

CARLISLE COMMUNITY SCHOOL DISTRICT  
CARLISLE, IOWA

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

JUNE 30, 2015

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CARLISLE COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
Rob Joiner	President	2015
Susan James	Vice President	2017
Michelle Tish	Board Member	2015
Jenny Foster	Board Member	2017
John Judisch	Board Member	2017
<u>School Officials</u>		
Bryce Amos	Superintendent	2018
Jean Flaws	District Secretary/Treasurer and Business Manager	2015
Ahlers and Cooney, P.C., Andrew Bracken	Attorney	Indefinite

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

To the Board of Education of  
Carlisle 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 Carlisle Community School District, Carlisle Iowa, as of and for the year ended June 30, 2015 and the related notes to financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 12 to the financial statements, Carlisle 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*Required Supplementary Information*

U.S. generally accepted accounting principles require 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 7 through 18 and 60 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carlisle 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 nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 13, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2015 on our consideration of Carlisle Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Carlisle Community School District's internal control over financial reporting and compliance.

*Hunt & Associates, P.C.*

Oskaloosa, Iowa  
October 26, 2015

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of the Carlisle 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.

Because the District has implemented new reporting standards last fiscal year, comparisons are made in explaining the District's financial position and results of operations.

### Financial Highlights

- General Fund revenues increased from \$17,308,592 in fiscal year 2014 to \$17,956,569 in fiscal year 2015 and General Fund expenditures increased from \$17,048,174 in fiscal year 2014 to \$18,357,531 in fiscal year 2015. The General Fund balance as of June 30, 2015 was \$5,739,263 compared to \$6,140,225 at June 30, 2014.
- The increase in General Fund revenues was attributable to an increase in the state percent of growth and property taxes. The increase in General Fund expenditures was primarily attributable to an increase in salary and benefits along with an increase in student educational services.
- Sales tax revenue bonds were sold on April 7, 2009 in the amount of \$11,325,000 to fund remodeling and construction projects at the Hartford Upper Elementary building, the high school building and the athletic field. Re-payment began in FY 2010 and will end in FY 2030.
- The district made the decision to raise the debt service levy to the maximum of \$4.05/\$1,000 which included a surplus debt service levy in the amount of \$505,000. The surplus levy will be used to pay down debt for the middle school bonds when they become callable in an effort to save on interest payments. This is the third year the district has had the surplus debt service levy. The district will annually review the ability to include a surplus debt service levy.

# Overview of the Financial Statements

This report consists of three parts: management’s discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *Government-wide financial statements* that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are *Fund financial statements* that focus on individual parts of the District, reporting the District’s operations in more detail than the District-wide statements. Fund statements include the following:

The statements for *governmental funds* explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.

The statements for *proprietary funds* offer short-term and long-term financial information about the activities the District operates like businesses, such as food services.

The statements for *fiduciary funds* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year.

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

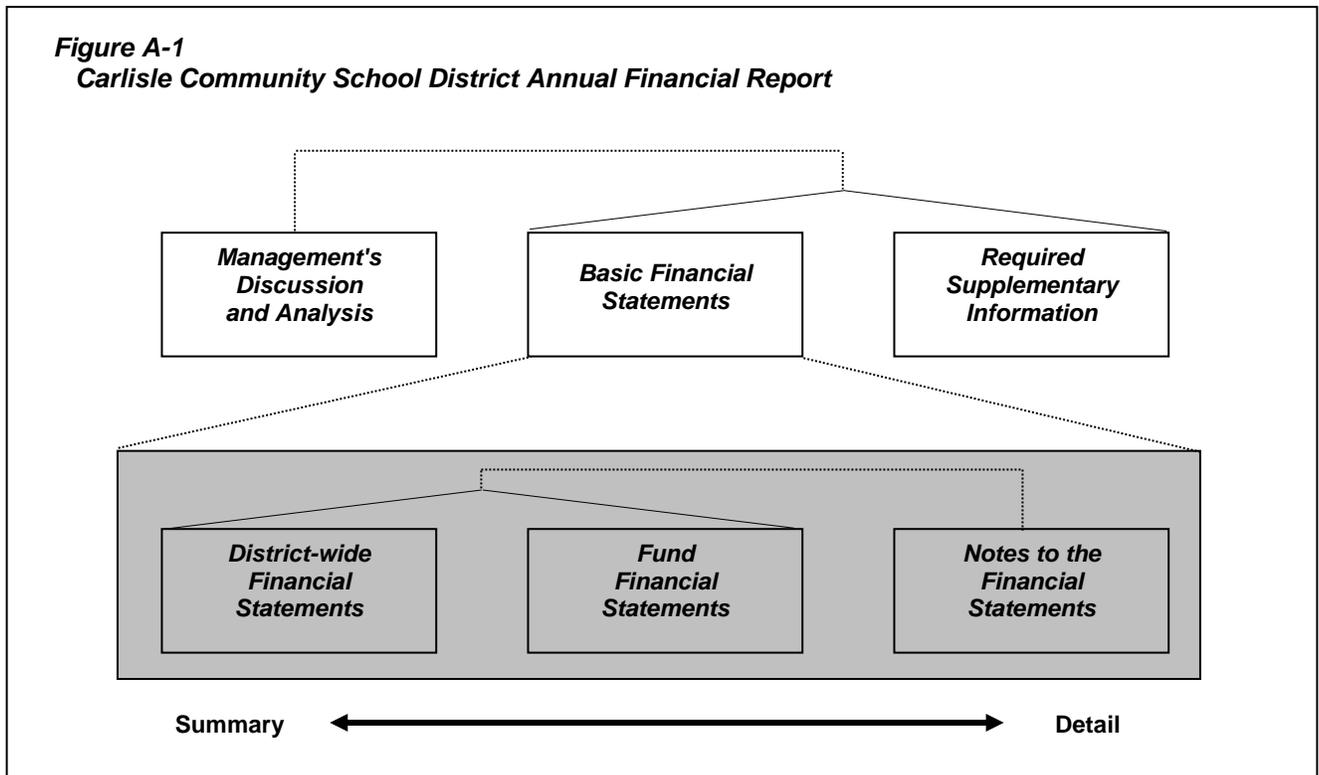


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

<b>Figure A-2 Major Features of the Government-Wide and Fund Financial Statements</b>				
	District-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used 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, and 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

## Government-wide Statements

The government-wide 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 statements report the District's net position and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

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, Building Trades student built housing, and the Adult Education program activities are included here.

## Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
  - The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

- *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 District-wide statements. The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.
  - The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has three enterprise funds, the School Nutrition Fund, the Building Trades Fund, and the Adult Education Fund.
- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust funds. The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.
  - Private-Purpose Trust Fund – The District accounts for outside donations to be used as set forth in the establishment of the fund.
  - The District is responsible for ensuring that 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 District-wide financial statements because it cannot use these assets to finance its operations.

### Financial Analysis of the District as a Whole

**Net Position** - Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2015 compared to June 30, 2014.

<b>Figure A-3 Condensed Statement of Net Position</b>	Governmental		Business-type		Total		Total % Change
	Activities		Activities		School District		
	(Not restated)		(Not restated)		(Not restated)		
	2015	2014	2015	2014	2015	2014	
Current and other assets	19,803,080	18,856,765	183,477	141,057	19,986,557	18,997,822	5.20%
Capital assets	27,259,500	27,930,470	368,062	399,062	27,627,562	28,329,532	-2.48%
<b>Total assets</b>	<b>47,062,580</b>	<b>46,787,235</b>	<b>551,539</b>	<b>540,119</b>	<b>47,614,119</b>	<b>47,327,354</b>	<b>0.61%</b>
Deferred outflows of resources	1,473,322	-	35,124	-	1,508,446	-	N/A
Long-term obligations	22,176,720	17,657,124	151,479	-	22,328,199	17,657,124	26.45%
Other liabilities	2,377,926	2,319,364	58,308	51,677	2,436,234	2,371,041	2.75%
<b>Total liabilities</b>	<b>24,554,646</b>	<b>19,976,488</b>	<b>209,787</b>	<b>51,677</b>	<b>24,764,433</b>	<b>20,028,165</b>	<b>23.65%</b>
Deferred inflows of resources	7,872,896	5,350,385	57,770	-	7,930,666	5,350,385	48.23%
<b>Net position:</b>							
Net investment in capital assets	11,349,500	10,470,470	368,062	399,062	11,717,562	10,869,532	7.80%
Restricted	6,283,541	5,202,474	-	-	6,283,541	5,202,474	20.78%
Unrestricted	-1,524,681	5,787,418	-48,956	89,380	-1,573,637	5,876,798	-126.78%
<b>Total net position</b>	<b>16,108,360</b>	<b>21,460,362</b>	<b>319,106</b>	<b>488,442</b>	<b>16,427,466</b>	<b>21,948,804</b>	<b>-25.16%</b>

The District's combined net position was \$16,427,466 at June 30, 2015 which is a decrease of 25.16%, primarily due to the District's net pension liability net pension expense recorded in the current year.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during FY 2015. 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** – Figure A-4 shows the District's revenues and expenses for the year end June 30, 2015 as compared to the year end June 30, 2014. The figure also shows the change in net position by subtracting the expenses from the revenues. The District's improved financial position is the product of many factors.

Property and other tax revenues of \$7,121,609 and unrestricted state grants of \$10,140,528 account for 74.0 percent of the District's total revenues in FY 2015. The District's expenses primarily relate to instruction and support services which account for 84.2 percent of the total expenses.

