

CAMANCHE COMMUNITY SCHOOL DISTRICT

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

June 30, 2015

CAMANCHE COMMUNITY SCHOOL DISTRICT

TABLE OF CONTENTS

	PAGE
OFFICIALS	1
INDEPENDENT AUDITOR’S REPORT	2
MANAGEMENT’S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	20
	<u>Exhibit</u>
Government-wide Financial Statements:	
Statement of Net Position	A 21
Statement of Activities	B 22
Governmental Fund Financial Statements:	
Balance Sheet	C 24
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D 25
Statement of Revenues, Expenditures and Changes in Fund Balances	E 26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F 27
Proprietary Fund Financial Statements:	
Statement of Net Position	G 28
Statement of Revenues, Expenses and Changes in Fund Net Position	H 29
Statement of Cash Flows	I 30
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	J 32
Statement of Changes in Fiduciary Net Position	K 33
Notes to Financial Statements	34
REQUIRED SUPPLEMENTARY INFORMATION	55
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund	56
Notes to Required Supplementary Information - Budgetary Reporting	57
Schedule of the District’s Proportionate Share of the Net Pension Liability	58
Schedule of District Contributions	59
Notes to Required Supplementary Information - Pension Liability	60
Schedule of Funding Progress for the Retiree Health Plan	62

CAMANCHE COMMUNITY SCHOOL DISTRICT

TABLE OF CONTENTS

(Continued)

	PAGE
SUPPLEMENTARY INFORMATION	63
	<u>Schedule</u>
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	1 64
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	2 65
Schedule of Changes in Special Revenue Fund, Student Activity Accounts.....	3 66
Capital Project Accounts:	
Combining Balance Sheet.....	4 68
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	5 69
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds	6 70
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds.....	7 71
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	72
Schedule of Findings and Responses.....	74

CAMANCHE COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
Mike Dunn	President	2017
Jim Boysen	Vice-President	2015
Molly Jess	Member	2015
Jeff Swalve	Member	2015
Brad Weber	Member	2015
Larry McDonald	Member	2017
Peg Wolf	Member	2017
<u>School Officials</u>		
Thomas E. Parker	Superintendent	2015
Roxanne L. Aude	Business Director Board Secretary/Treasurer	Indefinite
Jerry D. Van Scoy	Attorney	Indefinite

Independent Auditor's Report

To the Board of Education of
Camanche Community School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Camanche Community School District, Camanche, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Camanche Community School District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the financial statements, Camanche Community School District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the District's proportionate share of the net pension liability, the schedule of District contributions and the schedule of funding progress for the retiree health plan on pages 5 through 19 and 56 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Camanche 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 one year ended June 30, 2014 and for the four years ended June 30, 2012 (which are not presented herein) and expressed an unmodified opinion on those financial statements. The financial statements for the one year ended June 30, 2013, as well as the financial statements for the three years ended June 30, 2008 (which are not presented herein) were audited by other auditors whose reports expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015 on our consideration of Camanche Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Camanche Community School District's internal control over financial reporting and compliance.

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
December 21, 2015

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Camanche Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2015 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$10,593,186 in fiscal year 2014 to \$10,703,253 in fiscal year 2015, while General Fund expenditures increased from \$10,711,375 in fiscal year 2014 to \$11,242,619 in fiscal year 2015. The District's General Fund balance decreased from \$1,579,702 in fiscal year 2014 to \$1,096,594 in fiscal year 2015, a 30.6% decrease.
- The increase in General Fund revenues was attributable to an increase in state sources and federal sources. There was also an increase in tuition payment amounts for both special education students and open enrolled students being served by the District compared to last fiscal year.
- The increase in General Fund expenditures is due to an overall increase in instruction and support service expenditures. Specifically wages, benefits, instructional supplies, technology, and transportation related expenses.
- Since the majority of the increased revenues were attached to regulations of how they were to be spent, general obligations were met with the use of the General Fund balance.

USING THIS ANNUAL REPORT

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

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

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

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

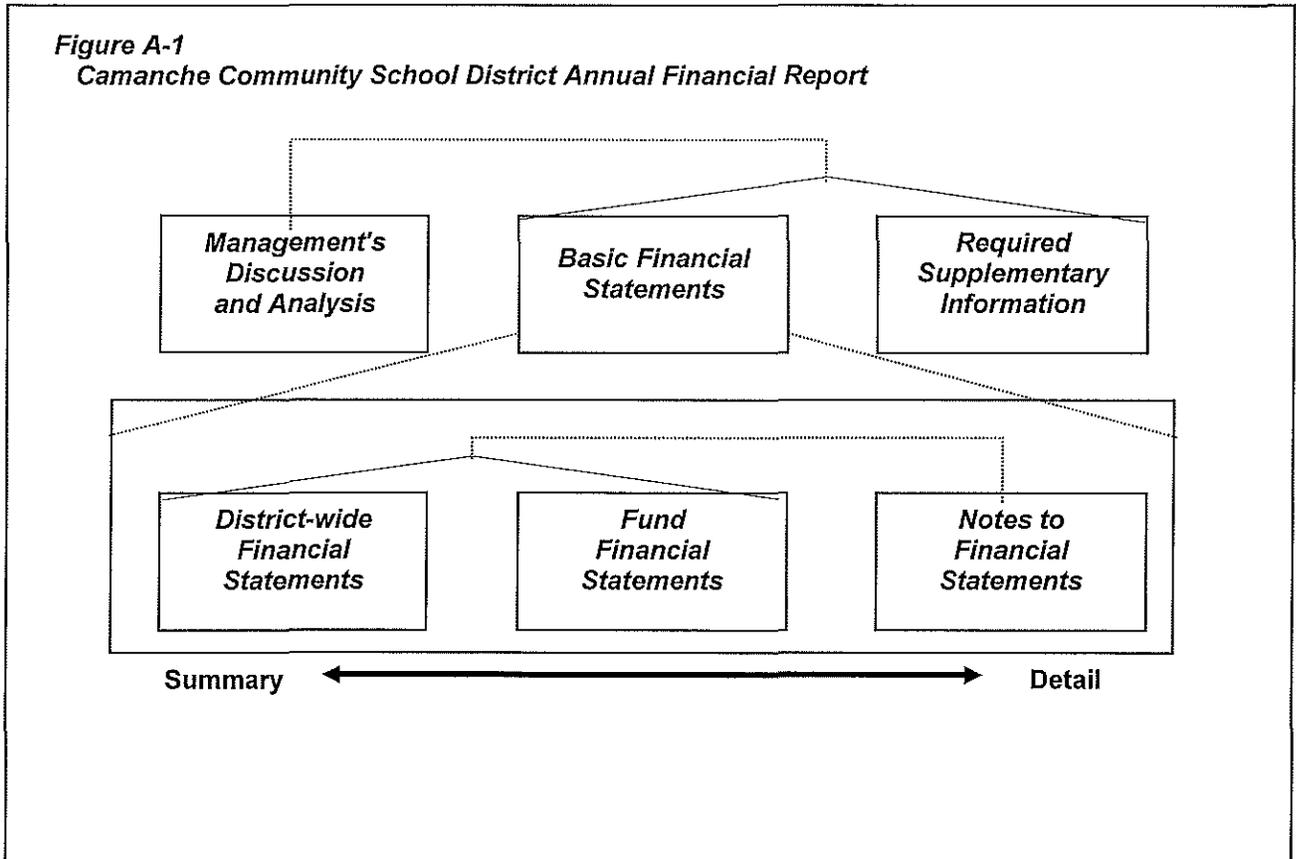
Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

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

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

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



**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

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.

<i>Figure A-2</i>				
<i>Major Features of the Government-wide and Fund Financial Statements</i>				
	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	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow/inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of fund balance that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future reporting period
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

The District's governmental funds include the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Fund.

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

Net position may serve, over time, as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,574,221 as of June 30, 2015.

