

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
CLEAR CREEK AMANA, IOWA

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

JUNE 30, 2015

## TABLE OF CONTENTS

	Page
OFFICIALS	4
INDEPENDENT AUDITOR’S REPORT	5-7
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	8-18
<b>BASIC FINANCIAL STATEMENTS:</b>	
Exhibit	
Government-Wide Financial Statements:	
A    Statement of Net Position	20-21
B    Statement of Activities	22-25
Governmental Fund Financial Statements:	
C    Balance Sheet	26-27
D    Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	28
E    Statement of Revenues, Expenditures and Changes in Fund Balances	29-30
F    Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	31-32
Proprietary Fund Financial Statements:	
G    Statement of Fund Net Position	33
H    Statement of Revenues, Expenses and Changes in Fund Net Position	34
I    Statement of Cash Flows	35-36
Notes to Financial Statements	37-60
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances – Budget and Actual – All Governmental Funds and Proprietary Funds	62
Notes to Required Supplementary Information – Budgetary Reporting	63
Schedule of the District’s Proportionate Share of the Net Pension Liability	64
Schedule of District Contributions	66-67
Notes to Required Supplementary Information – Pension Liability	68-69
Schedule of Funding Progress for the Retiree Health Plan	70
<b>SUPPLEMENTARY INFORMATION:</b>	
Schedule	
Nonmajor Governmental Funds:	
1    Combining Balance Sheet	72
2    Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	73
Capital Projects Accounts:	
3    Combining Balance Sheet	74
4    Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	75
Nonmajor Enterprise Funds:	
5    Combining Schedule of Fund Net Position	76
6    Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	77
7    Combining Schedule of Cash Flows	78
8    Schedule of Changes in Special Revenue Fund, Student Activity Accounts	79
9    Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	80-81
10   Schedule of Expenditures of Federal Awards	82-83

TABLE OF CONTENTS  
(continued)

	Page
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	84-85
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133	86-87
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	88-93

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
Steve Swenka	President	2015
Bob Broghammer	Vice President	2015
Terry Davis	Board Member	2015
Rick Hergert	Board Member	2015
Eileen Schmidt	Board Member	2017
Jim Seelman	Board Member	2017
Kevin Kinney	Board Member (Resigned January 2015)	
Matt McAreavy	Board Member (Appointed January 2015)	2015
<u>School Officials</u>		
Tim Kuehl	Superintendent	2015
Lori Robertson	District Secretary/Treasurer and Business Manager	2015
Ahlers and Cooney	Attorney	Indefinite

DOUGLAS T. HUNT, CPA  
DONALD D. KAIN  
CHUCK C. CONVERSE, CPA  
RUSSELL S. TERPSTRA, CPA  
MICHAEL G. STANLEY, CPA  
DEE A.A. HOKE, CPA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clear Creek Amana Community School District, Oxford, Iowa, as of and for the year ended June 30, 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 Clear Creek Amana 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 13 to the financial statements, Clear Creek Amana 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 8 through 18 and 62 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clear Creek Amana Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the six years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the three years ended June 30, 2008 (which are not presented herein) were audited by other auditors who expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 2, 2016 on our consideration of Clear Creek Amana Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Clear Creek Amana Community School District's internal control over financial reporting and compliance.

*Hunt & Associates, P.C.*

Oskaloosa, Iowa  
February 2, 2016

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### 2015 FINANCIAL HIGHLIGHTS

- The District decreased the general fund balance from a beginning balance of \$2,986,799 to an ending balance of \$1,935,870.
  - This represents a decrease of \$1,050,929 and results in a general fund balance of 9.0% of general fund expenditures.
  - Fund balance trends in the district since FY11
    - 9.00% of general fund expenditures in FY15
    - 15.49% of general fund expenditures in FY14
    - 27.56% of general fund expenditures in FY13
    - 33.60% of general fund expenditures in FY12
    - 25.10% of general fund expenditures in FY11
  - The general fund balance meets board policy parameters which set a minimum ending balance not to fall below a range of 6% to 10% of general fund expenditures (\$1,290,922 to \$2,151,536).
- Total general fund revenues continue to reflect a growth rate in excess of state funded growth primarily as a result of increased student enrollment.

	<b>General Fund Revenue</b>	<b>Dollar and Percent Change</b>
FY15	\$20,464,433	(\$ 2,986,400 change or 17.1%)
FY14	\$17,478,033	(\$ 416,614 change or 2.44%)
FY13	\$17,061,419	(\$ 370,745 change or 2.22%)
FY12	\$16,690,674	(\$ 1,324,032 change or 8.62%)
FY11	\$15,366,642	(\$ 1,434,878 change or 10.3%)

- CCA increased resident students (1797.6 to 1839.6) a change of 42 students. The increase in resident students results in an increase in revenue in the general fund.
- In addition to increasing resident student enrollment, the District continued to have a net gain of students attending CCA schools as a result of the open enrollment law. The Clear Creek Amana schools have a greater number of students choosing to attend in the district under the open enrollment law than the number of students that choose to attend neighboring districts. For FY 2015, open enrollment brought a net gain of 197.7 students at a state cost per pupil of \$6,157 or \$1,217,239 dollars.
- The District continues to benefit from growth in the taxable valuation; averaging \$70.6 million per year or 8.62% over the past 10 years.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