Figure A-4 Changes in Net Position	Governmental Activities		Business-type Activities		Total School District		Total % Change
	(Not restated)		(Not restated)		(Not restated)		
	2015	2014	2015	2014	2015	2014	
Revenues:							
Program revenues:							
Charges for service and sales	2,065,732	1,983,291	512,734	677,804	2,578,466	2,661,095	-3.11%
Operating grants, contributions and restricted interest	2,926,737	3,086,387	421,747	409,572	3,348,484	3,495,959	-4.22%
Capital grants, contributions and restricted interest							
General revenues:							
Property and other taxes	7,121,609	6,807,881	-	-	7,121,609	6,807,881	4.61%
Unrestricted state grants	10,140,528	9,429,463	-	-	10,140,528	9,429,463	7.54%
Unrestricted investment earnings	24,643	19,554	271	212	24,914	19,766	26.04%
Other	102,385	122,268	25	-	102,410	122,268	-16.24%
Total revenues	22,381,634	21,448,844	934,777	1,087,581	23,316,411	22,536,432	3.46%
Program expenses:							
Governmental activities:							
Instruction	11,729,368	11,230,274	-	717	11,729,368	11,230,991	4.44%
Support services	6,058,805	5,958,047	9,775	10,933	6,068,580	5,968,980	1.67%
Non-instructional programs				1,053,706			
Other expenses	2,427,840	2,470,462	910,118	6	910,118	1,053,706	-13.63%
Total expenses	20,216,013	19,658,783	919,893	1,065,356	21,135,906	20,724,139	1.99%
Change in net position	2,165,621	1,790,061	14,884	22,232	2,180,505	1,812,293	20.32%
Net position beginning of year, as restated	13,942,739	19,670,301	304,222	466,210	14,246,961	20,136,511	-29.25%
Net position end of year	16,108,360	21,460,362	319,106	488,442	16,427,466	21,948,804	-25.16%

**Governmental Activities**

Revenues for governmental activities were \$22,381,634 and expenses were \$20,216,013. The following table presents the total and net cost of the District’s major governmental activities: instruction, support services and other expenses.

<b>Figure A-5</b>				
<b>Total and Net Cost of Governmental Activities</b>				
	Total Cost of Services	(Not restated)		Net Cost of Services
	2015	2014	2015	2014
Instruction	11,729,368	11,230,274	7,801,412	7,104,220
Support services	6,058,805	5,958,047	5,744,425	5,710,513
Other expenditures	2,427,840	2,470,462	1,677,707	1,774,372
<b>Totals</b>	<b>20,216,013</b>	<b>19,658,783</b>	<b>15,223,544</b>	<b>14,589,105</b>

- The cost financed by users of the District’s programs was \$2,065,732.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$2,926,737.
- The remaining cost of governmental activities was financed with \$7,121,609 in property and other taxes, \$10,140,528 in state foundation aid, \$24,643 in interest income and \$102,385 in other miscellaneous revenue.

**Business-Type Activities**

Revenues of the District’s business-type activities were \$934,777 and expenses were \$919,893. The District’s business-type activities include the School Nutrition, Building Trades, and Adult Education Funds. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income. Expenses in the District’s business-type activities are recorded primarily as non-instructional programs.

**Financial Analysis of the District’s Funds**

As previously noted, the Carlisle 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 combined fund balances of \$11,546,184 at June 30, 2015, an increase of \$552,384 or 5.02 percent over the prior year.

## **Governmental Fund Highlights**

The school board has emphasized they wish to maintain a 3 month reserve as a back up in case of future cuts. The district has rebuilt cash reserves after previous state aid cuts reduced the district's cash reserves.

The General Fund balance decreased from \$6,140,225 to \$5,739,263.

The balance of the Physical Plant and Equipment Levy (PPEL) Account within the Capital Projects Fund increased from \$535,270 in fiscal year 2013-2014 to \$785,417 in fiscal year 2014-2015. Funds were primarily spent on the District's fiber project, security upgrades, student information system, transportation vehicles and stadium sound system. Patrons voted to re-instate the voter approved PPEL levy not to exceed an amount of \$1.34 for a period of ten years beginning July 1, 2008.

The Capital Projects Fund is comprised of several accounts: Local Option Sales Tax that has been received since July, 2000 and used for various renovations and improvement projects over the years with the biggest project in which the District borrowed against local option sales tax that provided renovations to the athletic facility, the Hartford and high school buildings and is currently being paid for with sales tax dollars; the PPEL account noted above; and the Other Capital Projects account used for various other improvement projects in the past. The overall balance of the Capital Projects Fund increased from \$2,588,627 in fiscal year 2013-2014 to \$3,530,746 in fiscal year 2014-2015.

The Debt Service Fund balance decreased from \$1,631,782 in fiscal year 2014 to \$1,511,896 in fiscal year 2015, a decrease of 7.3 percent. The balance includes one year of debt service surplus levy.

## **Proprietary Fund Highlights**

The School Nutrition Fund net position increased from a restated net position of \$267,498 at June 30, 2014 to \$283,178 at June 30, 2015. Revenues for the School Nutrition Fund totaled \$934,685. Expenses for the School Nutrition Fund totaled \$919,005, resulting in the \$15,680 increase in net position.

## **Budgetary Highlights**

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 its private-purpose trust and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the cash basis. Over the course of the year, the District amended its annual operating budget one time to reflect additional revenue that was received along with expenses associated with the capital project activity and capital loan note for updating technology equipment. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report.

## **Legal Budgetary Highlights**

The District's total actual revenues were \$765,639 more than the total budgeted revenues, a variance of 3.4%.

Total expenditures were \$919,330 more than budgeted, a variance of 4.2%. The District's certified budget should always exceed the actual expenditures during the year in total. The certified budget is based on expenditures in four function areas of instruction, support services, non-instructional programs and other expenditures. The District did exceed the budgeted amount in the functional areas of instruction and other expenditures.

## Capital Asset and Debt Administration

### Capital Assets

At June 30, 2015, the District had invested \$27,627,562 net of accumulated depreciation of \$10,889,794, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment (see Figure A-6). More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation expense for the year totaled \$1,084,675.

The original cost of the District's capital assets was \$38,517,356. Governmental funds account for \$37,706,878 with the remainder of \$810,478 in the Proprietary, School Nutrition Fund.

One of the the largest changes in capital asset activity during the year occurred in buildings and improvements category with the fiber and security upgrades during FY2015.

Figure A-6 shows a comparative summary of the net investments in capital assets.

<b>Figure A-6</b>						
<b>Capital Assets, net of Depreciation</b>						
	Governmental Activities		Business-type Activities		Total School District	
	2015	2014	2015	2014	2015	2014
Land	481,177	481,177			481,177	481,177
Construction in progress	0	0			0	0
Buildings	25,615,148	26,294,036			25,615,148	26,294,036
Improvements other than buildings						
Furniture and equipment	1,163,175	1,155,257	368,062	399,062	1,531,237	1,554,319
Totals	27,259,500	27,930,470	368,062	399,062	27,627,562	28,329,532

## Long-Term Liabilities

At June 30, 2015, the District had \$22,176,720 in general obligation bonds and other long-term liabilities outstanding. This represents an increase of approximately 25.6 percent from last year (see Figure A-7). More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

In December 2005 and April 2006 a total of \$9,000,000 in bonds were sold to fund the middle school construction project. Interest payments began in FY 2007 with final payment in FY 2026.

The District began a surplus debt service levy in FY 2013. The levy in FY 2013 generated \$417,000, \$475,000 in FY 2014 and \$505,000 in FY 2015. The amounts will be used to pay down debt for the general obligation bonds when they become callable in FY 2016, which will save the district in interest. The District will annually review the ability to levy for the surplus debt service.

In May of 2009 the District received money from the sale of sales tax revenue bonds in the amount of \$11,325,000 to fund remodeling and construction projects at the high school building, athletic field and the Hartford building. Repayment began in fiscal year 2010 and will end in fiscal year 2030.

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

	Total School District		Total Change
	2015	2014	2014-2015
General obligation bonds	5,295,000	6,625,000	-20.08%
Revenue bonds	10,615,000	10,835,000	-2.03%
Early retirement	77,499	190,532	-59.33%
Compensated absences	7,710	6,592	16.96%
Net pension liability	6,181,511	0	
<b>Totals</b>	<b>22,176,720</b>	<b>17,657,124</b>	<b>25.60%</b>

## 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 certified enrollment for the 2013-2014 school year was 1845.01 which was an increase in certified enrollment of 57.72. This was the budget enrollment for the 2014-2015 fiscal year. The certified enrollment count for the 2014-2015 school year was 1888.33, an increase of 43.32 for the budget enrollment for the 2015-2016 fiscal year.
- Over the past six years, the District has seen an increase in the number of students open enrolling into the District vs. open enrolling out of the District. The net gain for 2014-2015 was 141 students which does result in additional funds for educational programming although this is down 10 students from the previous year. The District does monitor class sizes annually and has had to close certain grade levels to open enrollment because of class size and space. For the 2015-2016 school year, the District made the determination to close open enrollment for second grade.
- The District evaluated the condition of its transportation vehicles and purchased a bus and suburban from the general fund and another vehicle with PPEL funds to transport students during 2014-2015. The District continually monitors the fleet of vehicles to determine transportation needs and possible replacement of older buses and other vehicles.
- Increasing insurance costs always plays a big factor in negotiating with the Carlisle Community Education Association (CCEA). Insurance packages and premiums are reviewed annually. The District will continue to monitor the affects of the Affordable Care Act on insurance premiums and District coverage liability.
- A special election was held on January 13, 2004 asking Warren County residents to pass a Local Option Sales Tax. Income from this tax did not start until July 1, 2004 and will be collected for a 10 year period. Polk County Local Option Sales Tax began July 1, 2001 and will end June 30, 2010. The revenue from sales tax in the two counties is funding the revenue bond issue that was approved FY04 and sold in FY05. The State Legislature passed legislation for a statewide penny in the spring of 2008. The legislation will replace the previous local option sales tax as their 10 year periods end. The statewide penny will increase the per pupil calculation for the district allowing for more money to be invested in infrastructure projects allowed by the Revenue Purpose Statement which was approved by the voters on Sept. 9, 2008.
- The District will look at replacing teacher laptops and continue to add and update technology equipment in classrooms in FY 2016.
- Due to increased enrollment needs, construction on a new middle school facility began in FY 06. General Obligation Bonds were sold in December, 2005 and April, 2006 to pay for this new facility with repayment scheduled through FY 2026. The earlier bonds were callable in FY 2015 and the second bonds will be callable in FY 2016. The debt service surplus levy will be used to begin paying down the debt.
- The District completed security and fiber upgrades during FY 2015. A high school parking lot addition and softball field complex renovation are two projects that will begin during FY 2016. Planning will also begin for renovations to the high school which will be a multi-year project.
- On September 18, 2015, patrons voted to extend the voter-approved PPEL (not to exceed \$1.34/thousand dollars) another ten years beginning July 1, 2018.
- The board made a decision to refinance the 2009 sales tax bonds (used for renovations/construction at the high school, athletic facility and Hartford building) which will save the District approximately \$828,000 in interest payments.