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

The following tables present a summary of the District's net position for the fiscal years ended June 30, 2015 and 2014:

2015

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Current and other assets	\$ 8,310,988	\$ 61,379	\$ 8,372,367
Capital assets	<u>12,447,624</u>	<u>18,498</u>	<u>12,466,122</u>
Total assets	<u>20,758,612</u>	<u>79,877</u>	<u>20,838,489</u>
 Deferred outflows of resources	 <u>793,339</u>	 <u>19,425</u>	 <u>812,764</u>
 Long-term liabilities	 11,037,815	 110,044	 11,147,859
Other liabilities	<u>1,032,356</u>	<u>-</u>	<u>1,032,356</u>
Total liabilities	<u>12,070,171</u>	<u>110,044</u>	<u>12,180,215</u>
 Deferred inflows of resources	 <u>5,861,350</u>	 <u>35,467</u>	 <u>5,896,817</u>
 Net position:			
Net investment in capital assets	6,441,099	18,498	6,459,597
Restricted	2,502,228	-	2,502,228
Unrestricted	<u>(5,322,897)</u>	<u>(64,707)</u>	<u>(5,387,604)</u>
 Total net position	 <u>\$ 3,620,430</u>	 <u>\$ (46,209)</u>	 <u>\$ 3,574,221</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

2014

	Governmental Activities Not Restated	Business- Type Activities Not Restated	Total Not Restated
Current and other assets	\$ 8,716,614	\$ 51,303	\$ 8,767,917
Capital assets	<u>13,050,226</u>	<u>20,047</u>	<u>13,070,273</u>
Total assets	<u>21,766,840</u>	<u>71,350</u>	<u>21,838,190</u>
Long-term liabilities	8,082,614	18,953	8,101,567
Other liabilities	<u>1,078,024</u>	<u>39</u>	<u>1,078,063</u>
Total liabilities	<u>9,160,638</u>	<u>18,992</u>	<u>9,179,630</u>
Deferred inflows of resources	<u>4,335,288</u>	<u>-</u>	<u>4,335,288</u>
Net position:			
Net investment in capital assets	6,764,266	20,047	6,784,313
Restricted	2,438,904	-	2,438,904
Unrestricted	<u>(932,256)</u>	<u>32,311</u>	<u>(899,945)</u>
Total net position	<u>\$ 8,270,914</u>	<u>\$ 52,358</u>	<u>\$ 8,323,272</u>

A portion of the District's net position (180.7%) reflects its investment in capital assets (e.g., land, land improvements, buildings and building improvements, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The government-wide statements also include \$11,147,859 in long-term liabilities (see Note 6 on page 43), including general obligation bonds, revenue bonds, compensated absences, net pension liability and net OPEB liability.

Restricted net position represent resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$63,324 or 2.6 % over the prior year.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements decreased \$4,487,659 or 498.7% at year end.

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* - an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities and business type activities were restated by \$4,739,530 and \$116,050, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Changes in net position. The District's total revenue for the fiscal year ended June 30, 2015 was \$13,448,011 compared to \$13,376,311 at June 30, 2014. The total cost of all programs and services for fiscal year 2015 was \$13,341,482 compared to \$12,960,237 in fiscal year 2014. The following tables present a summary of the changes in net position for the fiscal years ended June 30, 2015 and 2014:

2015

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for service	\$ 2,031,862	\$ 253,361	\$ 2,285,223
Operating grants, contributions and restricted interest	879,607	269,614	1,149,221
General revenues:			
Property tax	4,428,410	-	4,428,410
Statewide sales, services and use tax	861,152	-	861,152
Unrestricted state grants	4,126,005	-	4,126,005
AEA flow through	367,316	-	367,316
Unrestricted investment earnings	1,575	50	1,625
Other	217,150	11,909	229,059
Total revenues	<u>12,913,077</u>	<u>534,934</u>	<u>13,448,011</u>
Program Expenses:			
Instruction	7,574,153	-	7,574,153
Support services	3,631,569	-	3,631,569
Non-instructional programs	-	517,451	517,451
Other expenditures	1,618,309	-	1,618,309
Total expenses	<u>12,824,031</u>	<u>517,451</u>	<u>13,341,482</u>
Change in net position	89,046	17,483	106,529
Net position beginning of year, as restated	<u>3,531,384</u>	<u>(63,692)</u>	<u>3,467,692</u>
Net position end of year	<u>\$ 3,620,430</u>	<u>\$ (46,209)</u>	<u>\$ 3,574,221</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

2014

	Governmental Activities Not Restated	Business- Type Activities Not Restated	Total Not Restated
Revenues:			
Program revenues:			
Charges for service	\$ 1,969,666	\$ 263,611	\$ 2,233,277
Operating grants, contributions and restricted interest	843,098	258,710	1,101,808
General revenues:			
Property tax	4,514,214	-	4,514,214
Statewide sales, services and use tax	757,153	-	757,153
Unrestricted state grants	3,991,477	-	3,991,477
AEA flow through	354,618	-	354,618
Unrestricted investment earnings	1,667	63	1,730
Other	<u>422,034</u>	<u>-</u>	<u>422,034</u>
Total revenues	<u>12,853,927</u>	<u>522,384</u>	<u>13,376,311</u>
Program expenses:			
Instruction	7,454,775	-	7,454,775
Support services	3,382,864	-	3,382,864
Non-instructional programs	-	524,509	524,509
Other expenditures	<u>1,598,089</u>	<u>-</u>	<u>1,598,089</u>
Total expenses	<u>12,435,728</u>	<u>524,509</u>	<u>12,960,237</u>
Change in net position	418,199	(2,125)	416,074
Net position beginning of year	<u>7,852,715</u>	<u>54,483</u>	<u>7,907,198</u>
Net position end of year	<u>\$ 8,270,914</u>	<u>\$ 52,358</u>	<u>\$ 8,323,272</u>

In fiscal year 2015, property tax, statewide sales, services and use tax and unrestricted state grants account for 70.0% of the total revenue for the year. The District's expenses primarily relate to instruction and support services, which account for 84.0% of the total expenses for fiscal year 2015.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Governmental Activities

Revenues for governmental activities were \$12,913,077 and expenses were \$12,824,031 for the year ended June 30, 2015. Revenues for governmental activities at June 30, 2014 were \$12,853,927 and expenses were \$12,435,728.

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

2015

	<u>Total Expenses</u>	<u>Net (Expenses) Revenues</u>
Instruction	\$ 7,574,153	\$(4,677,875)
Support services		
Student	417,728	(417,728)
Instructional staff	338,679	(338,679)
Administration	1,647,829	(1,647,829)
Operation and maintenance of plant	935,156	(935,156)
Transportation	292,177	(276,985)
Other expenditures		
Facilities acquisition	153,997	(153,997)
Long-term debt interest	266,187	(266,187)
AEA flowthrough	367,316	(367,316)
Depreciation/amortization (unallocated)	830,109	(830,109)
Other expenditures	<u>700</u>	<u>(700)</u>
Total expenses	<u>\$ 12,824,031</u>	<u>\$(9,912,561)</u>

- The cost of all governmental activities this year was \$12,824,031.
- Federal and State governments and charges for services subsidized certain governmental activities with grants and contributions of \$2,911,469.
- Net cost of governmental activities (\$9,912,562), was financed by general revenues, which are made up of primarily property and statewide sales, services and use tax (\$5,289,562) and state grants (\$4,126,005). Investment earnings and other sources accounted for \$586,041.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

2014

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

- The cost of all governmental activities in 2014 was \$12,435,728.
- Federal and State governments and charges for services subsidized certain governmental activities with grants and contributions of \$2,812,764.
- Net cost of governmental activities (\$9,622,964), was financed by general revenues, which are made up of primarily property and statewide sales, services and use tax (\$5,271,367) and state aid (\$3,991,477). Investment earnings and miscellaneous sources accounted for \$778,319.

Business-Type Activities

Revenues for business-type activities were \$534,934 and expenses were \$517,451 for June 30, 2015. Revenues for business-type activities were \$522,384 and expenses were \$524,509 for June 30, 2014. The District's business-type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

The increase in revenues was a result of an increase in the National School Lunch Program/USDA Program funding attributed to an increase in overall student participation in the School Nutrition Program plus the slight increase in meal prices. The increase in expenses was a direct result of the increase in overall student participation resulting in the increase of meals being prepared.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$2,990,040. This is a combined decrease of \$442,549 above last year's ending fund balance of \$3,432,589.

Governmental Fund Highlights

- The General Fund balance decreased from \$1,579,702 to \$1,096,594. The District's decreased General Fund financial position is the result of the District's use of fund balance to meet the financial obligation of salaries and benefits.
- The Debt Service Fund balance increased from \$1,081,794 in fiscal year 2014 to \$1,093,100 in fiscal year 2015. This is due primarily to lower principal and interest payments.
- The Capital Projects Fund balance increased from \$550,202 in fiscal year 2014 to \$552,012 at the end of fiscal year 2015. This increase is due to the balance of construction costs being finalized. In addition to, diligent monitoring of expenses and the expenses direct correlation to the funding.

