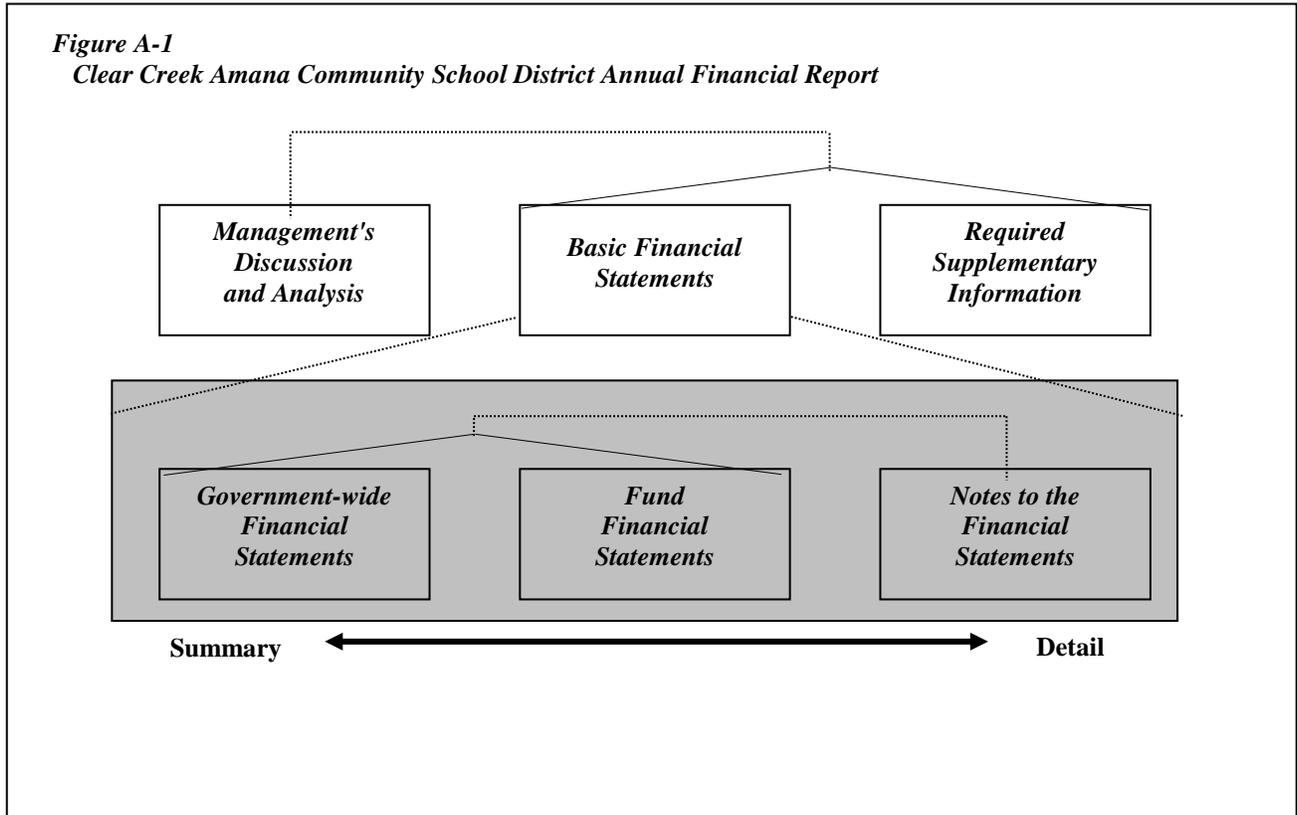


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain.

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

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services, day care and public pool	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can

## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### *Government-wide Financial Statements*

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

The two government-wide financial statements report the district's net position and how they have changed. Net position – the difference between the district's assets and the liabilities and deferred inflows of resources – are 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.

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

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

### *Fund Financial Statements*

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

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

- 1) *Governmental funds:* Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. The district's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund. The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.
- 2) *Proprietary funds:* Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The districts' Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The district currently has several Enterprise Funds, the School Nutrition Fund, Day Care Fund and Pool Fund. The required financial statements for proprietary funds include a statement of net position, a statement of revenues, expenses and changes in fund net position and a statement of cash flows.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2014 compared to June 30, 2013.

*Figure A-3*

	Condensed Statement of Net Position						Percentage Change 2013-14
	Governmental Activities		Business-type Activities		Total School District		
	2014	2013	2014	2013	2014	2013	
Current assets	51,248,979	30,566,148	678,323	658,592	51,927,302	31,224,740	66.3%
Capital assets	56,227,415	52,123,673	380,343	418,145	56,607,758	52,541,818	7.7%
<b>Total assets</b>	<b>107,476,394</b>	<b>82,689,821</b>	<b>1,058,666</b>	<b>1,076,737</b>	<b>108,535,060</b>	<b>83,766,558</b>	<b>29.6%</b>
Long-term liabilities(bonds)	64,553,470	42,547,030	-	-	64,553,470	42,547,030	51.7%
Other liabilities	3,045,343	2,993,565	114,041	111,754	3,159,384	3,105,319	1.7%
<b>Total liabilities</b>	<b>67,598,813</b>	<b>45,540,595</b>	<b>114,041</b>	<b>111,754</b>	<b>67,712,854</b>	<b>45,652,349</b>	<b>48.3%</b>
<b>Deferred Inflows of Resources</b>	<b>11,228,919</b>	<b>10,370,280</b>	-	-	<b>11,228,919</b>	<b>10,370,280</b>	<b>8.3%</b>
Net Position:							
Net investment in capital assets	20,494,335	17,463,673	380,343	418,145	20,874,678	17,881,818	16.7%
Restricted	5,865,818	5,717,512	-	-	5,865,818	5,717,512	2.6%
Unrestricted	2,288,509	3,597,761	564,282	546,838	2,852,791	4,144,599	-31.2%
<b>TOTAL NET POSITION</b>	<b>\$28,648,662</b>	<b>\$26,778,946</b>	<b>\$944,625</b>	<b>\$964,983</b>	<b>\$29,593,287</b>	<b>\$27,743,929</b>	<b>6.7%</b>

- The District's total net position increased 6.7%, over the prior year. The largest portion of the District's total net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment).
- Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position reflects an increase from the prior year.
- Unrestricted net position – the part of governmental activities 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 \$1,309,252.
- District long-term liabilities reflect the bonds payable for the construction of a new elementary and a middle school addition and renovation projects.

Figure A-4 compares the change in net position for the years ended June 30, 2013 and June 30, 2014.

Figure A-4

	Change in Net Position						Percentage Change 2013-14
	Governmental Activities		Business-type Activities		Total School District		
	2014	2013	2014	2013	2014	2013	
Revenues							
Program Revenues:							
Charges for services	2,720,992	2,516,762	1,060,327	1,030,677	3,781,319	3,547,439	6.6%
Operating grants, contributions and restricted interest	2,531,681	2,198,843	388,411	348,295	2,920,092	2,547,138	14.6%
Capital grants, contributions and restricted interest	645,470	-	6,791	-	652,261	-	100%
General Revenues:							
Property taxes	10,656,420	9,889,376	-	-	10,656,420	9,889,376	7.8%
Income Surtax	873,977	538,296	-	-	873,977	538,296	62.4%
Local option sales tax	1,450,025	1,337,035	-	-	1,450,025	1,337,035	8.5%
Unrestricted state grants	7,280,056	6,412,153	-	-	7,280,056	6,412,153	13.5%
Unrestricted investment earnings	45,085	26,620	375	632	45,460	27,252	66.8%
Other revenue	249,531	109,898	-	-	249,531	109,898	127%
<b>Total Revenues</b>	<b>26,453,237</b>	<b>23,028,983</b>	<b>1,455,904</b>	<b>1,379,604</b>	<b>27,909,141</b>	<b>24,408,587</b>	<b>14.3%</b>
Expenses:							
Instruction	13,684,222	12,158,526	-	-	13,684,222	12,158,526	12.5%
Support services	6,751,211	6,096,400	22,791	21,355	6,774,002	6,117,755	10.7%
Non-instructional programs	4,870	6,286	1,453,471	1,342,856	1,458,341	1,349,142	8.1%
Other expenditures	4,143,218	3,512,318	-	-	4,143,218	3,512,318	18.0%
<b>Total expenses</b>	<b>24,583,521</b>	<b>21,773,530</b>	<b>1,476,262</b>	<b>1,364,211</b>	<b>26,059,783</b>	<b>23,137,741</b>	<b>12.6%</b>
<b>CHANGE IN NET POSITION</b>	<b>1,869,716</b>	<b>1,255,453</b>	<b>(20,358)</b>	<b>15,393</b>	<b>1,849,358</b>	<b>1,270,846</b>	<b>45.5%</b>
Net position beginning of year	26,778,946	25,523,493	964,983	949,590	27,743,929	26,473,083	4.8%
Net position end of year	<b>\$28,648,662</b>	<b>\$26,778,946</b>	<b>\$944,625</b>	<b>\$964,983</b>	<b>\$29,593,287</b>	<b>\$27,743,929</b>	<b>6.7%</b>

The changes in Net Position in Figure A-4 show that the district experienced a 14.3% increase in revenues. An increase in educational services, property tax collections and income surtax revenue were the primary sources of revenue increases.