### **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 Jean Flaws, District Secretary/Treasurer and Business Manager, Carlisle Community School District, 430 School Street, Carlisle, Iowa, 50047.

## Basic Financial Statements

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled investments	\$ 13,518,072	\$ 154,005	\$ 13,672,077
Receivables:			
Property tax:			
Current year	41,556	-	41,556
Succeeding year	5,515,446	-	5,515,446
Accounts	1,601	-	1,601
Due from other governments	726,405	-	726,405
Inventories	-	29,472	29,472
Capital assets, net of accumulated depreciation (note 4)	27,259,500	368,062	27,627,562
<b>Total assets</b>	<b>47,062,580</b>	<b>551,539</b>	<b>47,614,119</b>
Deferred Outflows of Resources			
Pension related deferred outflows	1,473,322	35,124	1,508,446
Liabilities			
Accounts payable	428,425	4,185	432,610
Salaries and benefits payable	1,640,349	35,550	1,675,899
Unearned revenue	-	18,573	18,573
Accrued interest payable	309,152	-	309,152
Long-term liabilities (note 5):			
Portion due within one year:			
Early retirement	57,683	-	57,683
Bonds payable	935,000	-	935,000
Compensated absences	7,710	-	7,710
Portion due after one year:			
Early retirement	19,816	-	19,816
Bonds payable	14,975,000	-	14,975,000
Net pension liability	6,181,511	151,479	6,332,990
<b>Total liabilities</b>	<b>24,554,646</b>	<b>209,787</b>	<b>24,764,433</b>

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Deferred Inflows of Resources			
Unavailable property tax revenue	\$ 5,515,446	\$ -	\$ 5,515,446
Pension related deferred inflows	2,357,450	57,770	2,415,220
Total deferred inflows of resources	<u>7,872,896</u>	<u>57,770</u>	<u>7,930,666</u>
Net Position			
Net investment in capital assets	11,349,500	368,062	11,717,562
Restricted for:			
Categorical funding	864,522	-	864,522
Debt service	2,223,164	-	2,223,164
Capital projects	1,724,909	-	1,724,909
Physical plant and equipment levy purposes	785,417	-	785,417
Management levy purposes	461,145	-	461,145
Student activities	224,384	-	224,384
Unrestricted	<u>(1,524,681)</u>	<u>(48,956)</u>	<u>(1,573,637)</u>
Total net position	<u>\$ 16,108,360</u>	<u>\$ 319,106</u>	<u>\$ 16,427,466</u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities:			
Instruction:			
Regular instruction	\$ 7,309,145	\$ 1,297,417	\$ 1,760,366
Special instruction	2,398,941	299,127	101,377
Other instruction	2,021,282	451,428	18,241
	<u>11,729,368</u>	<u>2,047,972</u>	<u>1,879,984</u>
Support services:			
Student	727,689	-	274,605
Instructional staff	587,715	-	9,850
Administration	2,380,361	-	-
Operation and maintenance of plant	1,515,603	16,199	-
Transportation	847,437	1,561	12,165
	<u>6,058,805</u>	<u>17,760</u>	<u>296,620</u>
Other expenditures:			
Facilities acquisition	62,923	-	-
Long-term debt interest and fiscal charges	808,587	-	-
AEA flowthrough	750,133	-	750,133
Depreciation (unallocated) *	806,197	-	-
	<u>2,427,840</u>	<u>-</u>	<u>750,133</u>
Total governmental activities	<u>20,216,013</u>	<u>2,065,732</u>	<u>2,926,737</u>

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (4,251,362)	\$ -	\$ (4,251,362)
(1,998,437)	-	(1,998,437)
(1,551,613)	-	(1,551,613)
<u>(7,801,412)</u>	<u>-</u>	<u>(7,801,412)</u>
(453,084)	-	(453,084)
(577,865)	-	(577,865)
(2,380,361)	-	(2,380,361)
(1,499,404)	-	(1,499,404)
(833,711)	-	(833,711)
<u>(5,744,425)</u>	<u>-</u>	<u>(5,744,425)</u>
(62,923)	-	(62,923)
(808,587)	-	(808,587)
-	-	-
(806,197)	-	(806,197)
<u>(1,677,707)</u>	<u>-</u>	<u>(1,677,707)</u>
<u>(15,223,544)</u>	<u>-</u>	<u>(15,223,544)</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Business-Type Activities:			
Support services:			
Food service operations	\$ 9,775	\$ -	\$ -
Non-instructional programs:			
Food service operations	909,230	512,734	421,747
Building and trades operations	888	-	-
	<u>910,118</u>	<u>512,734</u>	<u>421,747</u>
Total business-type activities	<u>919,893</u>	<u>512,734</u>	<u>421,747</u>
Total	<u>\$ 21,135,906</u>	<u>\$ 2,578,466</u>	<u>\$ 3,348,484</u>

General revenues:

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

Total general revenues

Change in net position

Net position beginning of year, as restated (note 12)

Net position end of year

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

See notes to financial statements.

Net (Expense) Revenue  
and Changes in Net Position

<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
\$ -	\$ (9,775)	\$ (9,775)
-	25,251	25,251
-	(888)	(888)
-	24,363	24,363
-	14,588	14,588
(15,223,544)	14,588	(15,208,956)
\$ 3,672,464	\$ -	\$ 3,672,464
1,222,220	-	1,222,220
504,587	-	504,587
1,722,338	-	1,722,338
10,140,528	-	10,140,528
24,643	271	24,914
102,385	25	102,410
17,389,165	296	17,389,461
2,165,621	14,884	2,180,505
13,942,739	304,222	14,246,961
<u>\$ 16,108,360</u>	<u>\$ 319,106</u>	<u>\$ 16,427,466</u>

## CARLISLE COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2015

	General	Debt Service	Capital Projects	Nonmajor	Total
Assets					
Cash and pooled investments	\$ 7,321,282	\$ 1,502,510	\$ 3,255,485	\$ 765,724	\$ 12,845,001
Receivables:					
Property tax:					
Current year	24,494	9,386	3,875	3,801	41,556
Succeeding year	3,240,016	1,252,831	517,600	504,999	5,515,446
Accounts	437	-	-	1,164	1,601
Due from other governments	454,869	-	271,386	150	726,405
<b>Total assets</b>	<b><u>11,041,098</u></b>	<b><u>2,764,727</u></b>	<b><u>4,048,346</u></b>	<b><u>1,275,838</u></b>	<b><u>19,130,009</u></b>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	425,238	-	-	2,792	428,030
Salaries and benefits payable	1,636,581	-	-	3,768	1,640,349
<b>Total liabilities</b>	<b><u>2,061,819</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>6,560</u></b>	<b><u>2,068,379</u></b>
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	3,240,016	1,252,831	517,600	504,999	5,515,446
Fund balances:					
Restricted for:					
Categorical funding (note 10)	864,522	-	-	-	864,522
Revenue bonds reserve fund	-	-	1,020,420	-	1,020,420
Debt service	-	1,511,896	-	-	1,511,896
School infrastructure	-	-	1,724,909	-	1,724,909
Physical plant and equipment	-	-	785,417	-	785,417
Management levy purposes	-	-	-	538,644	538,644
Student activities	-	-	-	225,635	225,635
Unassigned	4,874,741	-	-	-	4,874,741
<b>Total fund balances</b>	<b><u>5,739,263</u></b>	<b><u>1,511,896</u></b>	<b><u>3,530,746</u></b>	<b><u>764,279</u></b>	<b><u>11,546,184</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>\$ 11,041,098</u></b>	<b><u>\$ 2,764,727</u></b>	<b><u>\$ 4,048,346</u></b>	<b><u>\$ 1,275,838</u></b>	<b><u>\$ 19,130,009</u></b>

See notes to financial statements.

CARLISLE 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		\$ 11,546,184
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.		27,259,500
The Internal Service Funds are included in governmental activities due to the integral nature of these funds to those governmental activities.		672,676
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.		(309,152)
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	\$ 1,473,322
	Deferred inflows of resources	<u>(2,357,450)</u> (884,128)
Long-term liabilities, including early retirement, bonds payable, compensated absences, and net pension liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(22,176,720)</u>
Net position of governmental activities		<u>\$ 16,108,360</u>
See notes to financial statements.		