Proprietary Fund Highlights

School Nutrition Fund net position increased from \$(63,692), as restated, at June 30, 2014 to \$(46,209) at June 30, 2015, representing an increase of approximately 27.4%. The District experienced a deficit balance as a result of recording a net pension liability in accordance with GASB 68.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District did not amend the adopted budget. The District's total revenues were \$75,527 more than budgeted revenues, a variance of .56%.

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

In spite of the Districts budgetary practice, the certified budget was exceeded in the support services functional area due to timing of expenditures at year-end without sufficient time to amend the certified budget.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2015, the District had invested \$12,466,122 in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net decrease of \$604,151 from 2014. Total depreciation expense for the year was \$833,464.

As of June 30, 2014, the District had invested \$13,070,273 in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net decrease of \$855,352 from 2013, primarily due to a restatement of beginning asset values due to the District having a capital asset study performed. Total depreciation expense for the year was \$815,358.

The following schedule presents capital asset balances net of depreciation for the fiscal years ended June 30, 2015 and 2014:

<u>2015</u>	Governmental Activities	Business- Type Activities	Total
Land	\$ 21,939	\$ -	\$ 21,939
Land improvements	348,511	-	348,511
Buildings and building improvements	11,253,620	-	11,253,620
Machinery and equipment	<u>823,554</u>	<u>18,498</u>	<u>842,052</u>
Total	<u>\$ 12,447,624</u>	<u>\$ 18,498</u>	<u>\$ 12,466,122</u>
<u>2014</u>	Governmental Activities	Business- Type Activities	Total
Land	\$ 21,939	\$ -	\$ 21,939
Construction in progress	189,860	-	189,860
Land improvements	371,924	-	371,924
Buildings and building improvements	11,779,868	-	11,779,868
Machinery and equipment	<u>686,635</u>	<u>20,047</u>	<u>706,682</u>
Total	<u>\$ 13,050,226</u>	<u>\$ 20,047</u>	<u>\$ 13,070,273</u>

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

Long-Term Debt

At June 30, 2015, the District had \$6,506,525 in general obligation and revenue bond long-term debt outstanding. This represents a decrease of 10.8% from the prior year. Additional information about the District's long-term debt is presented in Note 6 on page 43 of this report.

	<u>Amount</u>
General obligation bonds	\$ 500,000
Revenue bonds, net of discount	<u>6,006,525</u>
Total	<u>\$ 6,506,525</u>

At June 30, 2014, the District had \$7,290,960 in general obligation and revenue bond long-term debt outstanding. This represents a decrease of 9.5% from June 30, 2013.

	<u>Amount</u>
General obligation bonds	\$ 1,005,000
Revenue bonds, net of discount	<u>6,285,960</u>
Total	<u>\$ 7,290,960</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District continues to be under funded at the State level which assigns the burden of financial stability to be on the tax payers.
- Continued evaluation of the condition of the transportation vehicles and the rotation for replacement of these vehicles. Future purchases will be LOSST/SAVE expenditures or PPEL expenditures.
- The District maintains a split funding status with Health Care/Prescription Drug Insurance and has offered a Health Reimbursement Arrangement to the employees. These two areas are constantly being monitored.
- The negotiation of salaries and benefits for all District employees.
- Continued evaluation of the need for technology upgrades (both hardware and software) and textbook purchases.
- The increase or decline in student enrollment.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015**

- The stability of the District's Unspent Balance and overall Financial Solvency.
- Continued evaluation of the District-wide infrastructure.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Business and Finance Office, Camanche Community School District, 702 13th Avenue, Camanche, Iowa 52730.

BASIC FINANCIAL STATEMENTS

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
Year Ended June 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash, cash equivalents and pooled investments	\$ 3,329,976	\$ 54,511	\$ 3,384,487
Receivables:			
Property tax:			
Delinquent	29,282	-	29,282
Succeeding year	4,412,827	-	4,412,827
Accounts	13,879	-	13,879
Due from other governments	525,024	-	525,024
Inventories	-	6,868	6,868
Capital assets, net of accumulated depreciation/amortization	<u>12,447,624</u>	<u>18,498</u>	<u>12,466,122</u>
Total assets	<u>20,758,612</u>	<u>79,877</u>	<u>20,838,489</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	<u>793,339</u>	<u>19,425</u>	<u>812,764</u>
LIABILITIES			
Accounts payable	69,125	-	69,125
Salaries and benefits payable	838,996	-	838,996
Accrued interest payable	124,235	-	124,235
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	500,000	-	500,000
Revenue bonds	295,000	-	295,000
Compensated absences	96,967	-	96,967
Portion due after one year:			
Revenue bonds, net of discount	5,711,525	-	5,711,525
Net pension liability	3,780,272	92,562	3,872,834
Net OPEB liability	<u>654,051</u>	<u>17,482</u>	<u>671,533</u>
Total liabilities	<u>12,070,171</u>	<u>110,044</u>	<u>12,180,215</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	4,412,827	-	4,412,827
Pension related deferred inflows	<u>1,448,523</u>	<u>35,467</u>	<u>1,483,990</u>
Total deferred inflows of resources	<u>5,861,350</u>	<u>35,467</u>	<u>5,896,817</u>
NET POSITION			
Net investment in capital assets	6,441,099	18,498	6,459,597
Restricted for:			
Categorical funding	98,730	-	98,730
Debt service	1,847,530	-	1,847,530
Management levy purposes	90,571	-	90,571
Student activities	119,555	-	119,555
School infrastructure	122,791	-	122,791
Physical plant and equipment	184,843	-	184,843
Other special revenue purposes	38,208	-	38,208
Unrestricted	<u>(5,322,897)</u>	<u>(64,707)</u>	<u>(5,387,604)</u>
Total net position	<u>\$ 3,620,430</u>	<u>\$ (46,209)</u>	<u>\$ 3,574,221</u>

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015**

<u>Functions/Programs:</u>	Program Revenues		
	Expenses	Charges for Service	Operating Grants, Contributions, and Restricted Interest
Governmental activities:			
Instruction	\$ 7,574,153	\$ 2,022,902	\$ 873,375
Support services:			
Student	417,728	-	-
Instructional staff	338,679	-	-
Administration	1,647,829	-	-
Operation and maintenance of plant	935,156	-	-
Transportation	292,177	8,960	6,232
	3,631,569	8,960	6,232
Other expenditures:			
Facilities acquisition	153,997	-	-
Long-term debt interest	266,187	-	-
AEA flowthrough	367,316	-	-
Depreciation/amortization (unallocated)	830,109	-	-
Other expenditures	700	-	-
	1,618,309	-	-
Total governmental activities	12,824,031	2,031,862	879,607
Business-type activities:			
Non-instructional programs:			
Food service operations	517,451	253,361	269,614
Total	\$ 13,341,482	\$ 2,285,223	\$ 1,149,221
General revenues:			
Property tax levied for:			
General purposes			
Debt service			
Capital outlay			
Statewide sales, services and use tax			
Unrestricted state grants			
AEA flowthrough			
Unrestricted investment earnings			
Other			
Total general revenues			

CHANGE IN NET POSITION

NET POSITION BEGINNING OF YEAR, AS RESTATED

NET POSITION END OF YEAR

See notes to financial statements.

EXHIBIT B

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (4,677,876)	\$ -	\$ (4,677,876)
(417,728)	-	(417,728)
(338,679)	-	(338,679)
(1,647,829)	-	(1,647,829)
(935,156)	-	(935,156)
(276,985)	-	(276,985)
<u>(3,616,377)</u>	<u>-</u>	<u>(3,616,377)</u>
(153,997)	-	(153,997)
(266,187)	-	(266,187)
(367,316)	-	(367,316)
(830,109)	-	(830,109)
(700)	-	(700)
<u>(1,618,309)</u>	<u>-</u>	<u>(1,618,309)</u>
(9,912,562)	-	(9,912,562)
-	5,524	5,524
<u>(9,912,562)</u>	<u>5,524</u>	<u>(9,907,038)</u>
3,885,592	-	3,885,592
457,926	-	457,926
84,892	-	84,892
861,152	-	861,152
4,126,005	-	4,126,005
367,316	-	367,316
1,575	50	1,625
217,150	11,909	229,059
<u>10,001,608</u>	<u>11,959</u>	<u>10,013,567</u>
89,046	17,483	106,529
<u>3,531,384</u>	<u>(63,692)</u>	<u>3,467,692</u>
<u>\$ 3,620,430</u>	<u>\$ (46,209)</u>	<u>\$ 3,574,221</u>