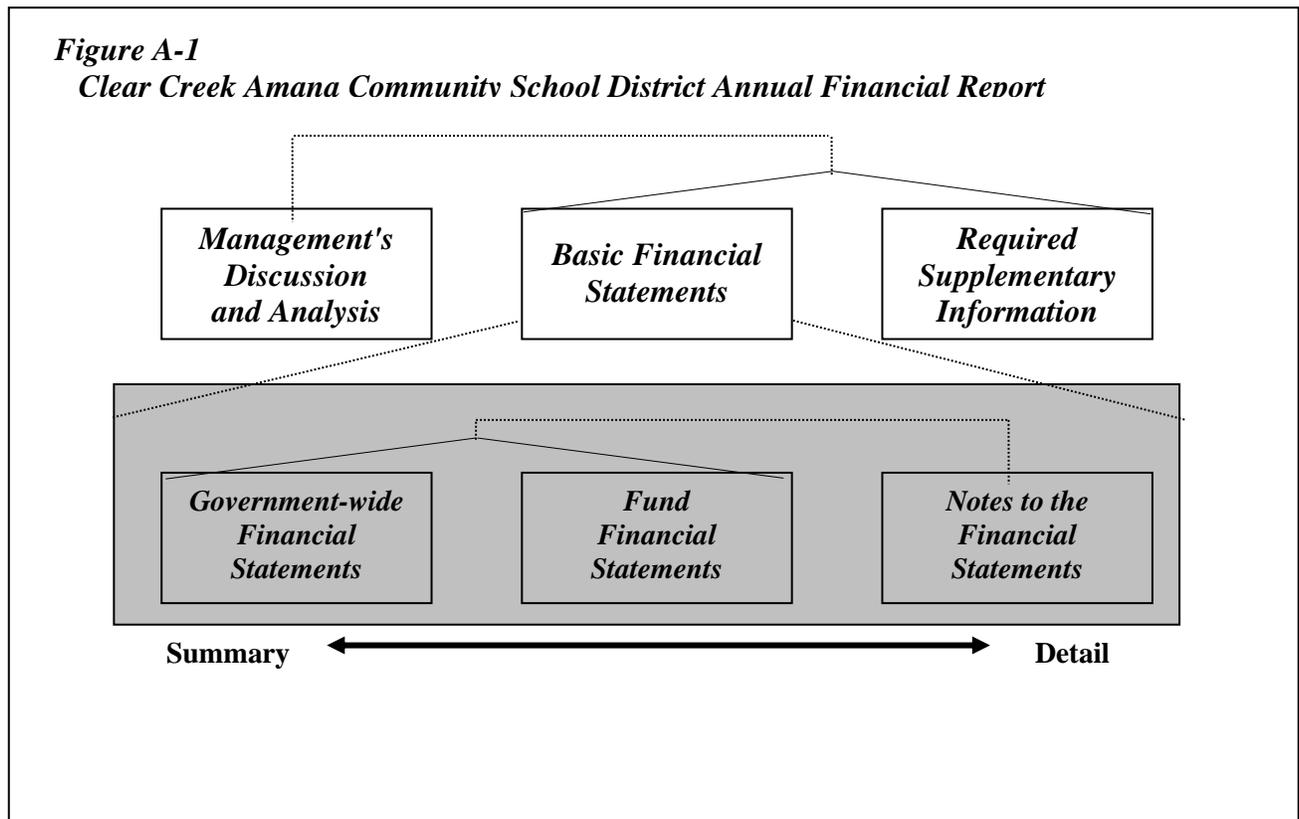


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

<b>Figure A-2</b> <b>Major Features of the Government-wide and Fund Financial Statements</b>				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services, day care and public pool	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fund net position</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### Government-wide Financial Statements

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

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

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

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

### ***Fund Financial Statements***

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

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

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

- 2) *Proprietary funds*: Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The districts' Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The district currently has several Enterprise Funds, the School Nutrition Fund, Day Care Fund and Public Pool Fund. The required financial statements for proprietary funds include a statement of fund net position, a statement of revenues, expenses and changes in fund net position and a statement of cash flows.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2015 compared to June 30, 2014.

Figure A-3

	Condensed Statement of Net Position						Percentage Change 2014-15
	Governmental Activities		Business-type Activities		Total School District		
	2015	2014 (Not restated)	2015	2014 (Not restated)	2015	2014 (Not restated)	
Current assets	38,853,474	51,248,979	694,195	678,323	39,547,669	51,927,302	-23.8%
Capital assets	78,615,546	56,227,415	342,303	380,343	78,957,849	56,607,758	39.5%
<b>Total assets</b>	<b>117,469,020</b>	<b>107,476,394</b>	<b>1,036,498</b>	<b>1,058,666</b>	<b>118,505,518</b>	<b>108,535,060</b>	<b>9.2%</b>
<b>Deferred Outflows of Resources</b>	<b>1,813,604</b>	<b>-</b>	<b>84,672</b>	<b>-</b>	<b>1,898,276</b>	<b>-</b>	<b>100%</b>
Long-term liabilities	77,718,048	64,553,470	318,359	-	78,036,407	64,553,470	20.9%
Other liabilities	4,983,340	3,045,343	133,349	114,041	5,116,689	3,159,384	62.0%
<b>Total liabilities</b>	<b>82,701,388</b>	<b>67,598,813</b>	<b>451,708</b>	<b>114,041</b>	<b>83,153,096</b>	<b>67,712,854</b>	<b>22.8%</b>
<b>Deferred Inflows of Resources</b>	<b>14,018,592</b>	<b>11,228,919</b>	<b>121,413</b>	<b>-</b>	<b>14,140,005</b>	<b>11,228,919</b>	<b>25.9%</b>
Net Position:							
Net investment in capital assets	22,538,137	20,494,335	342,303	380,343	22,880,440	20,874,678	9.6%
Restricted	6,662,071	5,865,818	-	-	6,662,071	5,865,818	13.6%
Unrestricted	(6,637,564)	2,288,509	205,746	564,282	(6,431,818)	2,852,791	-325.5%
<b>TOTAL NET POSITION</b>	<b>\$22,562,644</b>	<b>\$28,648,662</b>	<b>\$548,049</b>	<b>\$944,625</b>	<b>\$23,110,693</b>	<b>\$29,593,287</b>	<b>-21.9%</b>

- The District's total net position decreased 21.9%, or \$6,482,594, from the prior year. The largest portion of the District's total net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. This reduction in total net position was primarily a result of the District's net pension liability recorded in the current year.

- Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District’s restricted net position increased \$796,253, or 13.6%, over the prior year.
- Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased \$9,284,609, or 325.5%. This reduction in unrestricted net position was primarily a result of the district’s net pension liability 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 fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities and business-type activities were restated by \$8,116,617 and \$440,756, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year
- District long-term liabilities reflect the bonds payable for the construction of a new elementary and a middle school addition and renovation projects.

Figure A-4 compares the change in net position for the years ended June 30, 2014 and June 30, 2015.

**Figure A-4**

	Change in Net Position						Percentage Change
	Governmental Activities		Business-type Activities		Total School District		
	2015	2014 (Not restated)	2015	2014 (Not restated)	2015	2014 (Not restated)	
Revenues							
Program Revenues:							
Charges for services	3,216,755	2,720,992	1,033,777	1,060,327	4,250,532	3,781,319	12.4%
Operating grants, contributions and restricted interest	2,949,903	2,531,681	394,066	388,411	3,343,969	2,920,092	14.5%
Capital grants, contributions and restricted interest	-	645,470	2,650	6,791	2,650	652,261	-99.6%
General Revenues:							
Property taxes	11,812,539	10,656,420	-	-	11,812,539	10,656,420	10.8%
Income Surtax	522,762	873,977	-	-	522,762	873,977	-40.2%
Local option sales tax	1,697,169	1,450,025	-	-	1,697,169	1,450,025	17.0%
Unrestricted state grants	8,237,281	7,280,056	-	-	8,237,281	7,280,056	13.1%
Unrestricted investment earnings	67,059	45,085	318	375	67,377	45,460	48.2%
Other revenue	315,342	249,531	-	-	315,342	249,531	26.4%
<b>Total Revenues</b>	<b>28,818,810</b>	<b>26,453,237</b>	<b>1,430,811</b>	<b>1,455,904</b>	<b>30,249,621</b>	<b>27,909,141</b>	<b>8.4%</b>

Expenses:								
Instruction	15,084,097	13,684,222	-	-	15,084,097	13,684,222	10.2%	
Support services	7,428,757	6,751,211	8,664	22,791	7,437,421	6,774,002	9.8%	
Non-instructional programs	5,826	4,870	1,377,967	1,453,471	1,383,793	1,458,341	-5.1%	
Other expenditures	4,269,531	4,143,218	-	-	4,269,531	4,143,218	3.0%	
<b>Total expenses</b>	<b>26,788,211</b>	<b>24,583,521</b>	<b>1,386,631</b>	<b>1,476,262</b>	<b>28,174,842</b>	<b>26,059,783</b>	<b>8.1%</b>	
<b>CHANGE IN NET POSITION</b>								
Net position beginning of year, as restated	2,030,599	1,869,716	44,180	(20,358)	2,074,779	1,849,358	12.2%	
Net position end of year	20,532,045	26,778,946	503,869	964,893	21,635,914	27,743,929	-22.0%	
	<u>\$22,562,644</u>	<u>\$28,648,662</u>	<u>\$548,049</u>	<u>\$944,625</u>	<u>\$23,110,693</u>	<u>\$29,593,287</u>	<u>-21.9%</u>	

The changes in Net Position in Figure A-4 show that the District experienced a 8.4% increase in revenues. An increase in educational services, property tax collections and unrestricted state grant revenue were the primary sources of revenue increases.

During the same period, the District increased expenses at the rate of 8.1%. An increase in negotiated salaries and benefits and increased staff due to increased enrollment were the primary expense increases.

#### Governmental Activities

Revenue in Government Activities increased primarily in educational services, property taxes and grant revenue. Expenses also increased, primarily in the area of instruction negotiated salary and benefits and plant operations due to increased operating costs.

#### Business Type Activities

The District's business type activities include the School Food Nutrition, Day Care and Public Pool. Revenues of these activities were comprised of charges for service such as the increased price of school lunches, federal and state reimbursements. Revenues for business type activities were \$1,430,811 and expenses were \$1,386,631. It is the district intent that these activities are self supporting and maintain minimal fund balances.

#### INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$22,540,225 a decrease over last year's ending fund balances of \$36,607,583. This is largely due to an increase in assets from increased expenditures due to capital improvement projects of a new elementary school and middle school addition and renovation.

## **Governmental Fund Highlights**

The General Fund balance decreased from \$2,986,799 to \$1,935,870 on June 30, 2015. This represents a balance of 9.0% of general fund expenditures, which is within board policy minimum fund balance guidelines of maintaining a balance of six to ten percent of expenditures.

The Capital Projects Fund balance decreased from \$30,927,553 to \$17,746,846 on June 30, 2015. These funds remain available for future capital improvements and major equipment purchases.

The Debt Service Fund balance increased from \$1,026,516 to \$1,134,632 on June 30, 2015. The District maintains a balance in this fund to make bond payments when they come due.

## **Proprietary Fund Highlights**

School Nutrition Fund net position increased from \$367,137 (restated) to \$392,538 on June 30, 2015 as a result of increased efficiencies.

## **BUDGETARY HIGHLIGHTS**

Total expenditures were \$10,922,282 less than the final budget, due primarily to the District's budget in Other Expenditures area. This is due to a delay in the middle school construction project. It is the District's practice to certify expenditures for authorized spending authority based on reasonable projections for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year. This year, however, the budget was exceeded in the Instructional programs area due to unanticipated staff salaries in the amount of \$70,930.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2015 the District had invested \$79.0 million, net of accumulated depreciation, in a broad range of capital assets. These assets include: land, buildings, athletic facilities, technology and transportation equipment. (See Figure A-6) This represents an increase from last year due to construction projects, specifically a new elementary and a middle school addition. Depreciation expense for the year was \$1,753,374.