CARLISLE COMMUNITY SCHOOL DISTRICT

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

	General	Debt Service	Capital Projects	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 3,167,482	\$ 1,217,753	\$ 502,743	\$ 491,513	\$ 5,379,491
Tuition	1,394,942	-	-	-	1,394,942
Other	333,104	5,895	4,943	471,760	815,702
State sources	12,491,102	4,467	1,724,182	1,809	14,221,560
Federal sources	569,939	-	-	-	569,939
Total revenues	<u>17,956,569</u>	<u>1,228,115</u>	<u>2,231,868</u>	<u>965,082</u>	<u>22,381,634</u>
Expenditures:					
Current:					
Instruction	11,731,566	-	9,950	487,187	12,228,703
Support services:					
Student	750,913	-	-	-	750,913
Instructional staff	552,097	-	-	195	552,292
Administration	2,227,388	-	97,411	255,747	2,580,546
Operation and maintenance of plant	1,483,209	-	-	72,803	1,556,012
Transportation	862,225	-	21,183	18,037	901,445
	<u>5,875,832</u>	<u>-</u>	<u>118,594</u>	<u>346,782</u>	<u>6,341,208</u>
Other expenditures:					
Facilities acquisition	-	-	140,481	-	140,481
Long term debt:					
Principal	-	1,550,000	-	-	1,550,000
Interest and fiscal charges	-	818,725	-	-	818,725
AEA flowthrough	750,133	-	-	-	750,133
	<u>750,133</u>	<u>2,368,725</u>	<u>140,481</u>	<u>-</u>	<u>3,259,339</u>
Total expenditures	<u>18,357,531</u>	<u>2,368,725</u>	<u>269,025</u>	<u>833,969</u>	<u>21,829,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(400,962)</u>	<u>(1,140,610)</u>	<u>1,962,843</u>	<u>131,113</u>	<u>552,384</u>

CARLISLE 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</u>	<u>Total</u>
Other financing sources (uses):					
Interfund transfers in (note 3)	\$ -	\$ 1,020,724	\$ -	\$ -	\$ 1,020,724
Interfund transfers out (note 3)	-		(1,020,724)	-	(1,020,724)
Total other financing sources (uses)	<u>-</u>	<u>1,020,724</u>	<u>(1,020,724)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(400,962)	(119,886)	942,119	131,113	552,384
Fund balances beginning of year	<u>6,140,225</u>	<u>1,631,782</u>	<u>2,588,627</u>	<u>633,166</u>	<u>10,993,800</u>
Fund balances end of year	<u>\$ 5,739,263</u>	<u>\$ 1,511,896</u>	<u>\$ 3,530,746</u>	<u>\$ 764,279</u>	<u>\$ 11,546,184</u>

See notes to financial statements.

CARLISLE 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

Net change in fund balances - total governmental funds \$ 552,384

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

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

Capital outlays	\$ 371,040	
Depreciation expense	<u>(1,042,010)</u>	(670,970)

The increase in net position of the Internal Service Funds represents an overcharge to the governmental funds and is therefore added back to the Statement of Activities. 160,170

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position. 1,550,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 10,138

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. 45,291

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

Early retirement	113,033	
Compensated absences	(1,118)	
Pension expense	<u>406,693</u>	<u>518,608</u>

Change in net position of governmental activities \$ 2,165,621

See notes to financial statements.

## CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS

June 30, 2015

	Enterprise Funds			Internal Service Funds
	School Nutrition	Non-Major Enterprise	Total	
Assets				
Cash and cash equivalents	\$ 118,077	\$ 35,928	\$ 154,005	\$ 673,071
Inventories	29,472	-	29,472	-
Capital assets, net of accumulated depreciation (note 4)	368,062	-	368,062	-
Total assets	<u>515,611</u>	<u>35,928</u>	<u>551,539</u>	<u>673,071</u>
Deferred Outflows of Resources				
Pension related deferred outflows	<u>35,124</u>	<u>-</u>	<u>35,124</u>	<u>-</u>
Liabilities				
Accounts payable	4,185	-	4,185	395
Salaries and benefits payable	35,550	-	35,550	-
Unearned revenue	18,573	-	18,573	-
Long-term liabilities:				
Net pension liability	<u>151,479</u>	<u>-</u>	<u>151,479</u>	<u>-</u>
Total liabilities	<u>209,787</u>	<u>-</u>	<u>209,787</u>	<u>395</u>
Deferred Inflows of Resources				
Pension related deferred inflows	<u>57,770</u>	<u>-</u>	<u>57,770</u>	<u>-</u>
Fund Net Position				
Net investment in capital assets	368,062	-	368,062	-
Unrestricted	<u>(84,884)</u>	<u>35,928</u>	<u>(48,956)</u>	<u>672,676</u>
Total fund net position	<u>\$ 283,178</u>	<u>\$ 35,928</u>	<u>\$ 319,106</u>	<u>\$ 672,676</u>

See notes to financial statements.

## CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2015

	Enterprise Funds		Total	Internal Service Funds
	School Nutrition	Non-Major Enterprise		
Operating revenues:				
Local sources:				
Charges for services	\$ 512,734	\$ 25	\$ 512,759	\$ 1,159,226
Operating expenses:				
Instruction:				
Insurance premiums	-	-	-	887,026
Purchased services	-	-	-	112,030
Total operating expenses	-	-	-	999,056
Support services:				
Purchased services	9,775	-	9,775	-
Non-instructional programs:				
Salaries	275,602	-	275,602	-
Benefits	76,640	-	76,640	-
Supplies	513,306	888	514,194	-
Depreciation	42,665	-	42,665	-
Other	1,017	-	1,017	-
	909,230	888	910,118	-
Total expenses	919,005	888	919,893	999,056
Operating income (loss)	(406,271)	(863)	(407,134)	160,170
Non-operating revenues:				
Interest on investments	204	67	271	-
State sources	7,866	-	7,866	-
Federal sources	413,881	-	413,881	-
Total non-operating revenues	421,951	67	422,018	-
Change in fund net position	15,680	(796)	14,884	160,170
Fund net position beginning of year, as restated (note 12)	267,498	36,724	304,222	512,506
Fund net position end of year	\$ 283,178	\$ 35,928	\$ 319,106	\$ 672,676

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2015

	Enterprise Funds		Total	Internal Service Funds
	School Nutrition	Non-Major Enterprise		
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 499,488	\$ -	\$ 499,488	\$ -
Cash received from miscellaneous operating activities	15,267	25	15,292	1,159,226
Cash paid to employees for services	(351,560)	-	(351,560)	-
Cash payments to suppliers for goods or services	(490,739)	(1,145)	(491,884)	(1,001,069)
Net cash provided by (used by) operating activities	<u>(327,544)</u>	<u>(1,120)</u>	<u>(328,664)</u>	<u>158,157</u>
Cash flows from non-capital financing activities:				
State grants received	7,866	-	7,866	-
Federal grants received	362,721	-	362,721	-
Net cash provided by non-capital financing activities	<u>370,587</u>	<u>-</u>	<u>370,587</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Purchase of equipment	<u>(11,665)</u>	<u>-</u>	<u>(11,665)</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	<u>204</u>	<u>67</u>	<u>271</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	31,582	(1,053)	30,529	158,157
Cash and cash equivalents beginning of year	<u>86,495</u>	<u>36,981</u>	<u>123,476</u>	<u>514,914</u>
Cash and cash equivalents end of year	\$ <u><u>118,077</u></u>	\$ <u><u>35,928</u></u>	\$ <u><u>154,005</u></u>	\$ <u><u>673,071</u></u>

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2015

	Enterprise Funds		Total	Internal Service Funds
	School Nutrition	Non-Major Enterprise		
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:				
Operating income (loss)	\$ (406,271)	\$ (863)	\$ (407,134)	\$ 160,170
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Depreciation	42,665	-	42,665	-
Commodities used	51,160	-	51,160	-
(Increase) in inventories	(11,891)	-	(11,891)	-
Increase (decrease) in accounts payable	4,185	-	4,185	(2,013)
Increase in salaries and benefits payable	682	(257)	425	-
Increase in unearned revenue	2,021	-	2,021	-
(Decrease) in net pension liability	(55,060)	-	(55,060)	-
(Increase) in deferred outflows of resources	(12,805)	-	(12,805)	-
Increase in deferred inflows of resources	57,770	-	57,770	-
Net cash provided by (used by) operating activities	\$ <u>(327,544)</u>	\$ <u>(1,120)</u>	\$ <u>(328,664)</u>	\$ <u>158,157</u>

Non-cash financing activities:

During the year ended June 30, 2015, the District received \$51,160 of federal commodities.

See notes to financial statements.

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

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Assets:	
Cash and pooled investments	\$ <u>23,476</u>
Fiduciary Net Position:	
Restricted for scholarships	\$ <u>23,476</u>

See notes to financial statements.

CARLISLE 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:	
Interest	\$ <u>43</u>
Deductions:	
None	<u>-</u>
Change in fiduciary net position	43
Fiduciary net position beginning of year	<u>23,433</u>
Fiduciary net position end of year	\$ <u><u>23,476</u></u>
See notes to financial statements.	

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies

Carlisle Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Carlisle, Iowa, and agricultural territory in Warren and Polk Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Carlisle 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. Carlisle Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

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

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 three categories:

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

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.

CARLISLE 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.

The District reports the following major governmental funds:

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

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

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

The District reports the following major proprietary fund:

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

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 with restrictions of income earned to be used to benefit individuals through scholarship awards.

CARLISLE 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

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

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

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

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

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

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

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

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

CARLISLE 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

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

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

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

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

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

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.

CARLISLE 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)

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

Asset Class	Amount
Land	\$ 1,500
Buildings	1,500
Improvements other than buildings	1,500
Intangibles	75,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	1,500

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

Asset Class	Estimated Useful Lives
Buildings	40-50 years
Intangibles	5-15 years
Improvements other than buildings	20 years
Furniture and equipment	5-15 years

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.

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.

CARLISLE 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)

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.

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.

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 consist 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 consist 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.

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

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

CARLISLE 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)

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/expenses exceeded the amounts budgeted in the instruction and other expenditures functions.

Note 2. Cash 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 ensure there will be no loss of public funds.

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

At June 30, 2015, the District had investments as follows:

	<u>Value</u>
U.S. Treasury Securities	\$ 475,000
Iowa Schools Joint Investment Trust, Diversified Portfolio	<u>1,504,219</u>
	<u>\$ 1,979,219</u>

The investments in the Iowa Schools Joint Investment Trust are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investments in U.S. Treasury Securities are valued at fair value.

Credit Risk – The investment in the Iowa Schools Joint Investment Trust was rated AAAM by Standard & Poor's Financial Services. The investment in U.S. Treasury Securities is not subject to credit risk rating.