CAMANCHE COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash, cash equivalents and pooled investments	\$ 1,557,784	\$ 1,088,537	\$ 432,866	\$ 250,789	\$ 3,329,976
Receivables:					
Property tax:					
Delinquent	23,509	3,449	639	1,685	29,282
Succeeding year	3,820,233	270,147	97,447	225,000	4,412,827
Accounts	13,879	-	-	-	13,879
Due from other governments	392,099	1,114	131,267	544	525,024
Total assets	<u>5,807,504</u>	<u>1,363,247</u>	<u>662,219</u>	<u>478,018</u>	<u>8,310,988</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,807,504</u>	<u>\$ 1,363,247</u>	<u>\$ 662,219</u>	<u>\$ 478,018</u>	<u>\$ 8,310,988</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 51,681	\$ -	\$ 12,760	\$ 4,684	\$ 69,125
Salaries and benefits payable	838,996	-	-	-	838,996
Total liabilities	<u>890,677</u>	<u>-</u>	<u>12,760</u>	<u>4,684</u>	<u>908,121</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues:					
Succeeding year property tax	3,820,233	270,147	97,447	225,000	4,412,827
FUND BALANCES					
Restricted for:					
Categorical funding	98,730	-	-	-	98,730
Debt service	-	1,093,100	244,378	-	1,337,478
Management levy purposes	-	-	-	90,571	90,571
Student activities	-	-	-	119,555	119,555
School infrastructure	-	-	122,791	-	122,791
Physical plant and equipment	-	-	184,843	-	184,843
Other purposes	-	-	-	38,208	38,208
Unassigned	997,864	-	-	-	997,864
Total fund balances	<u>1,096,594</u>	<u>1,093,100</u>	<u>552,012</u>	<u>248,334</u>	<u>2,990,040</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 5,807,504</u>	<u>\$ 1,363,247</u>	<u>\$ 662,219</u>	<u>\$ 478,018</u>	<u>\$ 8,310,988</u>

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2015**

Total fund balances of governmental funds (page 24) **\$ 2,990,040**

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. 12,447,624

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. (124,235)

Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:

Deferred outflows of resources	\$ 793,339	
Deferred inflows of resources	<u>(1,448,523)</u>	(655,184)

Long-term liabilities, including bonds payable, compensated absences payable, other postemployment benefits payable and net pension liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (11,037,815)

Net position of governmental activities (page 21) **\$ 3,620,430**

See notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES					
Local sources:					
Local tax	\$ 3,553,701	\$ 523,147	\$ 96,983	\$ 254,579	\$ 4,428,410
Tuition	1,568,786	-	-	-	1,568,786
Other	211,533	57	124	470,087	681,801
State sources	5,161,371	-	861,152	-	6,022,523
Federal sources	207,862	2,208	409	1,078	211,557
	<u>10,703,253</u>	<u>525,412</u>	<u>958,668</u>	<u>725,744</u>	<u>12,913,077</u>
EXPENDITURES					
Current:					
Instruction	7,382,408	-	-	465,944	7,848,352
Support services:					
Student	432,203	-	-	-	432,203
Instructional staff	299,011	-	113,636	-	412,647
Administration	1,577,494	-	-	104,972	1,682,466
Operation and maintenance of plant	883,270	-	-	71,127	954,397
Transportation	300,917	-	-	-	300,917
	<u>3,492,895</u>	<u>-</u>	<u>113,636</u>	<u>176,099</u>	<u>3,782,630</u>
Other expenditures:					
Facilities acquisition	-	-	300,954	-	300,954
Long-term debt:					
Principal	-	790,000	-	-	790,000
Interest and fiscal charges	-	265,674	-	-	265,674
AEA flowthrough	367,316	-	-	-	367,316
Other expenditures	-	700	-	-	700
	<u>367,316</u>	<u>1,056,374</u>	<u>300,954</u>	<u>-</u>	<u>1,724,644</u>
	<u>11,242,619</u>	<u>1,056,374</u>	<u>414,590</u>	<u>642,043</u>	<u>13,355,626</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(539,366)</u>	<u>(530,962)</u>	<u>544,078</u>	<u>83,701</u>	<u>(442,549)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	56,258	542,268	-	-	598,526
Operating transfers out	-	-	(542,268)	(56,258)	(598,526)
Total other financing sources (uses)	<u>56,258</u>	<u>542,268</u>	<u>(542,268)</u>	<u>(56,258)</u>	<u>-</u>
CHANGE IN FUND BALANCES	<u>(483,108)</u>	<u>11,306</u>	<u>1,810</u>	<u>27,443</u>	<u>(442,549)</u>
FUND BALANCES BEGINNING OF YEAR	<u>1,579,702</u>	<u>1,081,794</u>	<u>550,202</u>	<u>220,891</u>	<u>3,432,589</u>
FUND BALANCES END OF YEAR	<u>\$ 1,096,594</u>	<u>\$ 1,093,100</u>	<u>\$ 552,012</u>	<u>\$ 248,334</u>	<u>\$ 2,990,040</u>

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015**

Change in fund balances - total governmental funds (page 26) \$ (442,549)

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

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

Expenditures for capital assets	\$ 227,507	
Depreciation/amortization expense	<u>(830,109)</u>	(602,602)

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

Repaid	790,000	
Amortization of discount	<u>(5,565)</u>	784,435

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

5,052

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.

585,423

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

Compensated absences	(19,678)	
Other postemployment benefits	60,314	
Pension expense	<u>(281,349)</u>	<u>(240,713)</u>

Change in net position of governmental activities (page 23) \$ 89,046

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2015**

	Enterprise Fund - <u>School Nutrition</u>
ASSETS	
Current assets:	
Cash, cash equivalents and pooled investments	\$ 54,511
Inventories	<u>6,868</u>
Total current assets	61,379
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>18,498</u>
Total assets	<u>79,877</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows	<u>19,425</u>
LIABILITIES	
Current liabilities:	
None	<u>-</u>
Noncurrent liabilities:	
Net pension liability	92,562
Net OPEB liability	<u>17,482</u>
Total noncurrent liabilities	<u>110,044</u>
Total liabilities	<u>110,044</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows	<u>35,467</u>
NET POSITION	
Net investment in capital assets	18,498
Unrestricted	<u>(64,707)</u>
Total net position	<u>\$ (46,209)</u>

See notes to financial statements.

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2015

	Enterprise Fund - <u>School Nutrition</u>
OPERATING REVENUES	
Local sources:	
Charges for service	\$ 253,361
Other	11,909
Total operating revenues	<u>265,270</u>
OPERATING EXPENSES	
Non-instructional programs:	
Food service operations:	
Salaries	160,289
Benefits	21,735
Purchased services	1,496
Supplies	317,024
Depreciation	3,355
Other	13,552
Total operating expenses	<u>517,451</u>
Operating loss	<u>(252,181)</u>
NON-OPERATING REVENUES	
State sources	4,710
Federal sources:	
Federal food commodities	25,049
Federal subsidy	239,855
Interest income	50
Total non-operating revenues	<u>269,664</u>
INCREASE IN NET POSITION	17,483
NET POSITION BEGINNING OF YEAR, AS RESTATED	<u>(63,692)</u>
NET POSITION END OF YEAR	<u>\$ (46,209)</u>

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2015**

**Enterprise
Fund -
School Nutrition**

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from sale of lunches and breakfasts	\$ 265,270
Cash paid to employees for services	(190,980)
Cash paid to suppliers for goods and services	<u>(334,877)</u>
Net cash used in operating activities	<u>(260,587)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

State grants received	4,710
Federal grants received	<u>264,904</u>
Net cash provided by non-capital financing activities	<u>269,614</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition of capital assets	<u>(1,806)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on investments	<u>50</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	7,271
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>47,240</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 54,511</u>

CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2015

Enterprise
Fund -
School Nutrition

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

Operating loss	\$ (252,181)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	3,355
Increase in inventories	(2,805)
Decrease in salaries and benefits payable	(39)
Decrease in OPEB liability	(1,471)
Decrease in net pension liability	(37,126)
Decrease in deferred outflows of resources	(5,787)
Increase in deferred inflows of resources	<u>35,467</u>
Net cash used in operating activities	<u>\$ (260,587)</u>

NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

During the year ended June 30, 2015, the District received \$25,049 of federal commodities.