During the same period, the district increased expenditures at the rate of 12.6%. Maintaining expenditures to less than available revenue contributed to the overall improvement of net position of 6.7%.

### Governmental Activities

Revenue in Government Activities increased primarily in educational services and property tax revenue. Expenditures also increased, primarily in the area of instruction and plant operations due to increased operating costs.

## **Business Type Activities**

The District's business type activities include the School Food Nutrition, Day Care and Public Pool. Revenues of these activities were comprised of charges for service such as the increased price of school lunches, federal and state reimbursements. Revenues for business type activities were \$1,455,904 and expenses were \$1,476,262. It is the district intent that these activities are self supporting and maintain minimal fund balances.

## **INDIVIDUAL FUND ANALYSIS**

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$36,607,583, an increase over last year's ending fund balances of \$17,179,591. This is largely due to an increase in assets from increased revenues due to issuance of GO bonds to finance capital improvement projects of a new elementary school and middle school addition and renovation.

## **Governmental Fund Highlights**

- The General Fund balance decreased from \$4,785,385 to \$2,986,799 on June 30, 2014. This represents a balance of 15.49% of general fund expenditures, which is in excess of board policy minimum fund balance guideline of maintaining a balance of six to ten percent of expenditures.
- The Physical Plant and Equipment Levy (PPEL) Fund balance decreased from \$616,503 to \$482,399 on June 30, 2014. These funds remain available for future capital improvements and major equipment purchases.
- The Debt Service Fund balance decreased from \$8,085,474 to \$1,026,516 on June 30, 2014. The decrease is due to the completion of the bond crossover refunding started in the prior year.

## **Proprietary Fund Highlights**

School Nutrition Fund net position decreased from \$647,300 to \$600,583 on June 30, 2014 as a result of increased equipment needs and increased operating expenses.

## **BUDGETARY HIGHLIGHTS**

Total expenditures were \$7,537,347 less than the final budget, due primarily to the District's budget for the Capital Projects Fund. It is the District's practice to certify expenditures for authorized spending authority based on reasonable projections for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2014 the District had invested \$56.6 million, net of accumulated depreciation, in a broad range of capital assets. These assets include: land, buildings, athletic facilities, technology and transportation equipment. (See Figure A-6) This represents a slight increase from last year. Depreciation expense for the year was \$1,727,539.

Figure A-6

*Capital Assets (net of depreciation)*

	Governmental Activities		Business type Activities		Total School District		Percentage Change
	2014	2013	2014	2013	2014	2013	2013-14
Land	\$3,607,286	\$ 1,578,566	-	-	\$3,607,286	\$ 1,578,566	128.5%
Construction in progress	2,344,186	2,173,778	-	-	2,344,186	2,173,778	7.8%
Buildings	45,860,356	44,182,990	-	-	45,860,356	44,182,990	3.8%
Improvements	2,458,076	2,519,348	-	-	2,458,076	2,519,348	-2.4%
Equipment & Furniture	1,957,511	1,668,991	380,343	418,145	2,337,854	2,087,136	12.0%
<b>TOTAL</b>	<b>56,227,415</b>	<b>52,123,673</b>	<b>380,343</b>	<b>418,145</b>	<b>56,607,758</b>	<b>52,541,818</b>	<b>7.7%</b>

### Long-Term Debt

At June 30, 2014, the District had \$64,553,470 in general obligation and revenue bonds and other long-term debt. This is an increase of \$22,006,150 from the prior year, due primarily to issuance of GO bonds. Termination benefits and compensated absences increased by \$114,747 due to increased district obligations.

Figure A-7

Outstanding Long-Term Obligations

	Total School District		Percentage Change
	2014	2013	2013-14
General Obligation Bonds	\$51,215,000	\$28,660,000	78.7%
Capital Leases	-	140,597	-100.0%
Termination Benefits	476,931	430,243	10.9%
Compensated Absences	86,539	18,400	370.3%
Revenue Bonds	12,450,000	13,055,000	-4.6%
Net OPEB Liability	325,000	243,000	33.7%
	<b>\$64,553,470</b>	<b>\$42,547,320</b>	<b>51.7%</b>

## **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:

- A decrease in the amount of \$1,798,586 in the general fund balance reflects changes in the cash reserve levy and the impact on the District's cash flow.
- Clear Creek Amana has benefitted from an increase in total valuation, averaging \$70.6 million or 8.62% per year over the past ten years.
- School financing is highly dependent upon the student enrollment from the prior year. Enrollment has increased in the past five years for an average rate of 2.56 % per year. Looking ahead to FY15, the district will again benefit from an increase in student enrollment to 1839.6 students. The interest in students from other districts requesting open enrollment also continues to increase which will likely result in increased numbers of students attending the district in future years.
- The one-cent option sales tax generated \$1,450,025 of revenue in FY2014. Beginning in FY2013, the income generated per student in Johnson County converted to the state wide average. In FY 2013 the district realized a slight decrease in sales tax revenue. It is anticipated sales tax revenues will gradually increase as the average per pupil amount is adjusted according to retail sales across the state for future years.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Lori Robertson, Director of Finance or Tim Kuehl, Superintendent, 327 South Augusta Avenue, Oxford, IA 52322. Phone: (319) 828-4510.

## Basic Financial Statements

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 38,498,304	\$ 647,934	\$ 39,146,238
Receivables:			
Property tax:			
Current year	49,644	-	49,644
Succeeding year	11,228,919	-	11,228,919
Income surtax	761,219	-	761,219
Accounts	18,188	16,689	34,877
Due from other governments	692,705	-	692,705
Inventories	-	13,700	13,700
Capital assets, net of accumulated depreciation (note 4)	56,227,415	380,343	56,607,758
<b>Total assets</b>	<b>107,476,394</b>	<b>1,058,666</b>	<b>108,535,060</b>
<b>Liabilities</b>			
Accounts payable	907,414	5,082	912,496
Due to other governments	16,035	-	16,035
Salaries and benefits payable	1,698,723	90,338	1,789,061
Advances from grantors	29,086	-	29,086
Unearned revenue	-	18,621	18,621
Accrued interest payable	394,085	-	394,085
Long-term liabilities (note 5):			
Portion due within one year:			
Termination benefits	178,184	-	178,184
Bonds payable	3,215,000	-	3,215,000
Compensated absences	86,539	-	86,539
Portion due after one year:			
Termination benefits	298,747	-	298,747
Bonds payable	60,450,000	-	60,450,000
Net OPEB liability	325,000	-	325,000
<b>Total liabilities</b>	<b>67,598,813</b>	<b>114,041</b>	<b>67,712,854</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenue	11,228,919	-	11,228,919

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Net Position			
Net investment in capital assets	\$ 20,494,335	\$ 380,343	\$ 20,874,678
Restricted for:			
Categorical funding	762,513	-	762,513
Debt service	2,080,946	-	2,080,946
Capital projects	1,064,719	-	1,064,719
Physical plant and equipment levy purposes	767,856	-	767,856
Management levy purposes	882,518	-	882,518
Student activities	221,793	-	221,793
Library levy purposes	85,473	-	85,473
Unrestricted	<u>2,288,509</u>	<u>564,282</u>	<u>2,852,791</u>
 Total net position	 <u>\$ 28,648,662</u>	 <u>\$ 944,625</u>	 <u>\$ 29,593,287</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Instruction	\$ 13,684,222	\$ 2,098,335	\$ 1,810,524	\$ -
Support services:				
Student	372,742	378,443	710	-
Instructional staff	733,333	8,374	29,942	-
Administration	2,523,979	-	-	-
Operation and maintenance of plant	2,061,107	44,295	-	-
Transportation	1,060,050	-	7,738	-
	<u>6,751,211</u>	<u>431,112</u>	<u>38,390</u>	<u>-</u>
Non-instructional programs	<u>4,870</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenditures:				
Facilities acquisition	111,696	191,545	-	645,470
Long-term debt interest and fiscal charges	2,203,600	-	-	-
AEA flowthrough	682,767	-	682,767	-
Depreciation (unallocated) *	1,145,155	-	-	-
	<u>4,143,218</u>	<u>191,545</u>	<u>682,767</u>	<u>645,470</u>
Total governmental activities	<u>24,583,521</u>	<u>2,720,992</u>	<u>2,531,681</u>	<u>645,470</u>
<b>Business-Type Activities:</b>				
Support services:				
Administration	1,759	-	-	-
Operation and maintenance of plant	21,032	-	-	-
	<u>22,791</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (9,775,363)	\$ -	\$ (9,775,363)
6,411	-	6,411
(695,017)	-	(695,017)
(2,523,979)	-	(2,523,979)
(2,016,812)	-	(2,016,812)
(1,052,312)	-	(1,052,312)
(6,281,709)	-	(6,281,709)
(4,870)	-	(4,870)
725,319	-	725,319
(2,203,600)	-	(2,203,600)
-	-	-
(1,145,155)	-	(1,145,155)
(2,623,436)	-	(2,623,436)
(18,685,378)	-	(18,685,378)
-	(1,759)	(1,759)
-	(21,032)	(21,032)
-	(22,791)	(22,791)