Figure A-6

Capital Assets (net of depreciation)

	Governmental Activities		Business type Activities		Total School District		Percentage Change
	2015	2014	2015	2014	2015	2014	2014-15
Land	\$3,607,286	\$3,607,286	-	-	\$3,607,286	\$3,607,286	0%
Construction in progress	25,268,029	2,344,186	-	-	25,268,029	2,344,186	977.9%
Buildings	45,444,852	45,860,356	-	-	45,444,852	45,860,356	-0.9%
Improvements	2,296,218	2,458,076	-	-	2,296,218	2,458,076	-6.6%
Equipment & Furniture	1,999,161	1,957,511	342,303	380,343	2,341,464	2,337,854	-0.2%
<b>TOTAL</b>	<b>78,615,546</b>	<b>56,227,415</b>	<b>342,303</b>	<b>380,343</b>	<b>78,957,849</b>	<b>56,607,758</b>	<b>39.5%</b>

### Long-Term Debt

At June 30, 2015, the District had \$78,036,407 in general obligation and revenue bonds and other long-term debt. This is an increase of \$3,874,211 from the prior year, as restated, due to the issuance of GO bonds. Termination benefits and compensated absences decreased by \$60,437 due to a decrease in District obligations.

Figure A-7  
Outstanding Long-Term Obligations

	Total School District		Percentage Change
	2015	2014, as Restated	2014-15
General Obligation Bonds	\$58,100,000	\$51,215,000	13.4%
Termination Benefits	376,561	476,931	-21.0%
Compensated Absences	126,472	86,539	46.1%
Revenue Bonds	11,910,000	12,450,000	-4.3%
Net Pension Liability	7,137,374	9,608,726	-25.7%
Net OPEB Liability	386,000	325,000	18.8%
	<b>\$78,036,407</b>	<b>\$74,162,196</b>	<b>5.2%</b>

## **ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

- A decrease in the amount of \$1,050,929 in the general fund balance reflects changes in the cash reserve levy and the impact on the District's cash flow. Beginning FY16, the District may use the cash reserve levy to increase the general fund balance to adequate levels.
- Clear Creek Amana has benefitted from an increase in total valuation, averaging \$70.6 million or 8.62% per year over the past ten years.
- School financing is highly dependent upon the student enrollment from the prior year. Enrollment has increased in the past five years for an average rate of 2.56 % per year. Looking ahead to FY16, the District will again benefit from an increase in student enrollment to 1839.6 students. The interest in students from other districts requesting open enrollment also continues to increase which will likely result in increased numbers of students attending the district in future years.
- The one-cent option sales tax generated \$1,697,169 of revenue in FY2015. It is anticipated sales tax revenues will gradually increase as the average per pupil amount is adjusted according to retail sales across the state for future years.

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

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

## Basic Financial Statements

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 26,017,335	\$ 672,642	\$ 26,689,977
Receivables:			
Property tax:			
Current year	51,468	-	51,468
Succeeding year	11,418,016	-	11,418,016
Income surtax	336,300	-	336,300
Accounts	3,979	5,638	9,617
Due from other governments	987,704	-	987,704
Inventories	-	15,915	15,915
Prepaid expenses	38,672	-	38,672
Capital assets, net of accumulated depreciation (note 4)	78,615,546	342,303	78,957,849
<b>Total assets</b>	<b>117,469,020</b>	<b>1,036,498</b>	<b>118,505,518</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	1,813,604	84,672	1,898,276
<b>Liabilities</b>			
Accounts payable	2,564,825	4,332	2,569,157
Salaries and benefits payable	1,994,108	106,671	2,100,779
Unearned revenue	-	22,346	22,346
Accrued interest payable	424,407	-	424,407
Long-term liabilities (note 5):			
Portion due within one year:			
Termination benefits	141,721	-	141,721
Bonds payable	3,140,000	-	3,140,000
Compensated absences	126,472	-	126,472
Portion due after one year:			
Termination benefits	234,840	-	234,840
Bonds payable	66,870,000	-	66,870,000
Net pension liability	6,819,015	318,359	7,137,374
Net OPEB liability	386,000	-	386,000
<b>Total liabilities</b>	<b>82,701,388</b>	<b>451,708</b>	<b>83,153,096</b>

CLEAR CREEK AMANA 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	\$ 11,418,016	\$ -	\$ 11,418,016
Pension related deferred inflows	2,600,576	121,413	2,721,989
Total deferred inflows of resources	<u>14,018,592</u>	<u>121,413</u>	<u>14,140,005</u>
Net Position			
Net investment in capital assets	22,538,137	342,303	22,880,440
Restricted for:			
Categorical funding	679,175	-	679,175
Debt service	2,158,740	-	2,158,740
Capital projects	1,883,698	-	1,883,698
Physical plant and equipment levy purposes	594,142	-	594,142
Management levy purposes	1,045,934	-	1,045,934
Student activities	215,301	-	215,301
Library levy purposes	85,081	-	85,081
Unrestricted	<u>(6,637,564)</u>	<u>205,746</u>	<u>(6,431,818)</u>
Total net position	<u>\$ 22,562,644</u>	<u>\$ 548,049</u>	<u>\$ 23,110,693</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Instruction	\$ 15,084,097	\$ 2,509,697	\$ 2,134,602	\$ -
Support services:				
Student	397,074	440,436	700	-
Instructional staff	1,092,572	6,672	37,381	-
Administration	2,757,442	-	-	-
Operation and maintenance of plant	2,107,139	23,997	-	-
Transportation	1,074,530	-	5,897	-
Total support services	7,428,757	471,105	43,978	-
Non-instructional programs	5,826	-	-	-
Other expenditures:				
Facilities acquisition	114,843	235,953	-	-
Long-term debt interest and fiscal charges	2,247,201	-	-	-
AEA flowthrough	771,323	-	771,323	-
Depreciation (unallocated) *	1,136,164	-	-	-
Total other expenditures	4,269,531	235,953	771,323	-
Total governmental activities	26,788,211	3,216,755	2,949,903	-
<b>Business-Type Activities:</b>				
Support services:				
Administration	573	-	-	-
Operation and maintenance of plant	8,091	-	-	-
	8,664	-	-	-