See notes to the financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2015**

	Private Purpose Trust <u>Scholarship</u>	<u>Agency</u>
ASSETS		
Cash, cash equivalents and pooled investments	\$ <u>9,856</u>	\$ <u>4,250</u>
LIABILITIES		
Due to others	<u>-</u>	<u>4,250</u>
NET POSITION		
Reserved for scholarships	<u>\$ 9,856</u>	<u>\$ -</u>

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2015**

	Private Purpose Trust <u>Scholarship</u>
ADDITIONS	
Local sources:	
Memorials/contributions	\$ <u>3,901</u>
DEDUCTIONS	
Support services:	
Scholarships awarded	<u>7,900</u>
CHANGE IN NET POSITION	(3,999)
NET POSITION BEGINNING OF YEAR	<u>13,855</u>
NET POSITION END OF YEAR	<u>\$ 9,856</u>

See notes to financial statements.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position 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. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

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

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

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

The District reports the following major proprietary fund:

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

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

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (continued)

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (continued)

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

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

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

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1.5% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2014.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means 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 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 property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consists of succeeding year property tax receivables that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 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, 2015, expenditures exceeded the amounts budgeted in the support services function. The District did not exceed its General Fund unspent authorized budget.

F. Subsequent Events

Management has evaluated subsequent events through December 21, 2015, the date the financial statements were available to be issued.

NOTE 2 - CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The District's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2015, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$1,426,985 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Schools Joint Investment Trust was rated AAAM by Standard & Poor's Financial Services.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 3 - INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

	Transfers In	Transfers Out
General fund	\$ 56,258	\$ -
Debt service fund	542,268	-
Capital projects fund	-	542,268
Management levy fund	-	56,258
Total	\$ 598,526	\$ 598,526

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

NOTE 4 - IOWA SCHOOL CASH ANTICIPATION PROGRAM (ISCAP)

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

The District pledges its state foundation aid payments and General Fund receipts as security for the warrants issued. Repayments must be made when General Fund receipts are received. The District must make minimum warrant repayments on the 25th of each month immediately following the final date the warrant proceeds may be used in an amount equal to 25% of the warrant amount. The Series 2014-2015 ONE included taxable warrants only. The interest rates on the Series 2014-2015 ONE warrants are variable rates, calculated daily, based on the one-month LIBOR rate plus 105 basis points. The LIBOR rate at June 30, 2015 was 0.1859%. A summary of the District's ISCAP activity for the year ended June 30, 2015 is as follows:

<u>Series</u>	<u>Warrant Date</u>	<u>Final Warrant Maturity</u>	<u>Balance Beginning of Year</u>	<u>Advances Received</u>	<u>Advances Repaid</u>	<u>Balance End of Year</u>
2013-2014 ONE	6/26/13	12/1/14	\$ -	\$ 600,000	\$ 600,000	\$ -
2014-2015 ONE	6/25/14	12/1/15	\$ -	\$ 600,000	\$ 600,000	\$ -

During the year ended June 30, 2015, the District paid \$1,607 of interest on the ISCAP warrants.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 was as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 21,939	\$ -	\$ -	\$ 21,939
Construction in progress	<u>189,860</u>	<u>-</u>	<u>189,860</u>	<u>-</u>
Total capital assets, not being depreciated/amortized	<u>211,799</u>	<u>-</u>	<u>189,860</u>	<u>21,939</u>
Capital assets, being depreciated/amortized:				
Land improvements	1,218,505	21,500	-	1,240,005
Buildings and building improvements	20,680,367	-	-	20,680,367
Machinery and equipment	<u>3,138,580</u>	<u>395,867</u>	<u>-</u>	<u>3,534,447</u>
Total capital assets being depreciated/amortized	<u>25,037,452</u>	<u>417,367</u>	<u>-</u>	<u>25,454,819</u>
Less accumulated depreciated/amortization for:				
Land improvements	846,581	44,913	-	891,494
Buildings and building improvements	8,900,499	526,248	-	9,426,747
Machinery and equipment	<u>2,451,945</u>	<u>258,948</u>	<u>-</u>	<u>2,710,893</u>
Total accumulated depreciation/amortization	<u>12,199,025</u>	<u>830,109</u>	<u>-</u>	<u>13,029,134</u>
Total capital assets being depreciated, net	<u>12,838,427</u>	<u>(412,742)</u>	<u>-</u>	<u>12,425,685</u>
Governmental activities, net	<u>\$13,050,226</u>	<u>\$ (412,742)</u>	<u>\$ 189,860</u>	<u>\$12,447,624</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Business type activities:				
Furniture and equipment	\$ 153,816	\$ 1,806	\$ -	\$ 155,622
Less accumulated depreciation	<u>133,769</u>	<u>3,355</u>	<u>-</u>	<u>137,124</u>
Business type activities, net	<u>\$ 20,047</u>	<u>\$ (1,549)</u>	<u>\$ -</u>	<u>\$ 18,498</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Support services:	
Depreciation (unallocated)	<u>\$ 830,109</u>
Business type activities:	
Food service operations	<u>\$ 3,355</u>

NOTE 6 - LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2015 are summarized as follows:

	<u>Balance Beginning of Year, as Restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 1,005,000	\$ -	\$ 505,000	\$ 500,000	\$ 500,000
Revenue bonds	6,375,000	-	285,000	6,090,000	295,000
Bond discount	(89,040)	-	(5,565)	(83,475)	-
Compensated absences	77,289	74,077	54,399	96,967	96,967
Net pension liability	5,296,520	-	1,516,248	3,780,272	-
Net OPEB liability	<u>714,365</u>	<u>64,381</u>	<u>124,695</u>	<u>654,051</u>	<u>-</u>
Total	<u>\$ 13,379,134</u>	<u>\$ 138,458</u>	<u>\$ 2,479,777</u>	<u>\$ 11,037,815</u>	<u>\$ 891,967</u>
Business type activities:					
Net pension liability	\$ 129,688	\$ -	\$ 37,126	\$ 92,562	\$ -
Net OPEB liability	<u>18,953</u>	<u>1,721</u>	<u>3,192</u>	<u>17,482</u>	<u>-</u>
Total	<u>\$ 148,641</u>	<u>\$ 1,721</u>	<u>\$ 40,318</u>	<u>\$ 110,044</u>	<u>\$ -</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

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

General Obligation Bonds

Details of the District's June 30, 2015 general obligation bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Bonds Issued on October 25, 2012</u>			
	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	1.000%	\$ 500,000	\$ 3,750	\$ 503,750

Revenue Bonds

Details of the District's June 30, 2015 statewide sales, services and use tax revenue bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Bonds Issued on July 8, 2010</u>			
	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	3.250%	\$ 295,000	\$ 247,636	\$ 542,636
2017	3.250%	305,000	238,049	543,049
2018	3.500%	320,000	228,136	548,136
2019	3.700%	335,000	216,939	551,939
2020	4.000%	350,000	204,541	554,541
2021-2025	4.050-4.250%	1,985,000	796,621	2,781,621
2026-2030	4.250-4.375%	2,500,000	336,662	2,836,662
Total		<u>\$ 6,090,000</u>	<u>\$ 2,268,584</u>	<u>\$ 8,358,584</u>

CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds (continued)

The District has pledged future statewide sales, services and use tax revenues to repay the \$7,420,000 of bonds issued in July 2010. The bonds were issued for the purpose of financing the costs related to renovation and construction taking place at the elementary and middle schools. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 100% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$8,358,584. For the current year, total principal and interest paid was \$541,899 and total statewide sales, services and use tax revenues were \$861,152.

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

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

NOTE 7 - PENSION PLAN

Plan Description - IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employee' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's year of

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 7 - PENSION PLAN (CONTINUED)

service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent of each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with the regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the members accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the District contributed 8.93 percent for a total rate of 14.88 percent.