CARLISLE 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:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects	\$ <u>1,020,724</u>

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

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 4. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 481,177	\$ -	\$ -	\$ 481,177
Capital assets being depreciated:				
Buildings	34,019,107	127,309	-	34,146,416
Furniture and equipment	2,878,490	243,731	42,936	3,079,285
Total capital assets being depreciated	<u>36,897,597</u>	<u>371,040</u>	<u>42,936</u>	<u>37,225,701</u>
Less accumulated depreciation for:				
Buildings	7,725,071	806,197	-	8,531,268
Furniture and equipment	1,723,233	235,813	42,936	1,916,110
Total accumulated depreciation	<u>9,448,304</u>	<u>1,042,010</u>	<u>42,936</u>	<u>10,447,378</u>
Total capital assets being depreciated, net	<u>27,449,293</u>	<u>(670,970)</u>	<u>-</u>	<u>26,778,323</u>
Governmental activities capital assets, net	<u>\$ 27,930,470</u>	<u>\$ (670,970)</u>	<u>\$ -</u>	<u>\$ 27,259,500</u>
	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Business-type activities:</b>				
Furniture and equipment	\$ 798,813	\$ 11,665	\$ -	\$ 810,478
Less accumulated depreciation	<u>399,751</u>	<u>42,665</u>	<u>-</u>	<u>442,416</u>
Business-type activities capital assets, net	<u>\$ 399,062</u>	<u>\$ (31,000)</u>	<u>\$ -</u>	<u>\$ 368,062</u>

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

Note 4. Capital Assets (continued)

Depreciation expense was charged to the following functions:

Governmental activities:

Instruction:	
Regular	\$ 32,775
Support services:	
Student	718
Instructional staff	44,141
Administration	6,059
Operation and maintenance of plant	31,651
Transportation	<u>120,469</u>
	235,813
Unallocated depreciation	<u>806,197</u>
Total depreciation expense - governmental activities	<u><u>\$ 1,042,010</u></u>

Business-type activities:

Food service operations	<u><u>\$ 42,665</u></u>
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CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year, as Restated	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Early retirement	\$ 190,532	\$ -	\$ 113,033	\$ 77,499	\$ 57,683
General obligation bonds	6,625,000	-	1,330,000	5,295,000	455,000
Revenue bonds	10,835,000	-	220,000	10,615,000	480,000
Net pension liability	8,428,392	-	2,246,881	6,181,511	-
Compensated absences	6,592	7,710	6,592	7,710	7,710
<b>Total</b>	<b>\$ 26,085,516</b>	<b>\$ 7,710</b>	<b>\$ 3,916,506</b>	<b>\$ 22,176,720</b>	<b>\$ 1,000,393</b>
Business-type activities:					
Net pension liability	\$ 206,539	\$ -	\$ 55,060	\$ 151,479	\$ -

Early Retirement

For the year ended June 30, 2013, the District offered a voluntary early retirement plan only to administrators who were at least age 55 years of age and had seven years of service with the District. The early retirement incentive was health insurance paid by the District at the District's single rate premium, except for the Superintendent, who will receive health insurance paid at the full family rate, until the employee reaches age 65 or otherwise becomes eligible for Medicare. The District offered no new early retirement plan for the year ended June 30, 2015.

The District has offered various early retirement incentive plans in the past years. Details of those plans are available upon request at the District administrative office.

At June 30, 2015, the District had obligations to 12 participants with a total liability of \$77,499. Actual early retirement expenditures for the year ended June 30, 2015 totaled \$113,033. Early retirement is recorded as a long-term liability of the Governmental Activities in the District-wide financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable

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

Year Ending June 30,	Bond Issue Dated January 2006			Bond Issue Dated May 2006		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2016	3.75 %	\$ 245,000	\$ 99,650	5.00 %	\$ 210,000	\$ 112,230
2017	3.80	255,000	90,462	3.80	220,000	101,730
2018	3.85	265,000	80,772	3.85	225,000	93,370
2019	3.90	275,000	70,570	3.85	240,000	84,708
2020	3.95	285,000	59,846	3.90	250,000	75,467
2021	3.95	300,000	48,588	4.00	255,000	65,718
2022	4.00	315,000	36,738	4.00	265,000	55,518
2023	4.00	325,000	24,137	4.05	280,000	44,917
2024	4.05	275,000	11,138	4.10	290,000	33,577
2025		-	-	4.15	305,000	21,688
2026		-	-	4.20	215,000	9,030
		<u>\$ 2,540,000</u>	<u>\$ 521,901</u>		<u>\$ 2,755,000</u>	<u>\$ 697,953</u>

Total	
Principal	Interest
\$ 455,000	\$ 211,880
475,000	192,192
490,000	174,142
515,000	155,278
535,000	135,313
555,000	114,306
580,000	92,256
605,000	69,054
565,000	44,715
305,000	21,688
215,000	9,030
<u>\$ 5,295,000</u>	<u>\$ 1,219,854</u>

During the years ended June 30, 2014 and June 30, 2013, the District levied for additional debt service tax revenues beyond those current years' needs. These additional revenues were placed in an irrevocable escrow account to advance refund \$895,000 of the principal due on the January 2006 and May 2006 general obligation bonds when those bonds became callable on May 1, 2015 to refund the above-mentioned bonds.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable (continued)

During the year ended June 30, 2015 the District levied for additional debt service tax levy revenues beyond the current years' needs. These additional revenues have been placed into an account to advance refund \$505,000 of the principal due on the 2006 series general obligation bonds on a future call date.

Revenue Bonds

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

Year Ending June 30,	Bond Issue dated May 1, 2009				
	Interest Rates	Principal	Interest	Total	
2016	4.25 %	\$ 480,000	\$ 528,970	\$ 1,008,970	
2017	4.25	500,000	508,145	1,008,145	
2018	4.25	520,000	486,470	1,006,470	
2019	4.25	545,000	463,839	1,008,839	
2020	4.50	565,000	439,545	1,004,545	
2021	4.75	590,000	412,820	1,002,820	
2022	5.00	615,000	383,432	998,432	
2023	5.10	645,000	351,610	996,610	
2024	5.20	675,000	317,613	992,613	
2025	5.25	705,000	281,556	986,556	
2026	5.30	740,000	243,440	983,440	
2027	5.40	780,000	202,770	982,770	
2028	5.50	815,000	159,297	974,297	
2029	5.55	860,000	113,020	973,020	
2030	5.60-5.70	1,580,000	63,815	1,643,815	
		<u>\$ 10,615,000</u>	<u>\$ 4,956,342</u>	<u>\$ 15,571,342</u>	

The sales and services tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the sales and services tax revenues received by the District. The bonds are not general obligations of the District and are not subject to the constitutional debt limitation of the District.

The resolutions providing for the issuances of the sales and services tax revenue bonds include the following provisions:

The bonds will only be redeemed from the future earnings of the sales and services tax revenues received by the District and the bond holders hold a lien on the future revenues received.

Bonds maturing July 1, 2019, may be called for redemption by the issuer and paid before maturity on said date of any date thereafter for the issue dated May 1, 2009.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. Long-Term Liabilities (continued)

Revenue Bonds (continued)

\$1,020,420 of the proceeds from the bond issue dated May 1, 2009 has been placed in reserve funds with a trustee. The reserve funds are part of the District's Capital Projects Fund.

All proceeds from the sales and services tax shall be placed in a sinking fund with a trustee. Money in the sinking fund shall be used to pay the interest and principal on the bonds. Surplus monies in the sinking fund may be transferred to the Capital Projects Fund to be used for any lawful purpose. The sinking fund is part of the Debt Service Fund.

The District pledged future statewide sales, service and use tax revenues to repay the \$11,325,000 bonds issued in 2009. Those bonds were issued to pay the cost of school infrastructure projects, renovation to the Hartford building and high school and improvements to athletic facilities. The bonds are payable solely from the proceeds of the statewide sales, service and use tax revenues received by the District and are payable through June 30, 2030. The bonds are not general obligations of the District. Annual principal and interest payments on the bonds are expected to require nearly 59 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$15,571,342. For the current year, principal and interest paid on revenue bonds totaled \$763,845 and total statewide sales, services and use tax revenues were \$1,722,338.

Note 6. 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 Employees' 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](http://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, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of 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.)

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 6. Pension Plan (continued)

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 for 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 their 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 member's 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 the 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 \$978,509.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the District reported a liability of \$6,332,990 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 proportion was 0.1596858 percent, which was an increase of 0.009295 from its proportion measured as of June 30, 2013.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 6. Pension Plan (continued)

For the year ended June 30, 2015, the District recognized pension expense of \$516,443. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 68,827	\$ -
Changes of assumptions	279,489	-
Net difference between projected and actual earnings on pension plan investments	-	2,415,220
Changes in proportion and differences between District contributions and proportionate share of contributions	181,621	-
District contributions subsequent to the measurement date	<u>978,509</u>	<u>-</u>
Total	<u>\$ 1,508,446</u>	<u>\$ 2,415,220</u>

\$978,509 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 ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2016	\$ (479,988)
2017	(479,988)
2018	(479,988)
2019	(479,988)
2020	<u>34,669</u>
Total	<u>\$ (1,885,283)</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 6. Pension Plan (continued)

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
Salary increases (effective June 30, 2014)	4.00 percent, average, including inflation
Investment rate of return (effective June 30, 1996)	7.50 percent per annum, compounded annually, net of pension plan 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)
	<hr/>	
Total	<u>100%</u>	

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 6. 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 employee 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 plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, 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	\$ 11,966,008	\$ 6,332,990	\$ 1,578,140

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](http://www.ipers.org).

Note 7. Other Postemployment Benefits (OPEB)

Plan Description – The District operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 169 active and 22 retired members in the plan. Retired participants must be age 55 or older at retirement.