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-Type Activities (continued):				
Non-instructional programs:				
Food service operations	\$ 1,012,261	\$ 612,393	\$ 361,980	\$ 6,791
Daycare operations	409,828	424,031	20,015	-
Pool operations	31,382	23,903	6,416	-
	<u>1,453,471</u>	<u>1,060,327</u>	<u>388,411</u>	<u>6,791</u>
Total business-type activities	<u>1,476,262</u>	<u>1,060,327</u>	<u>388,411</u>	<u>6,791</u>
Total	<u>\$ 26,059,783</u>	<u>\$ 3,781,319</u>	<u>\$ 2,920,092</u>	<u>\$ 652,261</u>

General revenues:

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

Total general revenues

Change in net position

Net position beginning of year

Net position end of year

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

See notes to financial statements.

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ -	\$ (31,097)	\$ (31,097)
-	34,218	34,218
-	(1,063)	(1,063)
-	2,058	2,058
-	(20,733)	(20,733)
(18,685,378)	(20,733)	(18,706,111)
\$ 6,179,887	\$ -	\$ 6,179,887
3,766,267	-	3,766,267
682,855	-	682,855
27,411	-	27,411
873,977	-	873,977
1,450,025	-	1,450,025
7,280,056	-	7,280,056
45,085	375	45,460
249,531	-	249,531
20,555,094	375	20,555,469
1,869,716	(20,358)	1,849,358
26,778,946	964,983	27,743,929
<u>\$ 28,648,662</u>	<u>\$ 944,625</u>	<u>\$ 29,593,287</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 4,657,852	\$ 1,011,917	\$ 31,160,140	\$ 1,668,395	\$ 38,498,304
Receivables:					
Property tax:					
Current year	26,799	14,599	2,647	5,599	49,644
Succeeding year	5,605,742	4,153,654	915,301	554,222	11,228,919
Income surtax	475,762	-	285,457	-	761,219
Accounts	16,707	-	-	1,481	18,188
Due from other governments	455,178	-	229,889	7,638	692,705
 Total assets	 <u>\$ 11,238,040</u>	 <u>\$ 5,180,170</u>	 <u>\$ 32,593,434</u>	 <u>\$ 2,237,335</u>	 <u>\$ 51,248,979</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2014

	General	Debt Service	Capital Projects	Nonmajor	Total
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 430,179	\$ -	\$ 465,123	\$ 12,112	\$ 907,414
Due to other governments	16,035	-	-	-	16,035
Salaries and benefits payable	1,694,437	-	-	4,286	1,698,723
Advances from grantors	29,086	-	-	-	29,086
Total liabilities	<u>2,169,737</u>	<u>-</u>	<u>465,123</u>	<u>16,398</u>	<u>2,651,258</u>
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	5,605,742	4,153,654	915,301	554,222	11,228,919
Other	475,762	-	285,457	-	761,219
Total deferred inflows of resources	<u>6,081,504</u>	<u>4,153,654</u>	<u>1,200,758</u>	<u>554,222</u>	<u>11,990,138</u>
Fund balances:					
Restricted for:					
Categorical funding (note 12)	762,513	-	-	-	762,513
Revenue bonds	-	-	1,448,515	-	1,448,515
Revenue bonds sinking fund	-	821,892	-	-	821,892
Debt service	-	204,624	-	-	204,624
School infrastructure	-	-	28,996,639	-	28,996,639
Physical plant and equipment	-	-	482,399	-	482,399
Management levy purposes	-	-	-	1,359,449	1,359,449
Student activities	-	-	-	221,793	221,793
Library purposes	-	-	-	85,473	85,473
Unassigned	2,224,286	-	-	-	2,224,286
Total fund balances	<u>2,986,799</u>	<u>1,026,516</u>	<u>30,927,553</u>	<u>1,666,715</u>	<u>36,607,583</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,238,040</u>	<u>\$ 5,180,170</u>	<u>\$ 32,593,434</u>	<u>\$ 2,237,335</u>	<u>\$ 51,248,979</u>

See notes to financial statements.

CLEAR CREEK AMANA 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	\$ 36,607,583
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	56,227,415
Other long-term assets, including income surtax receivable, are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.	761,219
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.	(394,085)
Long-term liabilities, including termination benefits, bonds payable, compensated absences, and net OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.	<u>(64,553,470)</u>
Net position of governmental activities	<u><u>\$ 28,648,662</u></u>
See notes to financial statements.	

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

	General	Debt Service	Capital Projects	Nonmajor	Total
<b>Revenues:</b>					
Local sources:					
Local tax	\$ 5,424,022	\$ 3,765,556	\$ 1,019,082	\$ 1,005,769	\$ 11,214,429
Tuition	1,689,561	-	-	-	1,689,561
Other	372,541	12,822	36,978	370,255	792,596
State sources	9,023,365	711	1,450,154	1,496	10,475,726
Federal sources	968,544	-	-	-	968,544
Total revenues	<u>17,478,033</u>	<u>3,779,089</u>	<u>2,506,214</u>	<u>1,377,520</u>	<u>25,140,856</u>
<b>Expenditures:</b>					
Current:					
Instruction	<u>12,669,671</u>	-	180,128	327,009	<u>13,176,808</u>
Support services:					
Student	370,306	-	-	-	370,306
Instructional staff	607,963	-	96,244	20,685	724,892
Administration	2,323,326	-	138,693	287,600	2,749,619
Operation and maintenance of plant	1,738,348	-	138,073	136,825	2,013,246
Transportation	884,238	-	217,293	35,457	1,136,988
	<u>5,924,181</u>	-	<u>590,303</u>	<u>480,567</u>	<u>6,995,051</u>
Non-instructional programs	-	-	-	4,870	4,870
Other expenditures:					
Facilities acquisition	-	-	4,781,950	-	4,781,950
Long term debt:					
Principal	-	17,910,597	-	-	17,910,597
Interest and fiscal charges	-	1,722,022	512,326	-	2,234,348
AEA flowthrough	682,767	-	-	-	682,767
	<u>682,767</u>	<u>19,632,619</u>	<u>5,294,276</u>	-	<u>25,609,662</u>
Total expenditures	<u>19,276,619</u>	<u>19,632,619</u>	<u>6,064,707</u>	<u>812,446</u>	<u>45,786,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,798,586)</u>	<u>(15,853,530)</u>	<u>(3,558,493)</u>	<u>565,074</u>	<u>(20,645,535)</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

	General	Debt Service	Capital Projects	Nonmajor	Total
Other financing sources (uses):					
Compensation for loss of capital assets	\$ -	\$ -	\$ 8,594	\$ -	\$ 8,594
General obligation bonds issued	-	7,385,000	32,335,000	-	39,720,000
Premium on bonds issued	-	153,599	191,334	-	344,933
Interfund transfers in (note 3)	-	1,255,973	-	-	1,255,973
Interfund transfers out (note 3)	-	-	(1,255,973)	-	(1,255,973)
Total other financing sources (uses)	-	8,794,572	31,278,955	-	40,073,527
Net change in fund balances	(1,798,586)	(7,058,958)	27,720,462	565,074	19,427,992
Fund balances beginning of year	4,785,385	8,085,474	3,207,091	1,101,641	17,179,591
Fund balances end of year	<u>\$ 2,986,799</u>	<u>\$ 1,026,516</u>	<u>\$ 30,927,553</u>	<u>\$ 1,666,715</u>	<u>\$ 36,607,583</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2014

Net change in fund balances - total governmental funds \$ 19,427,992

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

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

Capital outlays	\$ 5,133,798	
Capital assets contributed by others	645,470	
Depreciation expense	<u>(1,675,526)</u>	4,103,742

Income surtax revenue not received until several months after the District's fiscal year end is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds. 313,384

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 and does not affect the Statement of Activities. (39,720,000)

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position. 17,910,597

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, however, interest expense is recognized as the interest accrues, regardless of when it is due. 30,748