The District's contributions to IPERS for the year ended June 30, 2015 were \$599,759.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 7 - PENSION PLAN (CONTINUED)

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the District reported a liability of \$3,872,834 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's collective proportion was 0.097653 percent, which was an increase of 0.003148 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$288,237. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 42,090	\$ -
Changes of assumptions	170,915	-
Net difference between projected and actual earnings on pension plan investments	-	1,476,987
Changes in proportion and differences between District contributions and proportionate share of contributions	-	7,003
District contributions subsequent to the measurement date	<u>599,759</u>	<u>-</u>
Total	<u>\$ 812,764</u>	<u>\$ 1,483,990</u>

\$599,759 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year Ended June 30,</u>	
2016	\$ (321,115)
2017	(321,115)
2018	(321,115)
2019	(321,115)
2020	<u>13,475</u>
Total	<u>\$ (1,270,985)</u>

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 7 - PENSION PLAN (CONTINUED)

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent per annum.
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	23%	6.31
Non US Equity	15%	6.76
Private Equity	13%	11.34
Real Estate	8%	3.52
Core Plus Fixed Income	28%	2.06
Credit Opportunities	5%	3.67
TIPS	5%	1.92
Other Real Assets	2%	6.27
Cash	1%	(0.69)
Total	<u>100%</u>	

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 7 - PENSION PLAN (CONTINUED)

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$7,317,611	\$3,872,834	\$ 965,085

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan - At June 30, 2015, the District reported payables to the defined benefit pension plan of \$64,581 for legally required employer contributions and \$43,030 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

NOTE 8 - OPERATING LEASES

The District has several operating leases for equipment. These leases have been classified as operating leases and, accordingly, all rents are charged to expenditures as incurred. The leases expire in 2017. All of the leases require the payment of normal maintenance. In most cases, management expects the leases will be renewed or replaced by other leases.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 8 - OPERATING LEASES (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 48,912
2017	48,912
Total	<u>\$ 97,824</u>

Total rental expenditures for the year ended June 30, 2015 for the operating leases were \$53,357.

NOTE 9 - DUE FROM OTHER GOVERNMENTS

Amounts due from other governments by fund as of June 30, 2015 are as follows:

	<u>General Fund</u>
State appropriations:	
Vocational aid	\$ 13,130
Nonpublic pupil transportation	6,232
Federal appropriations:	
Title I	31,202
Title II	29,746
Title IV	1,074
IDEA Part B	18,672
Juvenile incentive	4,623
Other	<u>287,420</u>
Total	\$ 392,099

Capital Projects Fund

Statewide sales, services and use tax	\$ 131,061
Federal flood control	<u>206</u>
Total	<u>131,267</u>

Debt Service Fund

Federal flood control	<u>\$ 1,114</u>
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Management Levy Fund

Federal flood control	<u>\$ 544</u>
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**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 100 active and 20 retired members in the plan. Participants must be age 55 or older at retirement.

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

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

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

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 60,116
Interest on net OPEB obligation	32,999
Adjustment to annual required contribution	<u>(27,013)</u>
Annual OPEB cost	66,102
Contributions made	<u>(127,887)</u>
Decrease in net OPEB obligation	(61,785)
Net OPEB obligation beginning of year	<u>733,318</u>
Net OPEB obligation end of year	<u>\$ 671,533</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, 2015.

For the year ended June 30, 2015, the District contributed \$127,887 to the medical plan. Plan members eligible for benefits contributed 100% of the premium costs.

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

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

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 72,281	259.2%	\$ 819,706
June 30, 2014	68,512	226.1%	733,318
June 30, 2015	66,102	193.5%	671,533

Funded Status and Funding Progress - As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$992,909, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$992,909. The covered payroll (annual payroll of active employees covered by the plan) was \$5,727,465, and the ratio of the UAAL to covered payroll was 17.3%. As of June 30, 2015, there were no trust fund assets.

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

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

As of the July 1, 2012 actuarial valuation date, the unit credit cost method was used. The actuarial assumptions include a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 8.0%. The ultimate medical trend rate is 5.0%. The medical trend rate is reduced 0.5% each year until reaching the ultimate trend rate. An inflation rate of 0% is assumed for the purpose of this computation.

Mortality rates are from the RP2000 Combined Healthy Generational Mortality Table. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011.

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 11 - RISK MANAGEMENT

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

NOTE 12 - DEFICIT BALANCES

The District had a School Nutrition deficit net position balance of \$46,209 at June 30, 2015 primarily due to the net pension liability.

NOTE 13 - 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 \$367,316 for the year ended June 30, 2015 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

NOTE 14 - CONTINGENT LIABILITY

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

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

NOTE 15 - ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB No. 27 was implemented during fiscal year 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, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	<u>Governmental Activities</u>	<u>Business type Activities</u>
Net position June 30, 2014, as previously reported	\$ 8,270,914	\$ 52,358
Net pension liability at June 30, 2014	(5,296,520)	(129,688)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	<u>556,990</u>	<u>13,638</u>
Net position July 1, 2014, as restated	<u>\$ 3,531,384</u>	<u>\$ (63,692)</u>

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

REQUIRED SUPPLEMENTARY INFORMATION

CAMANCHE COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUND
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2015

	Governmental Funds <u>Actual</u>	Proprietary Fund <u>Actual</u>	Total <u>Actual</u>	<u>Budgeted Amounts</u>		Final to Actual <u>Variance</u>
				<u>Original</u>	<u>Final</u>	
REVENUES						
Local sources	\$ 6,678,997	\$ 265,320	\$ 6,944,317	\$ 7,646,160	\$ 7,646,160	\$ (701,843)
State sources	6,022,523	4,710	6,027,233	5,288,324	5,288,324	738,909
Federal sources	<u>211,557</u>	<u>264,904</u>	<u>476,461</u>	<u>438,000</u>	<u>438,000</u>	<u>38,461</u>
Total revenues	<u>12,913,077</u>	<u>534,934</u>	<u>13,448,011</u>	<u>13,372,484</u>	<u>13,372,484</u>	<u>75,527</u>
EXPENDITURES						
Instruction	7,848,352	-	7,848,352	8,106,239	8,106,239	257,887
Support services	3,782,630	-	3,782,630	3,736,056	3,736,056	(46,574)
Non-instructional programs	-	517,451	517,451	1,006,870	1,006,870	489,419
Other expenditures	<u>1,724,644</u>	<u>-</u>	<u>1,724,644</u>	<u>2,181,423</u>	<u>2,181,423</u>	<u>456,779</u>
Total expenditures/expenses	<u>13,355,626</u>	<u>517,451</u>	<u>13,873,077</u>	<u>15,030,588</u>	<u>15,030,588</u>	<u>1,157,511</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	(442,549)	17,483	(425,066)	(1,658,104)	(1,658,104)	1,233,038
OTHER FINANCING SOURCES, NET	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES/EXPENSES AND OTHER FINANCING USES	(442,549)	17,483	(425,066)	(1,658,104)	(1,658,104)	1,233,038
BALANCES BEGINNING OF YEAR, AS RESTATED	<u>3,432,589</u>	<u>(63,692)</u>	<u>3,368,897</u>	<u>2,693,814</u>	<u>2,693,814</u>	<u>675,083</u>
BALANCES END OF YEAR	<u>\$ 2,990,040</u>	<u>\$ (46,209)</u>	<u>\$ 2,943,831</u>	<u>\$ 1,035,710</u>	<u>\$ 1,035,710</u>	<u>\$ 1,908,121</u>

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY REPORTING
Year Ended June 30, 2015**

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District did not make any amendments to the adopted budget.

During the year ended June 30, 2015, expenditures exceeded the amounts budgeted in the support services function. The District did not exceed its General Fund unspent authorized budget.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST FISCAL YEAR***

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2015</u>
District's proportion of the net pension liability	0.097653%
District's proportionate share of the net pension liability	\$ 3,872,834
District's covered-employee payroll	\$ 6,716,226
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	57.66%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying independent auditor's report.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS**

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Statutorily required contribution	\$ 599,759	\$ 570,628	\$ 537,393	\$ 489,381	\$ 404,950	\$ 373,793	\$ 352,744	\$ 306,746	\$ 273,304	\$ 260,017
Contributions in relation to the statutorily required contribution	<u>(599,759)</u>	<u>(570,628)</u>	<u>(537,393)</u>	<u>(489,381)</u>	<u>(404,950)</u>	<u>(373,793)</u>	<u>(352,744)</u>	<u>(306,746)</u>	<u>(273,304)</u>	<u>(260,017)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
District's covered-employee payroll	\$6,716,226	\$6,390,011	\$6,198,304	\$6,064,201	\$5,826,619	\$5,620,947	\$5,555,024	\$5,070,182	\$4,753,113	\$4,522,035
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
Year Ended June 30, 2015**

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008, legislative action transferred four groups - emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers - from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be shared 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
Year Ended June 30, 2015**

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

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

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UALL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	-	\$ 4,370	\$ 4,370	0.00%	\$ 4,591	94.0%
2011	July 1, 2009	-	4,314	4,314	0.00%	4,736	91.9%
2012	July 1, 2009	-	4,041	4,041	0.00%	4,844	83.4%
2013	July 1, 2012	-	993	993	0.00%	4,383	22.7%
2014	July 1, 2012	-	993	993	0.00%	5,100	19.5%
2015	July 1, 2012	-	993	993	0.00%	5,727	17.3%

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

See accompanying independent auditor's report.