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

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

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

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 7. Other Postemployment Benefits (OPEB) (continued)

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	\$	155,239
Interest on net OPEB obligation		(15,440)
Adjustment to annual required contribution		9,201
Annual OPEB cost		<u>149,000</u>
Contributions made		<u>(220,635)</u>
Increase in net OPEB obligation		(71,635)
Net OPEB obligation beginning of year		<u>(343,103)</u>
Net OPEB obligation end of year	\$	<u><u>(414,738)</u></u>

Because of the large explicit benefit attributable to the District's early retirement plan, the net explicit cost to the District is essentially prepaid at this time by contributions made for early retirees. However, this prepayment does not reflect on the District's financial statements as an asset because all contributions are made on a pay-as-you-go basis. Thus, no asset exists at this time.

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 \$220,635 to the medical plan.

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

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2013	\$ 154,064	100.0%	\$ -
2014	152,203	100.0%	-
2015	149,000	100.0%	-

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 \$1,642,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,642,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$11,208,000, and the ratio of the UAAL to covered payroll was 14.7%. As of June 30, 2015, there were no trust fund assets.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 7. Other Postemployment Benefits (OPEB) (continued)

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

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

As of the July 1, 2012 actuarial valuation date, the projected unit credit actuarial 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 9.5%. The ultimate medical trend rate is 5.0%. The medical trend rate is reduced .5% each year until reaching the 5.0% ultimate trend rate.

Mortality rates are from the RP-2000 Combined Healthy Generational Mortality Table with projection scale AA, applied on a gender specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Valuation Reports as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Valuation Report as of June 30, 2011.

Projected claim costs of the medical plan are \$3,350 per month for retirees less than age 65. The UAAL is being amortized as a level dollar cost over service of the group on a closed basis over 30 years.

Note 8. Risk Management

The District has a partial self-funded insurance plan. The plan is funded by contributions from the District and is administered through a service agreement with Wellmark/Blue Cross-Blue Shield of Iowa. The agreement is not subject to automatic renewal provisions. The District assumes liability for claims up to the difference between the \$500 or \$1,000 deductible plans paid for by the employee and the \$1,500 deductible plan purchased by the District.

Monthly payments of service fees and plan contributions to the Carlisle Community School District Employee Group Insurance Plan are recorded as expenditures from the General and School Nutrition funds. Under the administrative services agreement, weekly payments of service fees and claims processed are paid to Wellmark/Blue Cross-Blue Shield of Iowa from the Carlisle Community School District Employee Group Insurance Plan fund as an Internal Service Fund. The District's contributions to the fund for the year ended June 30, 2015 were \$976,503.

The Internal Service Fund, Self-Funded Insurance Plan unrestricted net position was \$665,791 at June 30, 2014.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 8. Risk Management (continued)

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

Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$750,133 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 10. Categorical Funding

The District's fund balance restricted for categorical funding at June 30, 2015 is comprised of the following programs:

Program	Amount
Statewide voluntary 4 year-old preschool	\$ 277,430
Gifted and talented programs	221,738
Home school assistance program	105,195
Salary improvement program	67,908
Returning dropouts and dropout prevention	58,960
Professional development for model core curriculum	55,719
Successful progression for early readers	24,189
Professional development	22,500
Beginning teacher mentoring and induction	13,403
At risk programs	10,410
Market factor incentives	5,172
Assessment grants	1,568
Evaluator training	330
	\$ 864,522
Total	\$ 864,522

Note 11. Subsequent Events

On August 10, 2015, the District approved a contract totaling \$564,000 for a high school parking lot project.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 12. 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 government 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>	<u>Enterprise Fund, School Nutrition</u>
Net position June 30, 2014, as previously reported	\$ 21,460,362	\$ 488,442	\$ 451,718
Net pension liability at June 30, 2014	(8,428,392)	(206,539)	(206,539)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	<u>910,769</u>	<u>22,319</u>	<u>22,319</u>
Net position July 1, 2014, as restated	<u>\$ 13,942,739</u>	<u>\$ 304,222</u>	<u>\$ 267,498</u>

Required Supplementary Information

CARLISLE 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 - Actual	Proprietary Fund - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
<b>REVENUES:</b>						
Local sources	\$ 7,590,135	\$ 513,030	\$ 8,103,165	\$ 9,244,299	\$ 9,244,299	\$ (1,141,134)
State sources	14,221,560	7,866	14,229,426	12,616,473	12,616,473	1,612,953
Federal sources	569,939	413,881	983,820	690,000	690,000	293,820
<b>Total revenues</b>	<b>22,381,634</b>	<b>934,777</b>	<b>23,316,411</b>	<b>22,550,772</b>	<b>22,550,772</b>	<b>765,639</b>
<b>EXPENDITURES/EXPENSES:</b>						
Instruction	12,228,703	-	12,228,703	11,725,500	11,971,600	(257,103)
Support services	6,341,208	9,775	6,350,983	6,292,000	6,375,555	24,572
Non-instructional programs	-	910,118	910,118	931,000	931,000	20,882
Other expenditures	3,259,339		3,259,339	2,279,369	2,551,658	(707,681)
<b>Total expenditures/expenses</b>	<b>21,829,250</b>	<b>919,893</b>	<b>22,749,143</b>	<b>21,227,869</b>	<b>21,829,813</b>	<b>(919,330)</b>
Excess (deficiency) of revenues over (under) expenditures/ expenses	552,384	14,884	567,268	1,322,903	720,959	(153,691)
Balance beginning of year, as restated	10,993,800	304,222	11,298,022	10,920,446	10,920,446	377,576
Balance end of year	\$ <u>11,546,184</u>	\$ <u>319,106</u>	\$ <u>11,865,290</u>	\$ <u>12,243,349</u>	\$ <u>11,641,405</u>	\$ <u>223,885</u>

See accompanying independent auditor's report.

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year the District adopted one budget amendment increasing budgeted expenditures/expenses by \$601,944.

During the year ended June 30, 2015, expenditures/expenses in the instruction and other expenditures functions exceeded the amounts budgeted.

CARLISLE COMMUNITY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System  
 Last Fiscal Year\*  
 (In Thousands)

Required Supplementary Information

	<u>2015</u>
District's proportion of the net pension liability	0.1596858
District's proportionate share of the net pension liability	\$ 6,333
District's covered-employee payroll	\$ 10,958
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	57.79339%
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.

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CARLISLE COMMUNITY SCHOOL DISTRICT

Schedule of the District's Contributions

Iowa Public Employees' Retirement System  
Last Ten Fiscal Years  
(In Thousands)

Required Supplementary Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contributions	\$ 978	\$ 933	\$ 854	\$ 751
Contributions in relation to the statutorily required contribution	<u>978</u>	<u>933</u>	<u>854</u>	<u>751</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 10,958	\$ 10,449	\$ 9,862	\$ 9,310
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%

See accompanying independent auditor's report.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 620	\$ 610	\$ 576	\$ 501	\$ 420	\$ 373
620	610	576	501	420	373
<u>\$ -</u>					
\$ 8,912	\$ 9,169	\$ 9,060	\$ 8,278	\$ 7,296	\$ 6,488
6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

CARLISLE 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.

CARLISLE 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.

CARLISLE COMMUNITY SCHOOL DISTRICT

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

Required Supplementary Information  
Year Ended June 30, 2015

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ( (b-a)/c )
2010	July 1, 2009	\$ -	\$ 1,384	\$ 1,384	0.0%	\$ 9,300	14.9%
2011	July 1, 2009	-	1,206	1,206	0.0%	9,100	13.3%
2012	July 1, 2009	-	1,031	1,031	0.0%	9,500	10.9%
2013	July 1, 2012	-	1,642	1,642	0.0%	10,009	16.4%
2014	July 1, 2012	-	1,642	1,642	0.0%	10,648	15.4%
2015	July 1, 2012	-	1,642	1,642	0.0%	11,208	14.7%

See note 7 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

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2015

	Special Revenue		Total
	Management Levy	Student Activity	
Assets			
Cash and pooled investments	\$ 534,843	\$ 230,881	\$ 765,724
Receivables:			
Property tax:			
Current year	3,801	-	3,801
Succeeding year	504,999	-	504,999
Accounts	-	1,164	1,164
Due from other governments	-	150	150
Total assets	<u>\$ 1,043,643</u>	<u>\$ 232,195</u>	<u>\$ 1,275,838</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 2,792	\$ 2,792
Salaries and benefits payable	-	3,768	3,768
Total liabilities	<u>-</u>	<u>6,560</u>	<u>6,560</u>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	504,999	-	504,999
Fund balances:			
Restricted for:			
Management levy purposes	538,644	-	538,644
Student activities	-	225,635	225,635
Total fund balances	<u>538,644</u>	<u>225,635</u>	<u>764,279</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,043,643</u>	<u>\$ 232,195</u>	<u>\$ 1,275,838</u>

See accompanying independent auditor's report.

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2015

	Special Revenue		Total
	Management	Student	
	Levy	Activity	
Revenues:			
Local sources:			
Local tax	\$ 491,513	\$ -	\$ 491,513
Other	19,099	452,661	471,760
State sources	1,809	-	1,809
Total revenues	512,421	452,661	965,082
Expenditures:			
Current:			
Instruction	97,234	389,953	487,187
Support services:			
Instructional staff	-	195	195
Administration	255,747	-	255,747
Operation and maintenance of plant	72,803	-	72,803
Transportation	18,037	-	18,037
Total expenditures	443,821	390,148	833,969
Excess (deficiency) of revenues over (under) expenditures	68,600	62,513	131,113
Fund balances beginning of year	470,044	163,122	633,166
Fund balances end of year	\$ 538,644	\$ 225,635	\$ 764,279

See accompanying independent auditor's report.