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

Early retirement	(46,608)	
Compensated absences	(68,139)	
Net OPEB liability	<u>(82,000)</u>	<u>(196,747)</u>

Change in net position of governmental activities \$ 1,869,716

See notes to financial statements.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS

June 30, 2014

	Enterprise		
	School Nutrition	Nonmajor	Total
Assets			
Cash and cash equivalents	\$ 322,251	\$ 325,683	\$ 647,934
Accounts receivable	227	16,462	16,689
Inventories	13,700	-	13,700
Capital assets, net of accumulated depreciation (note 4)	338,224	42,119	380,343
Total assets	<u>674,402</u>	<u>384,264</u>	<u>1,058,666</u>
Liabilities			
Accounts payable	590	4,492	5,082
Salaries and benefits payable	54,608	35,730	90,338
Unearned revenue	18,621	-	18,621
Total liabilities	<u>73,819</u>	<u>40,222</u>	<u>114,041</u>
Fund Net Position			
Net investment in capital assets	338,224	42,119	380,343
Unrestricted	<u>262,359</u>	<u>301,923</u>	<u>564,282</u>
Total fund net position	<u>\$ 600,583</u>	<u>\$ 344,042</u>	<u>\$ 944,625</u>

See notes to financial statements.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2014

	Enterprise		
	School Nutrition	Nonmajor	Total
Operating revenues:			
Local sources:			
Charges for services	\$ 612,393	\$ 447,934	\$ 1,060,327
Operating expenses:			
Support services:			
Administration	1,630	129	1,759
Operation and maintenance of plant	14,315	6,717	21,032
Non-instructional programs	1,012,261	441,210	1,453,471
Total operating expenses	1,028,206	448,056	1,476,262
Operating loss	(415,813)	(122)	(415,935)
Non-operating revenues:			
Interest on investments	325	50	375
Contributions	-	18,246	18,246
Capital contributions	6,791	-	6,791
State sources	8,648	-	8,648
Federal sources	353,332	8,185	361,517
Total non-operating revenues	369,096	26,481	395,577
Change in fund net position	(46,717)	26,359	(20,358)
Fund net position beginning of year	647,300	317,683	964,983
Fund net position end of year	\$ 600,583	\$ 344,042	\$ 944,625

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2014

	Enterprise		
	School Nutrition	Nonmajor	Total
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 614,046	\$ -	\$ 614,046
Cash received from miscellaneous operating activities	1,076	439,521	440,597
Cash payments to employees for services	(418,443)	(378,870)	(797,313)
Cash payments to suppliers for goods or services	(498,553)	(66,121)	(564,674)
Net cash used by operating activities	<u>(301,874)</u>	<u>(5,470)</u>	<u>(307,344)</u>
Cash flows from non-capital financing activities:			
Contributions received	-	18,246	18,246
State grants received	8,421	2,161	10,582
Federal grants received	294,786	8,185	302,971
Net cash provided by non-capital financing activities	<u>303,207</u>	<u>28,592</u>	<u>331,799</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(7,420)</u>	-	<u>(7,420)</u>
Cash flows from investing activities:			
Interest on investments	143	50	193
Redemption of investments	73,101	-	73,101
Net cash provided by investing activities	<u>73,244</u>	<u>50</u>	<u>73,294</u>
Net increase in cash and cash equivalents	67,157	23,172	90,329
Cash and cash equivalents beginning of year	<u>255,094</u>	<u>302,511</u>	<u>557,605</u>
Cash and cash equivalents end of year	<u>\$ 322,251</u>	<u>\$ 325,683</u>	<u>\$ 647,934</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2014

	Enterprise		
	School Nutrition	Nonmajor	Total
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (415,813)	\$ (122)	\$ (415,935)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	49,673	2,340	52,013
Commodities used	58,599	-	58,599
(Increase) in accounts receivable	-	(8,413)	(8,413)
Decrease in inventories	4,105	-	4,105
(Decrease) in accounts payable	(269)	(1,520)	(1,789)
Increase (decrease) in salaries and benefits payable	(898)	2,245	1,347
Increase in unearned revenue	2,729	-	2,729
Net cash used by operating activities	<u>\$ (301,874)</u>	<u>\$ (5,470)</u>	<u>\$ (307,344)</u>

Non-cash financing activities:

During the year ended June 30, 2014, the District received \$58,599 of federal commodities. In addition, the Enterprise, School Nutrition Fund received \$6,791 of equipment which was purchased and contributed by the Capital Projects Fund.

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 1. Summary of Significant Accounting Policies

Clear Creek Amana Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the Cities of Coralville, North Liberty, Oxford, Tiffin and the Seven Villages of the Amana Colonies, Iowa, and agricultural territory in Johnson and Iowa Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

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

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

B. Basis of Presentation

District-wide Financial Statements – The Statement of Net 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

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

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

The District reports the following major governmental funds:

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

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

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

The District reports the following major proprietary fund:

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

CLEAR CREEK AMANA 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

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

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 District 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, in that order.

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 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.

Income Surtax Receivable – Income surtax budgeted for the fiscal year ended June 30, 2014 will not be received by the District until several months after the fiscal year end. Accordingly, income surtax is recorded as a receivable and included in deferred inflows of resources on the modified accrual basis for the governmental funds. For the government-wide statements, on the Statement of Activities the income surtax revenue is recognized.

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	100,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

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

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

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

Advances from grantors – Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year have been accrued as liabilities.

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.

CLEAR CREEK AMANA 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.

Deferred Inflows of Resources – Although certain revenues are measurable, they are not available. Available means collectible within the current year 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 represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consists of the succeeding year property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consist of the 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:

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

Unassigned – All amounts not included in the preceding classifications.

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/expenses did not exceed the amounts budgeted.

Note 2. Cash 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 ensure 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.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 2. Cash and Pooled Investments (continued)

At June 30, 2014, the District had investments in the Iowa Schools Joint Investment Trust as follows:

	<u>Amortized Cost</u>
Diversified Portfolio	\$ <u>609,775</u>

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

Credit Risk – The investment in the Iowa Schools Joint Investment Trust was rated AAAm by Standard & Poor’s Financial Services.

Note 3. Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects	\$ <u>1,255,973</u>

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 4. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,578,566	\$ 2,028,720	\$ -	\$ 3,607,286
Construction in progress	2,173,778	2,952,690	2,782,282	2,344,186
Total capital assets not being depreciated	<u>3,752,344</u>	<u>4,981,410</u>	<u>2,782,282</u>	<u>5,951,472</u>
Capital assets being depreciated:				
Buildings	51,428,736	2,760,269	-	54,189,005
Improvements other than buildings	3,526,220	100,586	-	3,626,806
Furniture and equipment	3,868,961	719,285	101,985	4,486,261
Total capital assets being depreciated	<u>58,823,917</u>	<u>3,580,140</u>	<u>101,985</u>	<u>62,302,072</u>
Less accumulated depreciation for:				
Buildings	7,245,746	1,082,903	-	8,328,649
Improvements other than buildings	1,006,872	161,858	-	1,168,730
Furniture and equipment	2,199,970	430,765	101,985	2,528,750
Total accumulated depreciation	<u>10,452,588</u>	<u>1,675,526</u>	<u>101,985</u>	<u>12,026,129</u>
Total capital assets being depreciated, net	<u>48,371,329</u>	<u>1,904,614</u>	<u>-</u>	<u>50,275,943</u>
Governmental activities capital assets, net	<u>\$ 52,123,673</u>	<u>\$ 6,886,024</u>	<u>\$ 2,782,282</u>	<u>\$ 56,227,415</u>
<b>Business-type activities:</b>				
Furniture and equipment	\$ 745,811	\$ 14,211	\$ 1,901	\$ 758,121
Less accumulated depreciation	327,666	52,013	1,901	377,778
Business-type activities capital assets, net	<u>\$ 418,145</u>	<u>\$ (37,802)</u>	<u>\$ -</u>	<u>\$ 380,343</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 4. Capital Assets (continued)

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction	\$ 282,772
Support services:	
Administration	12,631
Operation and maintenance of plant	35,696
Transportation	<u>199,272</u>
	530,371
Unallocated depreciation	<u>1,145,155</u>
Total depreciation expense - governmental activities	<u>\$ 1,675,526</u>
Business-type activities:	
Food service operations	\$ 49,673
Daycare operations	<u>2,340</u>
Total depreciation expense - business-type activities	<u>\$ 52,013</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2014 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Termination benefits	\$ 430,323	\$ 217,945	\$ 171,337	\$ 476,931	\$ 178,184
General obligation bonds	28,660,000	39,720,000	17,165,000	51,215,000	2,675,000
Revenue bonds	13,055,000	-	605,000	12,450,000	540,000
Capital lease purchase agreement	140,597	-	140,597	-	-
Compensated absences	18,400	86,539	18,400	86,539	86,539
Net OPEB liability	243,000	82,000	-	325,000	-
<b>Total</b>	<b>\$ 42,547,320</b>	<b>\$ 40,106,484</b>	<b>\$ 18,100,334</b>	<b>\$ 64,553,470</b>	<b>\$ 3,479,723</b>

Termination Benefits

The District offers a voluntary early retirement plan to its employees. Eligible licensed employees must be at least age fifty-five and must have completed at least twelve years of full-time service to the District.