SUPPLEMENTARY INFORMATION

**CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015**

	<u>Management Levy</u>	<u>Student Activity</u>	<u>Klinge Library Fund</u>	<u>Other Funds</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
Cash, cash equivalents and pooled investments	\$ 89,362	\$ 123,219	\$ 25,317	\$ 12,891	\$ 250,789
Receivables:					
Property tax:					
Delinquent	1,685	-	-	-	1,685
Succeeding year	225,000	-	-	-	225,000
Due from other governments	544	-	-	-	544
Total assets	<u>316,591</u>	<u>123,219</u>	<u>25,317</u>	<u>12,891</u>	<u>478,018</u>
DEFERRED OUTFLOWS OF RESOURCES					
None	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
	<u>\$ 316,591</u>	<u>\$ 123,219</u>	<u>\$ 25,317</u>	<u>\$ 12,891</u>	<u>\$ 478,018</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,020	\$ 3,664	\$ -	\$ -	\$ 4,684
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues:					
Succeeding year property tax	225,000	-	-	-	225,000
FUND BALANCES					
Restricted for:					
Management levy purposes	90,571	-	-	-	90,571
Student activities	-	119,555	-	-	119,555
Other purposes	-	-	25,317	12,891	38,208
Total fund balances	<u>90,571</u>	<u>119,555</u>	<u>25,317</u>	<u>12,891</u>	<u>248,334</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
	<u>\$ 316,591</u>	<u>\$ 123,219</u>	<u>\$ 25,317</u>	<u>\$ 12,891</u>	<u>\$ 478,018</u>

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2015**

	<u>Management Levy</u>	<u>Student Activity</u>	<u>Klinge Library Fund</u>	<u>Other Funds</u>	<u>Total</u>
REVENUES					
Local sources:					
Local tax	\$ 254,579	\$ -	\$ -	\$ -	\$ 254,579
Other	3,405	426,083	1	40,598	470,087
Federal sources	<u>1,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,078</u>
Total revenues	<u>259,062</u>	<u>426,083</u>	<u>1</u>	<u>40,598</u>	<u>725,744</u>
EXPENDITURES					
Current:					
Instruction	658	434,726	-	30,560	465,944
Support services:					
Administration	104,972	-	-	-	104,972
Operation and maintenance of plant	<u>71,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,127</u>
Total expenditures	<u>176,757</u>	<u>434,726</u>	<u>-</u>	<u>30,560</u>	<u>642,043</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	82,305	(8,643)	1	10,038	83,701
OTHER FINANCING USES					
Operating transfers out	<u>(56,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(56,258)</u>
CHANGE IN FUND BALANCES	26,047	(8,643)	1	10,038	27,443
FUND BALANCES BEGINNING OF YEAR	<u>64,524</u>	<u>128,198</u>	<u>25,316</u>	<u>2,853</u>	<u>220,891</u>
FUND BALANCES END OF YEAR	<u>\$ 90,571</u>	<u>\$ 119,555</u>	<u>\$ 25,317</u>	<u>\$ 12,891</u>	<u>\$ 248,334</u>

See accompanying independent auditor's report.

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2015

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues and Interfund Transfers</u>	<u>Expenditures</u>	<u>Balance End of Year</u>
Drama	\$ 9,730	\$ 14,326	\$ 15,054	\$ 9,002
MS drama	2,915	2,868	2,653	3,130
Speech	-	3,297	3,297	-
Music boosters	7,901	9,127	6,719	10,309
Band boosters	2,373	13,790	12,670	3,493
Fine arts boosters	3,238	8,035	6,364	4,909
Cross country	-	1,991	1,991	-
Boys basketball	723	13,719	14,442	-
Boys football	6,774	15,370	16,248	5,896
Boys bowling	-	3,566	3,566	-
Boys baseball	-	6,194	6,194	-
Boys track	-	7,276	7,276	-
Boys tennis	-	3,450	3,450	-
Boys golf	-	957	957	-
Boys wrestling	-	10,628	10,628	-
Girls basketball	-	9,626	9,626	-
Girls volleyball	641	8,136	8,588	189
Girls softball	-	3,417	3,417	-
Girls track	-	9,273	9,273	-
Girls tennis	192	6,802	6,994	-
Girls golf	-	1,434	1,434	-
Gate change	-	1,200	1,200	-
Indian basketball - boys	4,401	15,012	19,413	-
Indian basketball - girls	8,361	12,098	16,175	4,284
Indian volleyball	136	4,821	4,293	664
Indian baseball	1,577	2,444	2,608	1,413
Indian softball	2,855	3,268	4,120	2,003
Indian football	-	11,150	9,126	2,024
Weight lifting club	727	-	149	578
Summer tennis	2,244	3,100	2,089	3,255
Activity tickets	-	6,999	6,999	-
Junior wrestling	22,895	22,236	31,948	13,183
Youth basketball - girls	-	11,563	6,801	4,762
WR cheerleaders	-	1,637	1,637	-
BB cheerleaders	137	306	400	43
Football cheerleaders	482	1,006	764	724
Dance team	7	-	-	7
MS cheerleaders	152	418	570	-
Athletic boosters	2,998	53,874	54,593	2,279
Gaming license	155	95	168	82
Athletic corporate	-	26,615	26,235	380
Athletic fund raising/corporate	10,718	8,027	4,230	14,515
Athletic booster apparel	209	7,156	7,365	-
T & I Club	24	-	-	24
Camanche Teen Club	4,923	12,792	13,411	4,304
Peer Helpers	282	1	-	283

SCHEDULE 3
(CONTINUED)

CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2015

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues and Interfund Transfers</u>	<u>Expenditures</u>	<u>Balance End of Year</u>
DJ Club	\$ 44	\$ -	\$ -	\$ 44
National Honor Society	195	543	738	-
Student Council	2,893	6,494	4,174	5,213
Business Club	5,984	876	1,648	5,212
Industrial Arts Club	76	5,561	3,553	2,084
Key Club	329	1,906	1,901	334
Spanish Club	425	120	120	425
Securities/investments	12	167	113	66
Class of 2014	2,043	-	2,043	-
Class of 2015	3,396	479	1,715	2,160
Class of 2016	765	17,575	15,162	3,178
Class of 2017	57	134	-	191
Class of 2018	-	156	-	156
Garden Club	715	-	439	276
Elementary school activity snacks	8,519	17,095	21,022	4,592
Elementary music	418	1,170	1,041	547
Elementary book fair	115	3,380	3,376	119
Junior high activity snacks	-	4,297	3,900	397
High school activity snacks	786	2,758	3,288	256
High school concession sales	1,973	1,870	1,965	1,878
Middle school bookfair	-	2,401	2,401	-
MS Pride fair	1,683	1	992	692
TOTAL	<u>\$ 128,198</u>	<u>\$ 426,083</u>	<u>\$ 434,726</u>	<u>\$ 119,555</u>

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECT ACCOUNTS
June 30, 2015**

	<u>Statewide Sales, Services and Use Tax</u>	<u>Physical Plant and Equipment Levy</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash, cash equivalents and pooled investments	\$ 244,378	\$ 188,488	\$ 432,866
Receivables:			
Property tax:			
Delinquent	-	639	639
Succeeding year	-	97,447	97,447
Due from other governments	131,061	206	131,267
Total assets	<u>375,439</u>	<u>286,780</u>	<u>662,219</u>
DEFERRED OUTFLOWS OF RESOURCES			
None	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 375,439</u>	<u>\$ 286,780</u>	<u>\$ 662,219</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 8,270	\$ 4,490	\$ 12,760
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues:			
Succeeding year property tax	<u>-</u>	<u>97,447</u>	<u>97,447</u>
FUND BALANCES			
Restricted for:			
Debt service	244,378	-	244,378
School infrastructure	122,791	-	122,791
Physical plant and equipment	<u>-</u>	<u>184,843</u>	<u>184,843</u>
Total fund balances	<u>367,169</u>	<u>184,843</u>	<u>552,012</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 375,439</u>	<u>\$ 286,780</u>	<u>\$ 662,219</u>

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
CAPITAL PROJECT ACCOUNTS
Year Ended June 30, 2015**