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
CAPITAL PROJECTS ACCOUNTS  
June 30, 2015

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Assets				
Cash and pooled investments	\$ 1,453,111	\$ 781,542	\$ 1,020,832	\$ 3,255,485
Receivables:				
Property tax:				
Current year	-	3,875	-	3,875
Succeeding year	-	517,600	-	517,600
Due from other governments	271,386	-	-	271,386
 Total assets	 \$ 1,724,497	\$ 1,303,017	\$ 1,020,832	\$ 4,048,346
 Liabilities, Deferred Inflows of Resources and Fund Balances				
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	\$ -	\$ 517,600	\$ -	\$ 517,600
 Fund balances:				
Restricted for:				
Revenue bonds reserve fund	-	-	1,020,420	1,020,420
School infrastructure	1,724,497	-	412	1,724,909
Physical plant and equipment	-	785,417	-	785,417
Total fund balances	1,724,497	785,417	1,020,832	3,530,746
 Total liabilities, deferred inflows of resources and fund balances	 \$ 1,724,497	\$ 1,303,017	\$ 1,020,832	\$ 4,048,346

See accompanying independent auditor's report.

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS ACCOUNTS  
Year Ended June 30, 2015

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 502,743	\$ -	\$ 502,743
Other	3,799	1,090	54	4,943
State sources	1,722,338	1,844	-	1,724,182
Total revenues	<u>1,726,137</u>	<u>505,677</u>	<u>54</u>	<u>2,231,868</u>
Expenditures:				
Current:				
Instruction	-	9,950	-	9,950
Support services:				
Administration	-	97,411	-	97,411
Transportation	-	21,183	-	21,183
Other expenditures:				
Facilities acquisition	13,495	126,986	-	140,481
Total expenditures	<u>13,495</u>	<u>255,530</u>	<u>-</u>	<u>269,025</u>
Excess (deficiency) of revenues over (under) expenditures	1,712,642	250,147	54	1,962,843
Other financing sources (uses):				
Intrafund transfers in*	-	-	1,020,670	1,020,670
Intrafund transfers out*	(1,020,670)	-	-	(1,020,670)
Interfund transfers out	-	-	(1,020,724)	(1,020,724)
Total other financing sources (uses)	<u>(1,020,670)</u>	<u>-</u>	<u>(54)</u>	<u>(1,020,724)</u>
Net change in fund balances	691,972	250,147	-	942,119
Fund balances beginning of year	<u>1,032,525</u>	<u>535,270</u>	<u>1,020,832</u>	<u>2,588,627</u>
Fund balances end of year	<u>\$ 1,724,497</u>	<u>\$ 785,417</u>	<u>\$ 1,020,832</u>	<u>\$ 3,530,746</u>

See accompanying independent auditor's report.

\* = These amounts have been eliminated from the basic financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF FUND NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 June 30, 2015

	<u>Building and Trades</u>	<u>Adult Education</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ <u>6,688</u>	\$ <u>29,240</u>	\$ <u>35,928</u>
Fund Net Position			
Unrestricted	\$ <u><u>6,688</u></u>	\$ <u><u>29,240</u></u>	\$ <u><u>35,928</u></u>

See accompanying independent auditor's report.

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 Year Ended June 30, 2015

	<u>Building and Trades</u>	<u>Adult Education</u>	<u>Total</u>
Operating revenues:			
Local sources:			
Charges for services	\$ -	\$ 25	\$ 25
Operating expenses:			
Non-instructional programs:			
Supplies	888	-	888
Operating income (loss)	(888)	25	(863)
Non-operating revenues:			
Interest on investments	13	54	67
Change in fund net position	(875)	79	(796)
Fund net position beginning of year	7,563	29,161	36,724
Fund net position end of year	<u>\$ 6,688</u>	<u>\$ 29,240</u>	<u>\$ 35,928</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR ENTERPRISE FUNDS  
 Year Ended June 30, 2015

	<u>Building and Trades</u>	<u>Adult Education</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ -	\$ 25	\$ 25
Cash payments to suppliers for goods or services	(888)	(257)	(1,145)
Net cash used by operating activities	<u>(888)</u>	<u>(232)</u>	<u>(1,120)</u>
Cash flows from investing activities:			
Interest on investments	<u>13</u>	<u>54</u>	<u>67</u>
Net decrease in cash and cash equivalents	(875)	(178)	(1,053)
Cash and cash equivalents beginning of year	<u>7,563</u>	<u>29,418</u>	<u>36,981</u>
Cash and cash equivalents end of year	<u>\$ 6,688</u>	<u>\$ 29,240</u>	<u>\$ 35,928</u>
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income (loss)	\$ (888)	\$ 25	\$ (863)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
(Decrease) in salaries and benefits payable	<u>-</u>	<u>(257)</u>	<u>(257)</u>
Net cash used by operating activities	<u>\$ (888)</u>	<u>\$ (232)</u>	<u>\$ (1,120)</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF FUND NET POSITION  
 NONMAJOR INTERNAL SERVICE FUNDS  
 June 30, 2015

	<u>Self-Funded Health</u>	<u>Flex Plan</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ <u>666,186</u>	\$ <u>6,885</u>	\$ <u>673,071</u>
Liabilities			
Accounts payable	<u>395</u>	-	<u>395</u>
Net Position			
Unrestricted	\$ <u><u>665,791</u></u>	\$ <u><u>6,885</u></u>	\$ <u><u>672,676</u></u>

See accompanying independent auditor's report.

## CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 NONMAJOR INTERNAL SERVICE FUNDS  
 Year Ended June 30, 2015

	Self-Funded Health	Flex Plan	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Operating revenues:			
Local sources:			
Charges for services	\$ 1,066,278	\$ 92,948	\$ 1,159,226
	<u>          </u>	<u>          </u>	<u>          </u>
Operating expenses:			
Instruction:			
Insurance premiums	887,026	-	887,026
Purchased services	22,918	89,112	112,030
	<u>          </u>	<u>          </u>	<u>          </u>
	909,944	89,112	999,056
	<u>          </u>	<u>          </u>	<u>          </u>
Operating income	156,334	3,836	160,170
Net position beginning of year	509,457	3,049	512,506
	<u>          </u>	<u>          </u>	<u>          </u>
Net position end of year	\$ 665,791	\$ 6,885	\$ 672,676
	<u>          </u>	<u>          </u>	<u>          </u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR INTERNAL SERVICE FUNDS  
 Year Ended June 30, 2015

	<u>Self-Funded Health</u>	<u>Flex Plan</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ 1,066,278	\$ 92,948	\$ 1,159,226
Cash payments to suppliers for goods or services	<u>(911,957)</u>	<u>(89,112)</u>	<u>(1,001,069)</u>
Net cash provided by operating activities	<u>154,321</u>	<u>3,836</u>	<u>158,157</u>
Cash and cash equivalents beginning of year	<u>511,865</u>	<u>3,049</u>	<u>514,914</u>
Cash and cash equivalents end of year	<u>\$ 666,186</u>	<u>\$ 6,885</u>	<u>\$ 673,071</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 156,334	\$ 3,836	\$ 160,170
Adjustments to reconcile operating income to net cash provided by operating activities:			
(Decrease) in accounts payable	<u>(2,013)</u>	<u>-</u>	<u>(2,013)</u>
Net cash provided by operating activities	<u>\$ 154,321</u>	<u>\$ 3,836</u>	<u>\$ 158,157</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

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

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Life Touch	\$ (1)	\$ 1	\$ -	-
Landscaping Project	(40)	40	-	-
Books & Buddies	182	-	-	182
FCCLA	12	435	217	230
Spanish	752	63	151	664
Marketing Club	3,307	2,524	2,914	2,917
High School Student Council	3,881	8,782	6,836	5,827
K-6 Book Club	9,049	17,288	18,257	8,080
7-12 Book Club	20	1,345	1,365	-
High School Annual	11,786	6,921	3,625	15,082
Color Guard	70	-	-	70
Cheerleading	2,272	8,484	8,338	2,418
Middle School Student Council	1,237	986	1,381	842
Middle School Yearbook	741	1,850	2,591	-
Elementary Yearbook	333	2,665	2,289	709
Hartford Store	898	530	498	930
High School Academic Enrichment	10,413	3,584	2,888	11,109
SADD	1,017	565	300	1,282
Elementary Enrichment	3,590	9,190	3,283	9,497
Middle School Enrichment	10,632	25,341	16,803	19,170
Class of '07	(233)	233	-	-
Class of '08	1,154	-	1,154	-
Class of '09	52	-	52	-
Class of '10	(184)	184	-	-
Class of '11	297	-	-	297
Class of '12	3	-	-	3
Interest	8,363	-	4,600	3,763
5-6 Band Concessions	142	-	-	142
Drama	5,473	-	523	4,950
Speech Club	(1,924)	1,924	-	-
Debate Club	-	314	302	12
High School Chorus	11,004	-	-	11,004
Musical Productions	9,276	5,886	3,091	12,071
7-12 Band	3,943	90	-	4,033
All Athletics	19,873	130,337	130,307	19,903
Basketball - Girls	633	9,902	9,387	1,148
Basketball - Boys	1,368	4,753	5,623	498
Soccer - Girls	926	3,125	2,953	1,098
Soccer - Boys	246	229	475	-
Track - Girls	294	8,501	6,681	2,114

CARLISLE COMMUNITY SCHOOL DISTRICT

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

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Track - Boys	\$ 2,675	\$ 9,624	\$ 7,845	\$ 4,454
Cross Country	655	1,742	1,647	750
Weightlifting	5,459	-	918	4,541
Football	1,271	64,191	52,453	13,009
Baseball	2,016	5,391	6,329	1,078
Wrestling	2,332	8,252	3,537	7,047
Volleyball	985	18,534	13,712	5,807
Softball	608	26,183	18,145	8,646
Y-Camp	5,778	9,728	9,019	6,487
Recycling/Fowler Habitat	1,100	-	-	1,100
Golf - Boys	77	3,288	3,180	185
Golf - Girls	(350)	4,346	3,596	400
MS Conservation Team	113	27	-	140
Character Counts	3,649	3,616	3,899	3,366
Culture Club	5	-	-	5
Prom	2,813	14,495	12,301	5,007
Adopt-A-Classroom	384	-	-	384
Middle School	9,242	21,750	15,173	15,819
Art Club - HS	748	2,381	2,206	923
Art Club - MS	8	-	8	-
Art Club - K-5	-	1,251	-	1,251
Hartford Yearbook	2,493	903	750	2,646
HS Principal's Council	-	1,203	280	923
Dance Team	204	6,021	4,603	1,622
Intrafund Transfers	-	(6,337)	(6,337)	-
<b>Total</b>	<b>\$ 163,122</b>	<b>\$ 452,661</b>	<b>\$ 390,148</b>	<b>\$ 225,635</b>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS  
FOR THE LAST TEN YEARS