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (10,439,798)	\$ -	\$ (10,439,798)
44,062	-	44,062
(1,048,519)	-	(1,048,519)
(2,757,442)	-	(2,757,442)
(2,083,142)	-	(2,083,142)
(1,068,633)	-	(1,068,633)
(6,913,674)	-	(6,913,674)
(5,826)	-	(5,826)
121,110	-	121,110
(2,247,201)	-	(2,247,201)
-	-	-
(1,136,164)	-	(1,136,164)
(3,262,255)	-	(3,262,255)
(20,621,553)	-	(20,621,553)
-	(573)	(573)
-	(8,091)	(8,091)
-	(8,664)	(8,664)

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-Type Activities (continued):				
Non-instructional programs:				
Food service operations	\$ 999,048	\$ 651,311	\$ 378,855	\$ 2,650
Daycare operations	361,266	363,615	13,211	-
Pool operations	17,653	18,851	2,000	-
	<u>1,377,967</u>	<u>1,033,777</u>	<u>394,066</u>	<u>2,650</u>
Total business-type activities	<u>1,386,631</u>	<u>1,033,777</u>	<u>394,066</u>	<u>2,650</u>
Total	<u>\$ 28,174,842</u>	<u>\$ 4,250,532</u>	<u>\$ 3,343,969</u>	<u>\$ 2,650</u>

General revenues:

Property tax levied for:

General purposes

Debt service

Capital outlay

Library services

Income surtax

Statewide sales, services and use tax

Unrestricted state grants

Unrestricted investment earnings

Other

Total general revenues

Change in net position

Net position beginning of year, as restated

Net position end of year

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

See notes to financial statements.

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ -	\$ 33,768	\$ 33,768
-	15,560	15,560
-	3,198	3,198
-	52,526	52,526
-	43,862	43,862
(20,621,553)	43,862	(20,577,691)
\$ 6,566,038	\$ -	\$ 6,566,038
4,278,189	-	4,278,189
942,798	-	942,798
25,514	-	25,514
522,762	-	522,762
1,697,169	-	1,697,169
8,237,281	-	8,237,281
67,059	318	67,377
315,342	-	315,342
22,652,152	318	22,652,470
2,030,599	44,180	2,074,779
20,532,045	503,869	21,035,914
<u>\$ 22,562,644</u>	<u>\$ 548,049</u>	<u>\$ 23,110,693</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2015

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 3,594,975	\$ 1,119,916	\$ 19,620,409	\$ 1,682,035	\$ 26,017,335
Receivables:					
Property tax:					
Current year	30,231	14,716	3,243	3,278	51,468
Succeeding year	6,809,759	4,226,975	346,876	34,406	11,418,016
Income surtax	224,200	-	112,100	-	336,300
Accounts	2,134	-	-	1,845	3,979
Due from other governments	715,927	-	264,417	7,360	987,704
Prepaid expenses	-	-	-	38,672	38,672
	<hr/>				
Total assets	<u>\$ 11,377,226</u>	<u>\$ 5,361,607</u>	<u>\$ 20,347,045</u>	<u>\$ 1,767,596</u>	<u>\$ 38,853,474</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2015

	General	Debt Service	Capital Projects	Nonmajor	Total
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 418,630	\$ -	\$ 2,141,223	\$ 4,972	\$ 2,564,825
Salaries and benefits payable	1,988,767	-	-	5,341	1,994,108
Total liabilities	<u>2,407,397</u>	-	2,141,223	10,313	<u>4,558,933</u>
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	6,809,759	4,226,975	346,876	34,406	11,418,016
Other	224,200	-	112,100	-	336,300
Total deferred inflows of resources	<u>7,033,959</u>	<u>4,226,975</u>	<u>458,976</u>	<u>34,406</u>	<u>11,754,316</u>
Fund balances:					
Nonspendable:					
Prepaid expenses	-	-	-	38,672	38,672
Restricted for:					
Categorical funding (note 11)	679,175	-	-	-	679,175
Revenue bonds	-	-	1,448,515	-	1,448,515
Revenue bonds sinking fund	-	831,986	-	-	831,986
Debt service	-	302,646	-	-	302,646
School infrastructure	-	-	15,816,289	-	15,816,289
Physical plant and equipment	-	-	482,042	-	482,042
Management levy purposes	-	-	-	1,383,823	1,383,823
Student activities	-	-	-	215,301	215,301
Library purposes	-	-	-	85,081	85,081
Unassigned	1,256,695	-	-	-	1,256,695
Total fund balances	<u>1,935,870</u>	<u>1,134,632</u>	<u>17,746,846</u>	<u>1,722,877</u>	<u>22,540,225</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,377,226</u>	<u>\$ 5,361,607</u>	<u>\$ 20,347,045</u>	<u>\$ 1,767,596</u>	<u>\$ 38,853,474</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2015

Total fund balances of governmental funds		\$ 22,540,225
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.		78,615,546
Other long-term assets, including income surtax receivable, are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.		336,300
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.		(424,407)
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	\$ 1,813,604
	Deferred inflows of resources	<u>(2,600,576)</u> (786,972)
Long-term liabilities, including termination benefits, bonds payable, compensated absences, net pension liability and net OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(77,718,048)</u>
Net position of governmental activities		<u>\$ 22,562,644</u>
See notes to financial statements.		