	<u>Statewide Sales, Services and Use Tax</u>	<u>Physical Plant and Equipment Levy</u>	<u>Total</u>
REVENUES			
Local sources:			
Local tax	\$ -	\$ 96,983	\$ 96,983
Other	13	111	124
State sources	861,152	-	861,152
Federal sources	-	409	409
	<hr/>	<hr/>	<hr/>
Total revenues	861,165	97,503	958,668
EXPENDITURES			
Support services:			
Instructional staff	113,636	-	113,636
Other expenditures:			
Facilities acquisition	237,049	63,905	300,954
	<hr/>	<hr/>	<hr/>
Total expenditures	350,685	63,905	414,590
EXCESS OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	510,480	33,598	544,078
OTHER FINANCING USES			
Operating transfers out	(542,268)	-	(542,268)
	<hr/>	<hr/>	<hr/>
CHANGE IN FUND BALANCES	(31,788)	33,598	1,810
FUND BALANCES BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	398,957	151,245	550,202
FUND BALANCES END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ 367,169	\$ 184,843	\$ 552,012

See accompanying independent auditor's report.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS
Year Ended June 30, 2015**

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
TEACHERS REVOLVING				
Assets				
Cash, cash equivalents and pooled investments	\$ 154	\$ 972	\$ 895	\$ 231
Liabilities				
Due to others	\$ 154	\$ 972	\$ 895	\$ 231
CAMANCHE URBAN FORESTERS				
Assets				
Cash, cash equivalents and pooled investments	\$ 73	\$ -	\$ -	\$ 73
Liabilities				
Due to others	\$ 73	\$ -	\$ -	\$ 73
EDENS LIBRARY				
Assets				
Cash, cash equivalents and pooled investments	\$ 400	\$ -	\$ -	\$ 400
Liabilities				
Due to others	\$ 400	\$ -	\$ -	\$ 400
SPECIAL OLYMPICS				
Assets				
Cash, cash equivalents and pooled investments	\$ 3,060	\$ 3,755	\$ 3,269	\$ 3,546
Liabilities				
Due to others	\$ 3,060	\$ 3,755	\$ 3,269	\$ 3,546
TOTAL				
Assets				
Cash, cash equivalents and pooled investments	\$ 3,687	\$ 4,727	\$ 4,164	\$ 4,250
Liabilities				
Due to others	\$ 3,687	\$ 4,727	\$ 4,164	\$ 4,250

See accompanying independent auditor's report.

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

	Modified Accrual Basis									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
REVENUES										
Local sources	\$ 6,678,997	\$ 6,907,581	\$ 7,195,465	\$ 7,033,626	\$ 6,679,583	\$ 6,208,767	\$ 6,171,240	\$ 5,913,181	\$ 5,763,514	\$ 5,311,704
State sources	6,022,523	5,764,253	4,950,547	4,988,426	4,308,214	4,175,184	4,643,632	4,505,533	4,115,052	3,905,648
Federal sources	211,557	182,093	210,460	401,221	284,021	781,301	283,368	154,410	186,286	172,412
TOTAL	\$ 12,913,077	\$ 12,853,927	\$ 12,356,472	\$ 12,423,273	\$ 11,271,818	\$ 11,165,252	\$ 11,098,240	\$ 10,573,124	\$ 10,064,852	\$ 9,389,764
EXPENDITURES										
Instruction	\$ 7,848,352	\$ 7,525,681	\$ 7,232,290	\$ 7,100,050	\$ 6,942,744	\$ 6,787,492	\$ 6,694,162	\$ 6,009,656	\$ 5,441,255	\$ 5,441,727
Support services:										
Student	432,203	399,239	386,446	373,137	348,862	338,982	345,742	317,165	262,217	235,996
Instructional staff	412,647	326,384	231,563	216,646	272,284	258,469	225,329	209,171	216,922	216,847
Administration	1,682,466	1,582,450	1,447,315	1,374,719	1,363,414	1,308,850	1,233,668	1,146,840	1,134,755	1,083,389
Operation and maintenance of plant	954,397	873,759	791,609	756,602	784,152	813,755	730,807	748,960	721,765	726,376
Transportation	300,917	293,796	353,421	313,282	366,560	242,379	234,767	242,855	216,758	217,321
Other expenditures:										
Facilities acquisition	300,954	429,629	830,551	2,509,572	3,985,063	980,304	764,731	593,281	358,738	388,933
Long-term debt:										
Principal	790,000	770,000	785,000	700,000	685,000	415,000	395,000	390,000	360,000	345,000
Interest and other charges	265,674	279,474	317,079	375,025	253,662	125,900	141,900	157,947	189,942	204,793
Bond issuance costs	-	-	-	-	-	-	-	-	12,924	-
AEA flowthrough	367,316	354,618	345,322	343,789	376,921	374,140	333,590	323,564	298,934	273,321
Other expenditures	700	1,600	31,772	602	-	-	-	-	-	-
TOTAL	\$ 13,355,626	\$ 12,836,630	\$ 12,752,368	\$ 14,063,424	\$ 15,378,662	\$ 11,645,271	\$ 11,099,696	\$ 10,139,439	\$ 9,214,210	\$ 9,133,703

See accompanying independent auditor's report.

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

To the Board of Education of
Camanche Community School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Camanche Community School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Camanche Community School District's basic financial statements and have issued our report thereon dated December 21, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2015-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camanche Community School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted a certain material instance of noncompliance or other matter which is described in the accompanying schedule of findings and responses as item 2015-002.

Comments involving statutory and other legal matters about Camanche Community School District's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of Camanche Community School District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Camanche Community School District's Responses to Findings

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

Purpose of this Report

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

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

Winkel, Parker & Foster, CPA PC

Clinton, Iowa
December 21, 2015

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

Part I: Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified that are not
 considered to be material weaknesses? x yes none reported
- Noncompliance material to financial statements noted? x yes no

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

2015-001 Segregation of Duties

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

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

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

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

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

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

Conclusion - Response accepted.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

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

INSTANCES OF NON-COMPLIANCE:

2015-002 Deficit Balances

Criteria - The fundamental purpose of fund accounting is to properly account for all resources received and used. Each fund has its own revenues, expenditures, transfers, assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balance. A change in fund balance represents the difference between fund additions (revenues and transfers in) and deductions (expenditures and transfers out). A fund balance is identified as the net difference between a fund's assets, deferred outflows of resources, liabilities and deferred inflows of resources. A fund is in a deficit status if the expenditures and transfers out exceed revenues and transfers in.

Condition - The School Nutrition Fund had a deficit net position balance of \$46,209 at June 30, 2015 primarily due to the net pension liability.

Effect - Fund balance deficits will continue to decrease as long as the School Nutrition Fund has net income to pay down the District's proportionate share of the IPERS' net pension liability.

Cause - GASB 68 was implemented during the current year which caused prior year beginning net position to be restated causing a deficit net position at year end.

Recommendation - The District should continue to investigate alternatives to eliminate the deficit in order to return the fund to a sound financial condition.

Response - The deficit net position is the result of recognizing the District's proportionate share of the IPERS' net pension liability. The District realizes this liability is not due and payable immediately. The deficit balance will be reduced by future increases in fund net position.

Conclusion - Response accepted.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

Part III: Other Findings Related to Required Statutory Reporting

2015-003 Certified Budget - Expenditures for the year ended June 30, 2015 exceeded the certified budget amount in the support services function. The District did not exceed its General Fund unspent authorized budget.

Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion - Response accepted.

2015-004 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.

2015-005 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.

2015-006 Business Transactions - No business transactions between the District and District officials or employees were noted.

2015-007 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

2015-008 Board Minutes - No transactions were found that we believe should have been approved in the Board minutes but were not.

2015-009 Certified Enrollment - Variances in the basic enrollment data certified to the Department of Education were noted.

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

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

Conclusion - Response accepted.

2015-010 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

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

- 2015-011 Deposits and Investments - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy were noted.

- 2015-012 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.

- 2015-013 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.

- 2015-014 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, 2015, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning Balance		\$ 398,957
Revenues/transfers in:		
Sales tax revenues	\$ 861,152	
Other local revenues	13	861,165
Expenditures/transfers out:		
School infrastructure construction	\$ 90,278	
Equipment	106,885	
Other	153,522	
Transfers to other funds	542,268	892,953
Ending Balance		\$ 367,169

For the year ended June 30, 2015, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

**CAMANCHE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2015**

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

2015-015 Revenue Bonds - The District has established the reserve account required by the revenue bond resolution. In addition, the required monthly transfers from the revenue account to the sinking account were made by the District.

2015-016 Student Activity Fund - No instances were noted where monies in the Student Activity Fund were used to support activities other than those in accordance with Chapter 298A.8 of the Code of Iowa and Iowa Administrative Rule 281-12.6(1).