	Modified Accrual Basis			
	Years Ended June 30,			
	2015	2014	2013	2012
<b>Revenues:</b>				
Local sources:				
Local tax	\$ 5,379,491	\$ 5,242,667	\$ 6,673,466	\$ 6,813,016
Tuition	1,394,942	1,445,627	1,272,599	1,111,259
Other	815,702	695,321	801,271	750,508
Intermediate sources	-	-	5,000	-
State sources	14,221,560	13,488,503	11,227,830	11,008,811
Federal sources	569,939	576,726	429,848	814,695
Total revenues	<u>\$ 22,381,634</u>	<u>\$ 21,448,844</u>	<u>\$ 20,410,014</u>	<u>\$ 20,498,289</u>
<b>Expenditures:</b>				
Instruction	\$ 12,228,703	\$ 11,435,414	\$ 10,625,063	\$ 10,095,727
Support services:				
Student	750,913	724,600	690,058	671,591
Instructional staff	552,292	525,538	391,066	303,120
Administration	2,580,546	2,557,565	2,413,717	2,282,587
Operation and maintenance of plant	1,556,012	1,489,312	1,489,222	1,442,798
Transportation	901,445	854,201	825,319	984,419
Other expenditures:				
Facilities acquisition	140,481	1,037,840	718,489	623,095
Long-term debt:				
Principal	1,550,000	625,000	1,285,750	858,250
Interest and fiscal charges	818,725	846,425	884,630	925,255
AEA flowthrough	750,133	696,090	664,895	649,983
Total expenditures	<u>\$ 21,829,250</u>	<u>\$ 20,791,985</u>	<u>\$ 19,988,209</u>	<u>\$ 18,836,825</u>

See accompanying independent auditor's report.

	2011	2010	2009	2008	2007	2006	2005
\$	6,494,784	\$ 5,642,664	\$ 5,605,083	\$ 5,183,840	\$ 4,521,969	\$ 4,306,821	\$ 4,098,804
	920,325	604,590	531,953	393,000	390,632	304,523	300,814
	1,067,275	716,657	636,030	791,989	879,642	678,493	547,054
	-	10,000	10,000	27,291	-	-	-
	10,574,939	9,259,561	10,382,655	9,940,194	8,323,806	7,230,151	6,538,370
	846,035	1,533,433	235,843	278,604	740,735	202,446	197,467
\$	<u>19,903,358</u>	<u>17,766,905</u>	<u>17,401,564</u>	<u>16,614,918</u>	<u>14,856,784</u>	<u>12,722,434</u>	<u>11,682,509</u>
\$	9,650,279	\$ 9,556,760	\$ 9,532,176	\$ 9,224,556	\$ 7,763,185	\$ 7,174,229	\$ 6,637,400
	603,862	584,782	592,126	547,931	471,477	417,024	373,037
	408,471	339,566	734,228	323,161	356,783	381,665	378,376
	2,091,204	2,095,597	2,052,331	2,101,225	1,490,702	1,267,388	1,093,941
	1,382,082	1,435,226	1,478,901	1,621,960	1,146,121	1,013,038	905,034
	821,043	744,623	707,065	643,595	510,147	526,625	406,817
	1,411,893	7,510,608	2,363,979	1,050,244	7,527,550	2,562,007	3,788,085
	958,250	933,250	792,500	520,000	635,000	705,000	71,759
	959,901	802,786	444,237	449,592	520,221	110,891	415,600
	688,857	665,706	615,532	571,154	502,822	441,409	399,159
\$	<u>18,975,842</u>	<u>24,668,904</u>	<u>19,313,075</u>	<u>17,053,418</u>	<u>20,924,008</u>	<u>14,599,276</u>	<u>14,469,208</u>

CARLISLE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2015

Grantor / Program	CFDA Number	Pass-through Grantor Number	Expenditures
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Program:			
School Breakfast Program	10.553	0981-15	\$ 68,215
National School Lunch Program*	10.555	0981-15	345,666 *
			<u>413,881</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	0981-G-15	138,840
Title I Grants to Local Educational Agencies	84.010	0981-G-14	300
Title I Grants to Local Educational Agencies	84.010	0981-SINA-15	10,339
			<u>149,479</u>
Special Education - Grants to States**	84.027	0981-15	<u>7,487</u> **
Advanced Placement Program	84.330	0981-15	<u>194</u>
Improving Teacher Quality State Grants	84.367	0981-15	<u>34,459</u>
Grants for State Assessments and Related Activities	84.369	0981-15	<u>9,850</u>
Career and Technical Education - Basic Grants to States	84.048	0981-15	<u>9,178</u>
Heartland Area Education Agency:			
Special Education - Grants to States**	84.027	0981-15	<u>84,712</u> **
U. S. Department of Health and Human Services:			
Iowa Department of Education:			
Centers for Disease Control and Prevention-Investigations and Technical Assistance	93.283	0981-14	<u>566</u>
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	0981-14	<u>170</u>
Total			<u>\$ 709,976</u>

\* = Includes \$51,160 of non-cash awards.

\*\* = Total expended for CFDA number 84.027 = \$92,199

CARLISLE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2015

Basis of Presentation –

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

See accompanying independent auditor's report.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of  
Carlisle Community School District:

We have audited in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Carlisle Community School District as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item II-A-15 that we consider to be a significant deficiency.

### Compliance

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

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

### Carlisle Community School District's Responses to the Findings

Carlisle Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Carlisle 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

*Hunt + Associates, P.C.*

Oskaloosa, Iowa  
October 26, 2015

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

To the Board of Education of  
Carlisle Community School District:

Report on Compliance for Each Major Federal Program

We have audited Carlisle Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Carlisle Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Carlisle Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

*Hunt + Associates, P.C.*

Oskaloosa, Iowa  
October 26, 2015

CARLISLE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

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

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

CARLISLE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

II-A-15 Untimely Receipt Deposits – We noted that three out of nine receipts tested were not deposited to the bank in a timely manner. The receipts were held for a range of ten to eighteen days.

Recommendation – The District should implement controls to insure that all receipts are deposited to the bank in a timely manner. Receipts should be deposited weekly at a minimum, and should be deposited daily in the best situation to protect the underlying assets.

Response – We will insure that all deposits are made in a timely manner in the future and we will develop better controls for depositing cash receipts.

Conclusion – Response accepted.

CARLISLE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

CARLISLE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part IV: Other Findings Related to Statutory Reporting:

IV-A-15 Certified Budget – Expenditures/expenses for the year ended June 30, 2015, exceeded the amounts budgeted in the instruction and other expenditures functions.

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 – We will amend our budget in sufficient amounts before expenditures exceed the budget in the future.

Conclusion – Response accepted.

IV-B-15 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-15 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-15 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Terri Joiner, spouse of Board President Joiner	Secretary	\$29,868
Sarah Flaws, daughter of Business Manager Jean Flaws	Summer aid	\$1,863
Michelle Robinson, daughter of Business Manager Jean Flaws	Teaching	\$51,054

In accordance with Chapter 279.7A of the Code of Iowa, the transactions with the children of the Business Manager do not appear to represent a conflict of interest since the Business Manager has no direct influence in the hiring of qualified teachers or aides.

The transactions with the spouse of Board President Joiner do not represent conflicts of interest according to an attorney general opinion dated November 9, 1976.

IV-E-15 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

IV-F-15 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

CARLISLE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

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

- IV-G-15 Certified Enrollment – No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- IV-H-15 Supplementary Weighting – We noted a variance regarding the supplementary weighting certified to the Iowa Department of Education. Supplementary weighting was overstated by 2.805 students.
- Recommendation – The District should contact the Iowa Department of Education and Iowa Department of Management to resolve this matter.
- Response – We will contract the Iowa Department of Education and Iowa Department of Management to resolve this matter.
- Conclusion – Response accepted.
- IV-I-15 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.
- IV-J-15 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-K-15 Categorical Funding – No instances of categorical funding being used to supplant rather than supplement other funds were noted.
- IV-L-15 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:

CARLISLE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

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

IV-L-15 Statewide Sales, Services and Use Tax (continued)

Beginning balance		\$	1,032,525
Revenues:			
Interest	\$		3,799
Statewide sales, services and use tax		<u>1,722,338</u>	1,726,137
Expenditures/transfers out:			
Other		13,495	
Transfers to other funds:			
Other transfers		<u>1,020,670</u>	<u>1,034,165</u>
Ending balance		\$	<u><u>1,724,497</u></u>

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.

IV-M-15 Financial Condition – The District’s Governmental Activities had a deficit unrestricted net position of \$1,524,681 at June 30, 2015. The District’s Business-Type Activities had a deficit unrestricted net position of \$48,956 at June 30, 2015. In addition, the Enterprise Fund, School Nutrition had a deficit unrestricted net position of \$84,884 at June 30, 2015. These deficit balances arose due to the implementation of Governmental Accounting Standards Board Statement Number 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB 27 which required the inclusion of the District’s proportionate share of the IPERS pension liability and related deferred inflows and outflows in the District’s financial statements.

Recommendation – Even though the deficits arose due to the inclusion of the proportionate share of the IPERS net pension liability in the financial statements, the District should investigate ways to return the governmental and business-type activities and the Nutrition Fund to sound financial conditions.

Response – We are unsure of what steps can be taken at this time to alleviate the strain of the District’s proportionate share of the IPERS liability. However, we will look into this situation and investigate ways to return the associated activities and funds to sound financial condition.

Conclusion – Response accepted.