Eligible classified employees must be at least age fifty-five and must have completed at least thirty years of full-time service to the District. Employees must complete an application which is required to be approved by the Board of Education.

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

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

At June 30, 2014, the District has obligations to twenty participants with a total liability of \$476,931. Actual early retirement expenditures for the year ended June 30, 2014 totaled \$171,337. The cost of early retirement payments is recorded as a long term liability of the Governmental Activities in the government-wide financial statements.

General Obligation Bonds Payable

On May 1, 2014, the District issued \$7,385,000 of refunding bonds with interest rates from 2.0% to 3.0% to refund the remaining balance of the June 1, 2006 bonds with interest rates from 4.625% to 4.75%. As a result of the current refunding, the District reduced its total debt service requirements over the life of the bonds by \$1,250,969, which resulted in a net present value economic gain of \$1,067,019.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable (continued)

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

Year Ending June 30,	Bond Issue May 1, 2007			
	Interest Rates	Principal	Interest	Total
2015	3.80 %	\$ 950,000	\$ 217,933	\$ 1,167,933
2016	3.80	1,410,000	181,832	1,591,832
2017	3.80	1,465,000	128,251	1,593,251
2018	3.80	1,520,000	72,583	1,592,583
2019	3.85	385,000	14,822	399,822
		<u>5,730,000</u>	<u>615,421</u>	<u>6,345,421</u>

Year Ending June 30,	Refunding Bond Issue December 12, 2012			
	Interest Rates	Principal	Interest	Total
2015	0.500 %	\$ 245,000	\$ 80,584	\$ 325,584
2016	0.500	245,000	79,358	324,358
2017	0.650	250,000	78,134	328,134
2018	0.800	250,000	76,508	326,508
2019	1.000	250,000	74,509	324,509
2020-2024	1.125-1.650	3,525,000	320,287	3,845,287
2025	1.800	1,000,000	18,000	1,018,000
		<u>5,765,000</u>	<u>727,380</u>	<u>6,492,380</u>

Year Ending June 30,	Refunding Bond Issue May 1, 2014			
	Interest Rates	Principal	Interest	Total
2015	2.00 %	\$ 150,000	\$ 197,207	\$ 347,207
2016	2.00	170,000	179,038	349,038
2017	2.00	175,000	175,637	350,637
2018	2.00	175,000	172,138	347,138
2019	2.00	1,380,000	168,637	1,548,637
2020-2023	2.25-3.00	5,335,000	340,538	5,675,538
		<u>7,385,000</u>	<u>1,233,195</u>	<u>8,618,195</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable (continued)

Year Ending June 30,	Bond Issue June 11, 2014			
	Interest Rates	Principal	Interest	Total
2015	3.00 %	\$ 1,330,000	\$ 1,046,701	\$ 2,376,701
2016	3.00	115,000	1,036,706	1,151,706
2017	3.00	120,000	1,033,256	1,153,256
2018	3.00	125,000	1,029,656	1,154,656
2019	3.00	195,000	1,025,906	1,220,906
2020-2024	3.00	2,745,000	4,942,632	7,687,632
2025-2029	3.00-3.25	12,085,000	4,042,131	16,127,131
2030-2034	3.25-4.00	15,620,000	1,804,063	17,424,063
		<u>32,335,000</u>	<u>15,961,051</u>	<u>48,296,051</u>
		<u>Total</u>		
Year Ending June 30,		Principal	Interest	Total
2015		\$ 2,675,000	\$ 1,542,425	\$ 4,217,425
2016		1,940,000	1,476,934	3,416,934
2017		2,010,000	1,415,278	3,425,278
2018		2,070,000	1,350,885	3,420,885
2019		2,210,000	1,283,874	3,493,874
2020-2024		11,605,000	5,603,457	17,208,457
2025-2029		13,085,000	4,060,131	17,145,131
2030-2034		15,620,000	1,804,063	17,424,063
		<u>\$ 51,215,000</u>	<u>\$ 18,537,047</u>	<u>\$ 69,752,047</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 5. Long-Term Liabilities (continued)

Revenue Bonds

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

Year Ending June 30,	Bond Issue June 1, 2009			
	Interest Rates	Principal	Interest	Total
2015	4.250 %	\$ 400,000	\$ 497,256	\$ 897,256
2016	4.250	430,000	479,619	909,619
2017	4.250	440,000	461,131	901,131
2018	4.000	465,000	442,481	907,481
2019	4.714	475,000	421,984	896,984
2020-2024	5.000-5.200	2,820,000	1,715,563	4,535,563
2025-2029	5.200-5.500	3,610,000	881,214	4,491,214
2030	5.625	1,310,000	49,922	1,359,922
		9,950,000	4,949,170	14,899,170

Year Ending June 30,	Bond Issue October 1, 2012			
	Interest Rates	Principal	Interest	Total
2015	2.00 %	\$ 140,000	\$ 56,615	\$ 196,615
2016	2.00	130,000	53,915	183,915
2017	2.00	140,000	51,215	191,215
2018	2.00	135,000	48,465	183,465
2019	2.00	145,000	45,665	190,665
2020-2024	2.00-2.20	720,000	184,525	904,525
2025-2029	2.20-3.00	815,000	97,270	912,270
2030	3.00	275,000	5,625	280,625
		2,500,000	543,295	3,043,295

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 5. Long-Term Liabilities (continued)

Revenue Bonds (continued)

Year Ending June 30,	Total		
	Principal	Interest	Total
2015	\$ 540,000	\$ 553,871	\$ 1,093,871
2016	560,000	533,534	1,093,534
2017	580,000	512,346	1,092,346
2018	600,000	490,946	1,090,946
2019	620,000	467,649	1,087,649
2020-2024	3,540,000	1,900,088	5,440,088
2025-2029	4,425,000	978,484	5,403,484
2030	1,585,000	55,547	1,640,547
	\$ 12,450,000	\$ 5,492,465	\$ 17,942,465

The District pledged future school infrastructure (statewide) sales, services and use tax revenues to repay the \$12,505,000 and \$2,625,000 bonds issued in June 2009 and October 2012, respectively. The bonds were issued for the purpose of financing a portion of the costs of a new high school athletic complex and auditorium and an elementary school addition. The bonds are payable solely from the proceeds of the school infrastructure (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 and the debt is not subject to the constitutional debt limit of the District. Annual principal and interest payments on the bonds are expected to require approximately 75 to 115 percent of the school infrastructure (statewide) sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$17,942,465. For the current year, principal of \$605,000 and interest of \$575,221 was paid on the bonds and total statewide sales, services and use tax revenues were \$1,450,025.

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

- (a) The bonds will be redeemed from the future earnings of the school infrastructure sales, services and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- (b) Reserves will be maintained in the amounts of \$1,250,500 and \$198,015 to be used solely for the purpose of paying principal and interest in the event the funds available within the sinking funds are not sufficient for that purpose.
- (c) Sufficient monthly deposits amounting to one twelfth of the next principal payment and one sixth of the next interest payment shall be made to the sinking funds for the purpose of making the bond principal and interest payments when due.
- (d) Any monies remaining in the revenue funds after the required transfer to the sinking funds may be transferred to the project fund to be used for any lawful purpose.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 6. Other Postemployment Benefits (OPEB)

Plan Description – The District operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 173 active and 21 retired members in the plan. Retired 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 that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

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	\$	119,000
Interest on net OPEB obligation		6,000
Adjustment to annual required contribution		<u>(20,000)</u>
Annual OPEB cost		105,000
Contributions made		<u>(23,000)</u>
Increase in net OPEB obligation		82,000
Net OPEB obligation beginning of year		<u>243,000</u>
Net OPEB obligation end of year	\$	<u><u>325,000</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2014.

For the year ended June 30, 2014, the District contributed \$23,000 to the medical plan.

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 72,000	23.6%	\$ 159,000
2013	106,000	20.8%	243,000
2014	105,000	21.9%	325,000

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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

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 \$665,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$665,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$11,935,000, and the ratio of the UAAL to covered payroll was 5.6%. 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, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District’s funding policy. The projected annual medical trend rate is 6%.

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

Note 7. Short-Term Debt Activity

During the year ended June 30, 2014, the District entered into a short-term interfund loan from the General Fund to the Capital Projects Fund. The loan was necessary to provide temporary financing for the purchase of land prior to the bond issuance. The loan included interest at 0.09%.