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

	General	Debt Service	Capital Projects	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 6,442,048	\$ 4,209,053	\$ 1,282,944	\$ 579,559	\$ 12,513,604
Tuition	2,104,892	-	-	-	2,104,892
Other	246,410	180	82,358	363,966	692,914
State sources	10,317,352	69,136	1,712,403	16,193	12,115,084
Federal sources	1,353,224	-	-	-	1,353,224
Total revenues	<u>20,463,926</u>	<u>4,278,369</u>	<u>3,077,705</u>	<u>959,718</u>	<u>28,779,718</u>
Expenditures:					
Current:					
Instruction	14,098,650	-	577,956	394,324	15,070,930
Support services:					
Student	406,949	-	-	-	406,949
Instructional staff	893,885	-	203,187	14,328	1,111,400
Administration	2,573,944	-	53,474	313,257	2,940,675
Operation and maintenance of plant	1,940,775	-	220,267	136,283	2,297,325
Transportation	829,836	-	370,035	39,538	1,239,409
	<u>6,645,389</u>	<u>-</u>	<u>846,963</u>	<u>503,406</u>	<u>7,995,758</u>
Non-instructional programs	-	-	-	5,826	5,826
Other expenditures:					
Facilities acquisition	-	-	23,595,371	-	23,595,371
Long term debt:					
Principal	-	7,995,000	-	-	7,995,000
Interest and fiscal charges	-	2,118,610	98,269	-	2,216,879
AEA flowthrough	771,323	-	-	-	771,323
	<u>771,323</u>	<u>10,113,610</u>	<u>23,693,640</u>	<u>-</u>	<u>34,578,573</u>
Total expenditures	<u>21,515,362</u>	<u>10,113,610</u>	<u>25,118,559</u>	<u>903,556</u>	<u>57,651,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,051,436)</u>	<u>(5,835,241)</u>	<u>(22,040,854)</u>	<u>56,162</u>	<u>(28,871,369)</u>

CLEAR CREEK AMANA 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
Other financing sources (uses):					
Sale of real property	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
Compensation for loss of capital assets	507	-	6,529	-	7,036
General obligation bonds issued	-	4,620,000	9,720,000	-	14,340,000
Premium on bonds issued	-	214,885	222,090	-	436,975
Interfund transfers in (note 3)	-	1,108,472	-	-	1,108,472
Interfund transfers out (note 3)	-	-	(1,108,472)	-	(1,108,472)
Total other financing sources (uses)	<u>507</u>	<u>5,943,357</u>	<u>8,860,147</u>	<u>-</u>	<u>14,804,011</u>
Net change in fund balances	(1,050,929)	108,116	(13,180,707)	56,162	(14,067,358)
Fund balances beginning of year	<u>2,986,799</u>	<u>1,026,516</u>	<u>30,927,553</u>	<u>1,666,715</u>	<u>36,607,583</u>
Fund balances end of year	<u>\$ 1,935,870</u>	<u>\$ 1,134,632</u>	<u>\$ 17,746,846</u>	<u>\$ 1,722,877</u>	<u>\$ 22,540,225</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ (14,067,358)

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	\$ 24,087,310	
Depreciation expense	<u>(1,699,179)</u>	22,388,131

Income surtax revenue not received until several months after the District's  
fiscal year end is not considered available revenue and is recognized as  
deferred inflows of resources in the governmental funds. (424,919)

Proceeds from issuing long-term liabilities provide current financial resources  
to governmental funds but issuing debt increases long-term liabilities in the  
Statement of Net Position and does not affect the Statement of Activities. (14,340,000)

Repayment of long-term liabilities is an expenditure in the governmental  
funds, but it reduces long-term liabilities in the Statement of Net Position. 7,995,000

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. (30,322)

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. 150,571

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2015

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	\$	100,370	
	Compensated absences		(39,933)	
	Pension expense		360,059	
	Net OPEB liability		<u>(61,000)</u>	\$ <u>359,496</u>
Change in net position of governmental activities				\$ <u><u>2,030,599</u></u>

See notes to financial statements.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS

June 30, 2015

	Enterprise		
	School Nutrition	Nonmajor	Total
Assets			
Cash and cash equivalents	\$ 363,418	\$ 309,224	\$ 672,642
Accounts receivable	-	5,638	5,638
Inventories	15,915	-	15,915
Capital assets, net of accumulated depreciation (note 4)	302,524	39,779	342,303
Total assets	<u>681,857</u>	<u>354,641</u>	<u>1,036,498</u>
Deferred Outflows of Resources			
Pension related deferred outflows	<u>47,244</u>	<u>37,428</u>	<u>84,672</u>
Liabilities			
Accounts payable	746	3,586	4,332
Salaries and benefits payable	68,095	38,576	106,671
Unearned revenue	22,346	-	22,346
Net pension liability	177,632	140,727	318,359
Total liabilities	<u>268,819</u>	<u>182,889</u>	<u>451,708</u>
Deferred Inflows of Resources			
Pension related deferred inflows	<u>67,744</u>	<u>53,669</u>	<u>121,413</u>
Fund Net Position			
Net investment in capital assets	302,524	39,779	342,303
Unrestricted	<u>90,014</u>	<u>115,732</u>	<u>205,746</u>
Total fund net position	<u>\$ 392,538</u>	<u>\$ 155,511</u>	<u>\$ 548,049</u>

See notes to financial statements.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

	Enterprise		
	School Nutrition	Nonmajor	Total
Operating revenues:			
Local sources:			
Charges for services	\$ 651,311	\$ 382,466	\$ 1,033,777
Operating expenses:			
Support services:			
Administration	540	33	573
Operation and maintenance of plant	8,091	-	8,091
Non-instructional programs	999,048	378,919	1,377,967
Total operating expenses	1,007,679	378,952	1,386,631
Operating income (loss)	(356,368)	3,514	(352,854)
Non-operating revenues:			
Interest on investments	264	54	318
Contributions	20	2,732	2,752
Capital contributions	2,650	-	2,650
State sources	8,321	-	8,321
Federal sources	370,514	12,479	382,993
Total non-operating revenues	381,769	15,265	397,034
Change in fund net position	25,401	18,779	44,180
Fund net position beginning of year, as restated	367,137	136,732	503,869
Fund net position end of year	\$ 392,538	\$ 155,511	\$ 548,049