A summary of the short-term debt activity for the year ended June 30, 2014 is as follows:

	Balance Beginning of Year	Interfund Loans Received	Interfund Loans Repaid	Balance End of Year
Capital Projects Fund	\$ -	\$ 1,382,876	\$ 1,382,876	\$ -

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 8. Operating Lease

The District is obligated under a copier equipment lease accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations and, therefore, are not reflected on the District's Statement of Net Position. The agreement provides for monthly lease payments of \$2,102.46, with annual increases during the term of the lease.

The total lease payments under the lease agreement are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 25,230
2016	25,230
2017	25,230
2018	<u>2,102</u>
	<u>\$ 77,792</u>

Total payments under the lease agreement for the year ended June 30, 2014 were \$25,230.

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 contributions to IPERS for the years ended June 30, 2014, 2013, and 2012 were \$1,052,917, \$950,920, and \$713,862, respectively, equal to the required contributions for each year.

Note 10. 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 11. 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 \$682,767 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.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

Note 12. Categorical Funding

The District's fund balance restricted for categorical funding at June 30, 2014 is comprised of the following programs:

Program	Amount
Limited English proficient	\$ 5,531
Home school assistance program	28,724
Gifted and talented program	129,713
Returning dropouts and dropout prevention program	155,676
Four year old preschool state aid	222,784
Teacher salary supplement	89,629
Iowa early intervention block grant	4,730
Successful progression for early readers	24,112
Enrich Iowa program	886
Professional development for model core curriculum	90,585
Teacher leadership grants	10,143
<b>Total</b>	<b>\$ 762,513</b>

Note 13. Construction Commitments

The District has entered into various contracts totaling \$14,856,735 for a new elementary school and an elementary school HVAC project. As of June 30, 2014, costs of \$375,312 had been incurred against the contracts. The balance of \$14,481,423 remaining at June 30, 2014 will be paid as work on the projects progresses.

Note 14. Contingency

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

Note 15. Subsequent Event

In July 2014, the District approved a contract totaling \$14,817,729 for a middle school addition.

Note 16. Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27. This statement will be implemented for the fiscal year ending June 30, 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's proportionate share of the employee pension plan.

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Required Supplementary Information

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances –  
Budget and Actual – All Governmental Funds and Proprietary Funds

Required Supplementary Information

Year Ended June 30, 2014

	Governmental Funds - Actual	Proprietary Funds - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
<b>REVENUES:</b>						
Local sources	\$ 13,696,586	\$ 1,085,739	\$ 14,782,325	\$ 16,150,857	\$ 16,150,857	\$ (1,368,532)
State sources	10,475,726	8,648	10,484,374	9,122,044	9,122,044	1,362,330
Federal sources	968,544	361,517	1,330,061	857,500	857,500	472,561
<b>Total revenues</b>	<b>25,140,856</b>	<b>1,455,904</b>	<b>26,596,760</b>	<b>26,130,401</b>	<b>26,130,401</b>	<b>466,359</b>
<b>EXPENDITURES/EXPENSES:</b>						
Instruction	13,176,808	-	13,176,808	12,255,000	13,700,000	523,192
Support services	6,995,051	22,791	7,017,842	7,412,000	7,500,000	482,158
Non-instructional programs	4,870	1,453,471	1,458,341	1,500,000	1,600,000	141,659
Other expenditures	25,609,662	-	25,609,662	13,948,045	32,000,000	6,390,338
<b>Total expenditures/expenses</b>	<b>45,786,391</b>	<b>1,476,262</b>	<b>47,262,653</b>	<b>35,115,045</b>	<b>54,800,000</b>	<b>7,537,347</b>
Excess (deficiency) of revenues over (under) expenditures/ expenses	(20,645,535)	(20,358)	(20,665,893)	(8,984,644)	(28,669,599)	8,003,706
Other financing sources, net	40,073,527	-	40,073,527	1,150	1,150	40,072,377
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	19,427,992	(20,358)	19,407,634	(8,983,494)	(28,668,449)	48,076,083
Balance beginning of year	17,179,591	964,983	18,144,574	16,000,883	16,000,883	2,143,691
Balance end of year	\$ <u>36,607,583</u>	\$ <u>944,625</u>	\$ <u>37,552,208</u>	\$ <u>7,017,389</u>	\$ <u>(12,667,566)</u>	\$ <u>50,219,774</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA 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 Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year the District adopted one budget amendment increasing budgeted expenditures/expenses by \$19,684,955.

During the year ended June 30, 2014, expenditures/expenses did not exceed the amounts budgeted.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

Required Supplementary Information  
Year Ended June 30, 2014

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
2010	July 1, 2009	\$ -	\$ 479	\$ 479	0.0%	\$ 9,177	5.2%
2011	July 1, 2009	-	475	475	0.0%	9,423	5.0%
2012	July 1, 2009	-	459	459	0.0%	10,105	4.5%
2013	July 1, 2012	-	690	690	0.0%	10,966	6.3%
2014	July 1, 2012	-	665	665	0.0%	11,935	5.6%

See note 6 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.

See accompanying independent auditor's report.

Supplementary Information

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2014

	Special Revenue			
	Management Levy	Student Activity	Library	Total
Assets				
Cash and pooled investments	\$ 1,355,088	\$ 223,240	\$ 90,067	\$ 1,668,395
Receivables:				
Property tax:				
Current year	5,399	-	200	5,599
Succeeding year	529,627	-	24,595	554,222
Accounts	-	1,310	171	1,481
Due from other governments	-	7,638	-	7,638
Total assets	<u>\$ 1,890,114</u>	<u>\$ 232,188</u>	<u>\$ 115,033</u>	<u>\$ 2,237,335</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,038	\$ 10,395	\$ 679	\$ 12,112
Salaries and benefits payable	-	-	4,286	4,286
Total liabilities	<u>1,038</u>	<u>10,395</u>	<u>4,965</u>	<u>16,398</u>
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	529,627	-	24,595	554,222
Fund balances:				
Restricted for:				
Management levy purposes	1,359,449	-	-	1,359,449
Student activities	-	221,793	-	221,793
Library purposes	-	-	85,473	85,473
Total fund balances	<u>1,359,449</u>	<u>221,793</u>	<u>85,473</u>	<u>1,666,715</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,890,114</u>	<u>\$ 232,188</u>	<u>\$ 115,033</u>	<u>\$ 2,237,335</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2014

	Special Revenue			Total
	Management Levy	Student Activity	Library	
Revenues:				
Local sources:				
Local tax	\$ 978,370	\$ -	\$ 27,399	\$ 1,005,769
Other	28,969	304,153	37,133	370,255
State sources	287	-	1,209	1,496
Total revenues	<u>1,007,626</u>	<u>304,153</u>	<u>65,741</u>	<u>1,377,520</u>
Expenditures:				
Current:				
Instruction	55,510	271,499	-	327,009
Support services:				
Instructional staff	-	320	20,365	20,685
Administration	238,029	-	49,571	287,600
Operation and maintenance of plant	135,396	1,429	-	136,825
Transportation	35,457	-	-	35,457
Non-instructional programs	4,870	-	-	4,870
Total expenditures	<u>469,262</u>	<u>273,248</u>	<u>69,936</u>	<u>812,446</u>
Net change in fund balances	538,364	30,905	(4,195)	565,074
Fund balances beginning of year	<u>821,085</u>	<u>190,888</u>	<u>89,668</u>	<u>1,101,641</u>
Fund balances end of year	<u>\$ 1,359,449</u>	<u>\$ 221,793</u>	<u>\$ 85,473</u>	<u>\$ 1,666,715</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
CAPITAL PROJECTS ACCOUNTS  
June 30, 2014

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
<b>Assets</b>				
Cash and pooled investments	\$ 2,090,474	\$ 481,898	\$ 28,587,768	\$ 31,160,140
Receivables:				
Property tax:				
Current year	-	2,647	-	2,647
Succeeding year	-	915,301	-	915,301
Income surtax	-	285,457	-	285,457
Due from other governments	229,889	-	-	229,889
	<u>2,320,363</u>	<u>1,685,303</u>	<u>28,587,768</u>	<u>32,593,434</u>
<b>Total assets</b>				
	<u>\$ 2,320,363</u>	<u>\$ 1,685,303</u>	<u>\$ 28,587,768</u>	<u>\$ 32,593,434</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 627	\$ 2,146	\$ 462,350	\$ 465,123
<b>Deferred inflows of resources:</b>				
Unavailable revenues:				
Succeeding year property tax	-	915,301	-	915,301
Other	-	285,457	-	285,457
	<u>-</u>	<u>1,200,758</u>	<u>-</u>	<u>1,200,758</u>
<b>Fund balances:</b>				
Restricted for:				
Revenue bonds	1,448,515	-	-	1,448,515
School infrastructure	871,221	-	28,125,418	28,996,639
Physical plant and equipment	-	482,399	-	482,399
Total fund balances	<u>2,319,736</u>	<u>482,399</u>	<u>28,125,418</u>	<u>30,927,553</u>
	<u>\$ 2,320,363</u>	<u>\$ 1,685,303</u>	<u>\$ 28,587,768</u>	<u>\$ 32,593,434</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>				

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS ACCOUNTS  
 Year Ended June 30, 2014

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 1,019,082	\$ -	\$ 1,019,082
Other	34,661	153	2,164	36,978
State sources	1,450,025	129	-	1,450,154
Total revenues	<u>1,484,686</u>	<u>1,019,364</u>	<u>2,164</u>	<u>2,506,214</u>
Expenditures:				
Current:				
Instruction	-	180,128	-	180,128
Support services:				
Instructional staff	-	96,244	-	96,244
Administration	-	-	138,693	138,693
Operation and maintenance of plant	-	138,073	-	138,073
Transportation	-	217,293	-	217,293
Other expenditures:				
Facilities acquisition	647,266	382,623	3,752,061	4,781,950
Long term debt:				
Interest and fiscal charges	-	-	512,326	512,326
Total expenditures	<u>647,266</u>	<u>1,014,361</u>	<u>4,403,080</u>	<u>6,064,707</u>
Excess (deficiency) of revenues over (under) expenditures	837,420	5,003	(4,400,916)	(3,558,493)
Other financing sources (uses):				
Compensation for loss of capital assets	-	8,594	-	8,594
General obligation bonds issued	-	-	32,335,000	32,335,000
Premium on bonds issued	-	-	191,334	191,334
Interfund transfers out	(1,108,272)	(147,701)	-	(1,255,973)
Total other financing sources (uses)	<u>(1,108,272)</u>	<u>(139,107)</u>	<u>32,526,334</u>	<u>31,278,955</u>
Net change in fund balances	(270,852)	(134,104)	28,125,418	27,720,462
Fund balances beginning of year	<u>2,590,588</u>	<u>616,503</u>	<u>-</u>	<u>3,207,091</u>
Fund balances end of year	<u>\$ 2,319,736</u>	<u>\$ 482,399</u>	<u>\$ 28,125,418</u>	<u>\$ 30,927,553</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS

June 30, 2014

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 318,469	\$ 7,214	\$ 325,683
Accounts receivable	16,462	-	16,462
Capital assets, net of accumulated depreciation	42,119	-	42,119
Total assets	<u>377,050</u>	<u>7,214</u>	<u>384,264</u>
Liabilities			
Accounts payable	3,788	704	4,492
Salaries and benefits payable	30,822	4,908	35,730
Total liabilities	<u>34,610</u>	<u>5,612</u>	<u>40,222</u>
Fund Net Position			
Net investment in capital assets	42,119	-	42,119
Unrestricted	300,321	1,602	301,923
Total fund net position	<u>\$ 342,440</u>	<u>\$ 1,602</u>	<u>\$ 344,042</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 Year Ended June 30, 2014

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Operating revenues:			
Local sources:			
Charges for services	\$ 424,031	\$ 23,903	\$ 447,934
Operating expenses:			
Support services:			
Administration	77	52	129
Operation and maintenance of plant	-	6,717	6,717
Non-instructional programs	409,828	31,382	441,210
Total operating expenses	<u>409,905</u>	<u>38,151</u>	<u>448,056</u>
Operating income (loss)	14,126	(14,248)	(122)
Non-operating revenues:			
Interest on investments	35	15	50
Contributions	11,830	6,416	18,246
Federal sources	8,185	-	8,185
Total non-operating revenues	<u>20,050</u>	<u>6,431</u>	<u>26,481</u>
Change in fund net position	34,176	(7,817)	26,359
Fund net position beginning of year	<u>308,264</u>	<u>9,419</u>	<u>317,683</u>
Fund net position end of year	<u>\$ 342,440</u>	<u>\$ 1,602</u>	<u>\$ 344,042</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
Year Ended June 30, 2014

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ 411,428	\$ 28,093	\$ 439,521
Cash payments to employees for services	(353,062)	(25,808)	(378,870)
Cash payments to suppliers for goods or services	(53,042)	(13,079)	(66,121)
Net cash provided by (used by) operating activities	<u>5,324</u>	<u>(10,794)</u>	<u>(5,470)</u>
Cash flows from non-capital financing activities:			
Contributions received	11,830	6,416	18,246
State grants received	2,161	-	2,161
Federal grants received	8,185	-	8,185
Net cash provided by non-capital financing activities	<u>22,176</u>	<u>6,416</u>	<u>28,592</u>
Cash flows from investing activities:			
Interest on investments	<u>35</u>	<u>15</u>	<u>50</u>
Net increase (decrease) in cash and cash equivalents	27,535	(4,363)	23,172
Cash and cash equivalents beginning of year	<u>290,934</u>	<u>11,577</u>	<u>302,511</u>
Cash and cash equivalents end of year	<u>\$ 318,469</u>	<u>\$ 7,214</u>	<u>\$ 325,683</u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:			
Operating income (loss)	\$ 14,126	\$ (14,248)	\$ (122)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:			
Depreciation	2,340	-	2,340
(Increase) decrease in accounts receivable	(12,603)	4,190	(8,413)
Increase (decrease) in accounts payable	(1,563)	43	(1,520)
Increase (decrease) in salaries and benefits payable	3,024	(779)	2,245
Net cash provided by (used by) operating activities	<u>\$ 5,324</u>	<u>\$ (10,794)</u>	<u>\$ (5,470)</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
HS Drama	\$ 4,537	\$ 2,937	\$ 2,508	\$ 4,966
MS Drama	1,044	471	409	1,106
HS Musical	8,163	6,162	7,109	7,216
MS Show Choir	270	-	-	270
HS Jazz Band	826	1,290	1,353	763
HS Athletics	76,701	190,939	167,735	99,905
MS Athletics	-	13,127	13,127	-
HS Cheerleading	1,757	3,997	5,754	-
MS Cheerleading	866	-	-	866
HS Yearbook	28,264	14,000	5,812	36,452
MS Yearbook	-	2,138	2,138	-
HS Art Club	1,036	2,725	3,137	624
MS Art Club	78	-	-	78
Robotics Club	800	-	300	500
National Honor Society	1,899	2,686	3,309	1,276
HS Safe Club	161	30	83	108
HS Student Assistance Team	579	325	480	424
HS Spanish Club	613	-	-	613
HS Student Council	6,420	13,819	11,842	8,397
MS Student Council	8,399	7,663	16,062	-
Government Club	1,065	-	-	1,065
HS Weight Club	3,407	1,915	3,130	2,192
HS Win With Wellness	318	359	120	557
HS Pom Squad	6,522	5,288	5,392	6,418
HS Student Fundraiser	1,734	73	-	1,807
MS Student Fundraiser	4,519	4,223	891	7,851
Amana Fundraising	133	-	-	133
HS Transitions Students Fundraiser	539	1,157	1,240	456
Class of 2013	1,922	-	-	1,922
Class of 2014	8,729	1,095	2,194	7,630
Class of 2015	3,018	18,579	11,194	10,403
Class of 2016	2,018	-	-	2,018
MS Bigger Faster Stronger Club	5	-	-	5
HS Concessions	14,520	9,155	7,929	15,746
MS Athletic Fundraiser/Concessions	26	-	-	26
<b>Total</b>	<b>\$ 190,888</b>	<b>\$ 304,153</b>	<b>\$ 273,248</b>	<b>\$ 221,793</b>

See accompanying independent auditor's report.

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

ALL GOVERNMENTAL FUNDS  
FOR THE LAST TEN YEARS

	Modified Accrual Basis Years Ended June 30,			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:				
Local sources:				
Local tax	\$ 11,214,429	\$ 12,175,812	\$ 11,685,859	\$ 11,183,865
Tuition	1,689,561	1,799,996	1,649,034	1,539,521
Other	792,596	591,051	734,165	706,475
State sources	10,475,726	7,916,632	7,818,771	6,932,174
Federal sources	968,544	923,838	815,255	774,172
	<hr/>			
Total revenues	<u>\$ 25,140,856</u>	<u>\$ 23,407,329</u>	<u>\$ 22,703,084</u>	<u>\$ 21,136,207</u>
Expenditures:				
Instruction	\$ 13,176,808	\$ 11,858,789	\$ 10,212,561	\$ 9,562,898
Support services:				
Student	370,306	341,656	325,023	307,927
Instructional staff	724,892	1,039,053	696,187	684,850
Administration	2,749,619	2,302,065	2,145,647	1,970,156
Operation and maintenance of plant	2,013,246	1,665,681	1,466,650	1,482,470
Transportation	1,136,988	1,097,624	866,450	752,961
Non-instructional programs	4,870	6,286	4,975	-
Other expenditures:				
Facilities acquisition	4,781,950	2,375,874	610,937	1,260,829
Long-term debt:				
Principal	17,910,597	2,538,851	3,241,861	1,945,384
Interest and fiscal charges	2,234,348	1,673,907	1,645,376	1,713,750
AEA flowthrough	682,767	614,099	586,165	597,803
	<hr/>			
Total expenditures	<u>\$ 45,786,391</u>	<u>\$ 25,513,885</u>	<u>\$ 21,801,832</u>	<u>\$ 20,279,028</u>

See accompanying independent auditor's report.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	10,763,604	\$ 9,920,491	\$ 9,877,435	\$ 7,005,106	\$ 5,563,759	\$ 4,668,747
	1,357,176	1,130,035	894,697	843,785	864,055	831,045
	797,538	1,368,218	1,649,981	1,657,083	622,669	490,905
	5,506,741	6,502,677	6,481,142	5,726,397	5,486,156	5,262,267
	1,077,779	549,496	625,576	524,561	315,725	299,347
	<u>\$ 19,502,838</u>	<u>\$ 19,470,917</u>	<u>\$ 19,528,831</u>	<u>\$ 15,756,932</u>	<u>\$ 12,852,364</u>	<u>\$ 11,552,311</u>
\$	9,080,537	\$ 9,312,449	\$ 8,442,875	\$ 7,867,766	\$ 7,349,809	\$ 7,386,489
	379,260	315,732	253,504	238,943	221,792	212,790
	628,140	826,405	523,684	606,214	494,515	471,945
	1,767,268	1,544,313	1,483,939	1,545,928	1,269,213	935,683
	1,563,413	1,379,802	1,196,637	1,271,048	1,143,662	1,099,448
	755,626	850,761	836,655	745,477	669,869	665,794
	-	9,508	110,589	-	31,086	21,792
	10,520,006	14,300,272	16,440,617	2,365,508	466,890	223,868
	1,215,529	997,504	1,285,883	549,171	470,000	450,000
	1,502,835	1,345,110	1,225,102	816,347	146,439	164,629
	564,144	496,524	467,919	433,596	388,998	370,505
	<u>\$ 27,976,758</u>	<u>\$ 31,378,380</u>	<u>\$ 32,267,404</u>	<u>\$ 16,439,998</u>	<u>\$ 12,652,273</u>	<u>\$ 12,002,943</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2014

Grantor / Program	CFDA Number	Pass-through Grantor Number	Expenditures
Direct:			
U.S. Department of Agriculture: Team Nutrition Grants	10.574	FY 14	\$ <u>300</u>
U.S. Department of Education: Impact Aid	84.041	FY 14	<u>66,146</u>
Fund for the Improvement of Education	84.215	Q215F120042-13	<u>270,870</u>
Indirect:			
U. S. Department of Agriculture: Iowa Department of Education: Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	1221-14	39,475
National School Lunch Program	10.555	1221-14	<u>313,557</u> *
			<u>353,032</u>
Child and Adult Care Food Program	10.558	1221-14	<u>8,185</u>
U. S. Department of Education: Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	1221GC-14	39,813
Title I Grants to Local Educational Agencies	84.010	1221G-13	9,756
Title I Grants to Local Educational Agencies	84.010	1221G-14	62,991
Title I Grants to Local Educational Agencies	84.010	1221-14-SINA	<u>1,675</u>
			<u>114,235</u>
Special Education - Grants to States	84.027	1221-14	<u>2,193</u> **
Safe and Drug-Free Schools and Communities: National Programs	84.184	1221-12	<u>540</u>
Improving Teacher Quality State Grants	84.367	1221-14	<u>28,860</u>
Grants for State Assessments and Related Activities	84.369	1221-14	<u>10,263</u>
Grant Wood Area Education Agency: Special Education - Grants to States	84.027	1221-14	<u>75,668</u> **
Career and Technical Education - Basic Grants to States	84.048	1221-14	<u>6,141</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2014

Grantor / Program	CFDA Number	Pass-through Grantor Number	Expenditures
Indirect (continued):			
U. S. Department of Health and Human Services:			
Iowa Department of Education:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	1221-14	\$ <u>170</u>
Total			\$ <u><u>936,603</u></u>

\* = Includes \$58,599 of non-cash awards.

\*\* = Total for CFDA number 84.027 = \$77,861.

Basis of Presentation –

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

See accompanying independent auditor's report.

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DONALD D. KAIN  
CHUCK C. CONVERSE, CPA  
RUSSELL S. TERPSTRA, CPA  
MICHAEL G. STANLEY, CPA  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

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

We have audited in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Clear Creek Amana Community School District as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 12, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-14 to be a material weakness.

Compliance

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

Comments involving statutory and other legal matters about the 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 the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Clear Creek Amana Community School District's Responses to Findings

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

Purpose of this Report

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

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

*Hunt + Associates, P.C.*

Oskaloosa, Iowa  
February 12, 2015

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Clear Creek Amana Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. Clear Creek Amana Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Clear Creek Amana Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clear Creek Amana Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Clear Creek Amana Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Clear Creek Amana Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

In planning and performing our audit of compliance, we considered Clear Creek Amana Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Clear Creek Amana Community School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance with a type of compliance requirement of a federal program 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 over compliance that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Hunt & Associates, P.C.*

Oskaloosa, Iowa  
February 12, 2015

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

Year Ended June 30, 2014

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

- (a) Unmodified opinions were issued on all opinion units.
- (b) A material weakness in internal control over financial reporting was reported.
- (c) The audit did not report any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were reported.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
  - Clustered programs:
    - CFDA Number 10.553 – School Breakfast Program
    - CFDA Number 10.555 – National School Lunch Program
  - CFDA Number 84.215 – Fund for the Improvement of Education
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Clear Creek Amana Community School District did not qualify as a low-risk auditee.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

II-A-14 Bank Reconciliation – We noted that bank reconciliations were prepared for each bank accounts but the differences were not investigated and corrected timely. This led to duplicated transactions that were undetected. We noted that the entries for the refunding bond issuance and related costs were duplicated in the Debt Service Fund and there was a final unreconciled difference of \$3,660. Adjusting journal entries have been made to the general ledger to reverse and correct these items.

Recommendation – All accounts should be reconciled and tied to the general ledger each month. Any differences should be investigated and corrected. This would allow the District to timely detect and correct errors or omissions and would provide accurate and reliable financial information of the District throughout the year for the Board of Education’s management decisions.

Response – Bank reconciliations for all accounts will be tied to the general ledger in the future and any differences will be investigated and corrected timely.

Conclusion – Response accepted.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

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

Year Ended June 30, 2014

Part IV: Other Findings Related to Statutory Reporting:

- IV-A-14 Certified Budget – Expenditures/expenses for the year ended June 30, 2014, did not exceed the amounts budgeted.
- IV-B-14 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-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.
- IV-D-14 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Rick Hergert, Board Member	Score board operator	\$359 (a)
Emily Broghammer, Daughter of Board Vice President	Daycare assistant wages	\$1,575 (b)
Mary Swenka, Mother of Board President	Substitute teacher wages	\$15,582 (b)
Don Schneider, Bus Driver Owner of Golden Touch Power Cleaning	Vehicle washes	\$6,536 (c)
Donita Wilcox, Bus Driver Spouse owns Parkview Development LLC	Snow removal	\$7,109 (c)

In accordance with Chapter 279.7A of the Code of Iowa, the transaction designated with an (a) does not appear to represent a conflict of interest since the cumulative amount for the Board Member does not exceed \$2,500 for the fiscal year.

In accordance with an Attorney General’s opinion dated November 9, 1976, the transactions designated with a (b) do not appear to represent any conflict of interest.

In accordance with Chapter 279.7A of the Code of Iowa, the transactions designated with a (c) do not appear to represent any conflict of interest.

- IV-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 the coverage is adequate for current operations.
- IV-F-14 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

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

Year Ended June 30, 2014

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

- IV-G-14 Certified Enrollment – No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- IV-H-14 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-14 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.
- IV-J-14 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and, except as noted in item II-A-14, we noted no significant deficiencies in the amounts reported.
- IV-K-14 Categorical Funding – No instances of categorical funding being used to supplant rather than supplement other funds were noted.
- IV-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		\$	2,590,588
Revenues:			
Interest	\$	23,316	
Other local revenues		11,345	
Statewide sales, services and use tax		<u>1,450,025</u>	1,484,686
Expenditures/transfers out:			
School infrastructure construction		618,340	
Equipment		28,926	
Transfers to other funds:			
Debt Service Fund		<u>1,108,272</u>	<u>1,755,538</u>
Ending balance		\$	<u><u>2,319,736</u></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.