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

	Enterprise		
	School Nutrition	Nonmajor	Total
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 635,788	\$ -	\$ 635,788
Cash received from miscellaneous operating activities	19,475	395,984	415,459
Cash paid to employees for services	(416,657)	(375,320)	(791,977)
Cash paid to suppliers for goods or services	(491,755)	(49,694)	(541,449)
Net cash used by operating activities	<u>(253,149)</u>	<u>(29,030)</u>	<u>(282,179)</u>
Cash flows from non-capital financing activities:			
Contributions received	20	2,732	2,752
State grants received	8,321	-	8,321
Federal grants received	299,216	9,785	309,001
Net cash provided by non-capital financing activities	<u>307,557</u>	<u>12,517</u>	<u>320,074</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(13,505)	-	(13,505)
Cash flows from investing activities:			
Interest on investments	264	54	318
Net increase (decrease) in cash and cash equivalents	41,167	(16,459)	24,708
Cash and cash equivalents beginning of year	<u>322,251</u>	<u>325,683</u>	<u>647,934</u>
Cash and cash equivalents end of year	<u>\$ 363,418</u>	<u>\$ 309,224</u>	<u>\$ 672,642</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

	Enterprise		
	School Nutrition	Nonmajor	Total
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income (loss)	\$ (356,368)	\$ 3,514	\$ (352,854)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation	51,855	2,340	54,195
Commodities used	71,298	-	71,298
Decrease in accounts receivable	227	13,518	13,745
(Increase) in inventories	(2,215)	-	(2,215)
Increase (decrease) in accounts payable	156	(906)	(750)
Increase in salaries and benefits payable	13,487	2,846	16,333
Increase in unearned revenue	3,725	-	3,725
(Decrease) in net pension liability	(84,495)	(92,053)	(176,548)
(Increase) in deferred outflows of resources	(18,563)	(11,958)	(30,521)
Increase in deferred inflows of resources	67,744	53,669	121,413
Net cash used by operating activities	<u>\$ (253,149)</u>	<u>\$ (29,030)</u>	<u>\$ (282,179)</u>

Non-cash financing activities:

During the year ended June 30, 2015, the District received \$71,298 of federal commodities. In addition, the Enterprise, Schol Nutrition Fund received \$2,650 of equipment which was purchased and contributed by the Capital Projects Fund.

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

B. Basis of Presentation

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.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

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

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

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

The District reports the following major governmental funds:

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

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

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

The District reports the following major proprietary fund:

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 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.

Income Surtax Receivable – Income surtax budgeted for the fiscal year ended June 30, 2015 will not be received by the District until several months after the fiscal year end. Accordingly, income surtax is recorded as a receivable and included in deferred inflows of resources on the modified accrual basis for the governmental funds. For the government-wide statements, on the Statement of Activities the income surtax revenue is recognized.

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

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

Prepaid Expenses – The District has paid for services that will not be a benefit until future periods. These amounts are reflected as a prepaid expense asset in the financial statements.

CLEAR CREEK AMANA 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	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	100,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

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

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

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.

CLEAR CREEK AMANA 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:

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

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

Unassigned – All amounts not included in the preceding classifications.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 1. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, expenditures/expenses exceeded the amount budgeted in the instruction function.

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 in the Iowa Schools Joint Investment Trust as follows:

	<u>Amortized Cost</u>
Diversified Portfolio	\$ <u>209,170</u>

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

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

Note 3. Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects	\$ <u>1,108,472</u>

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 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	\$ 3,607,286	\$ -	\$ -	\$ 3,607,286
Construction in progress	2,344,186	23,479,509	555,666	25,268,029
Total capital assets not being depreciated	<u>5,951,472</u>	<u>23,479,509</u>	<u>555,666</u>	<u>28,875,315</u>
Capital assets being depreciated:				
Buildings	54,189,005	677,698	-	54,866,703
Improvements other than buildings	3,626,806	-	-	3,626,806
Furniture and equipment	4,486,261	485,769	83,068	4,888,962
Total capital assets being depreciated	<u>62,302,072</u>	<u>1,163,467</u>	<u>83,068</u>	<u>63,382,471</u>
Less accumulated depreciation for:				
Buildings	8,328,649	1,093,202	-	9,421,851
Improvements other than buildings	1,168,730	161,858	-	1,330,588
Furniture and equipment	2,528,750	444,119	83,068	2,889,801
Total accumulated depreciation	<u>12,026,129</u>	<u>1,699,179</u>	<u>83,068</u>	<u>13,642,240</u>
Total capital assets being depreciated, net	<u>50,275,943</u>	<u>(535,712)</u>	<u>-</u>	<u>49,740,231</u>
Governmental activities capital assets, net	<u>\$ 56,227,415</u>	<u>\$ 22,943,797</u>	<u>\$ 555,666</u>	<u>\$ 78,615,546</u>
<b>Business-type activities:</b>				
Furniture and equipment	\$ 758,121	\$ 16,155	\$ 24,066	\$ 750,210
Less accumulated depreciation	<u>377,778</u>	<u>54,195</u>	<u>24,066</u>	<u>407,907</u>
Business-type activities capital assets, net	<u>\$ 380,343</u>	<u>\$ (38,040)</u>	<u>\$ -</u>	<u>\$ 342,303</u>

CLEAR CREEK AMANA 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 \$ 275,467

Support services:

Administration 13,209

Operation and maintenance of plant 46,022

Transportation 228,317

563,015

Unallocated depreciation 1,136,164

Total depreciation expense - governmental activities \$ 1,699,179

Business-type activities:

Food service operations \$ 51,855

Daycare operations 2,340

Total depreciation expense - business-type activities \$ 54,195

CLEAR CREEK AMANA 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:					
Termination benefits	\$ 476,931	\$ 77,815	\$ 178,185	\$ 376,561	\$ 141,721
General obligation bonds	51,215,000	14,340,000	7,455,000	58,100,000	2,580,000
Revenue bonds	12,450,000	-	540,000	11,910,000	560,000
Compensated absences	86,539	126,472	86,539	126,472	126,472
Net pension liability	9,113,819	-	2,294,804	6,819,015	-
Net OPEB liability	325,000	61,000	-	386,000	-
<b>Total</b>	<b>\$ 73,667,289</b>	<b>\$ 14,605,287</b>	<b>\$ 10,554,528</b>	<b>\$ 77,718,048</b>	<b>\$ 3,408,193</b>
Business-type activities:					
Net pension liability	\$ 494,907	-	\$ 176,548	\$ 318,359	-

Termination Benefits

The District offers a voluntary early retirement plan to its employees. Eligible licensed employees must be at least age fifty-five and must have completed at least twelve years of full-time service to the District. Eligible classified employees must be at least age fifty-five and must have completed at least thirty years of full-time service to the District. Employees must complete an application which is required to be approved by the Board of Education.

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. Long-Term Liabilities (continued)

Termination Benefits (continued)

At June 30, 2015, the District has obligations to sixteen participants with a total liability of \$376,561. Actual early retirement expenditures for the year ended June 30, 2015 totaled \$178,185. The cost of early retirement payments is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

General Obligation Bonds Payable

On May 5, 2015, the District issued \$4,620,000 of refunding bonds with interest rates of 3.0% to refund the remaining balance of the May 1, 2007 bonds with interest rates from 3.80% to 3.85%. As a result of the current refunding, the District reduced its total debt service requirements over the life of the bonds by \$253,557, which resulted in a net present value economic gain of \$247,645.

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

Year Ending June 30,	Refunding Bond Issue December 12, 2012			
	Interest Rates	Principal	Interest	Total
2016	0.500 %	\$ 245,000	\$ 79,358	\$ 324,358
2017	0.650	250,000	78,134	328,134
2018	0.800	250,000	76,507	326,507
2019	1.000	250,000	74,509	324,509
2020	1.125	255,000	72,008	327,008
2021-2025	1.250-1.800	4,270,000	266,280	4,536,280
		<u>\$ 5,520,000</u>	<u>\$ 646,796</u>	<u>\$ 6,166,796</u>

Year Ending June 30,	Refunding Bond Issue May 1, 2014			
	Interest Rates	Principal	Interest	Total
2016	2.00 %	\$ 170,000	\$ 179,038	\$ 349,038
2017	2.00	175,000	175,637	350,637
2018	2.00	175,000	172,138	347,138
2019	2.00	1,380,000	168,637	1,548,637
2020	2.25	1,535,000	141,038	1,676,038
2021-2023	2.50-3.00	3,800,000	199,500	3,999,500
		<u>\$ 7,235,000</u>	<u>\$ 1,035,988</u>	<u>\$ 8,270,988</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable (continued)

Year Ending June 30,	Bond Issue June 11, 2014			
	Interest Rates	Principal	Interest	Total
2016	3.00 %	\$ 115,000	\$ 1,036,706	\$ 1,151,706
2017	3.00	120,000	1,033,256	1,153,256
2018	3.00	125,000	1,029,656	1,154,656
2019	3.00	195,000	1,025,906	1,220,906
2020	3.00	460,000	1,020,056	1,480,056
2021-2025	3.00	3,780,000	4,860,282	8,640,282
2026-2030	3.00-3.25	13,480,000	3,669,268	17,149,268
2031-2034	3.375-4.000	12,730,000	1,239,220	13,969,220
		<u>\$ 31,005,000</u>	<u>\$ 14,914,350</u>	<u>\$ 45,919,350</u>

Year Ending June 30,	Refunding Bond Issue May 5, 2015			
	Interest Rates	Principal	Interest	Total
2016	3.00 %	\$ 1,390,000	\$ 148,610	\$ 1,538,610
2017	3.00	1,450,000	96,900	1,546,900
2018	3.00	1,480,000	53,400	1,533,400
2019	3.00	300,000	9,000	309,000
		<u>\$ 4,620,000</u>	<u>\$ 307,910</u>	<u>\$ 4,927,910</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable (continued)

Year Ending June 30,	Bond Issue June 3, 2015			
	Interest Rates	Principal	Interest	Total
2016	2.00 %	\$ 660,000	\$ 263,503	\$ 923,503
2017	2.00	260,000	251,775	511,775
2018	2.00	275,000	246,575	521,575
2019	2.00	210,000	241,075	451,075
2020	2.00	225,000	236,875	461,875
2021-2025	2.00-2.75	1,485,000	1,099,525	2,584,525
2026-2030	2.75-3.00	1,750,000	885,500	2,635,500
2031-2035	3.00	4,855,000	624,300	5,479,300
		<u>\$ 9,720,000</u>	<u>\$ 3,849,128</u>	<u>\$ 13,569,128</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2016	\$ 2,580,000	\$ 1,707,215	\$ 4,287,215
2017	2,255,000	1,635,702	3,890,702
2018	2,305,000	1,578,276	3,883,276
2019	2,335,000	1,519,127	3,854,127
2020	2,475,000	1,469,977	3,944,977
2021-2025	13,335,000	6,425,587	19,760,587
2026-2030	15,230,000	4,554,768	19,784,768
2031-2035	17,585,000	1,863,520	19,448,520
	<u>\$ 58,100,000</u>	<u>\$ 20,754,172</u>	<u>\$ 78,854,172</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. Long-Term Liabilities (continued)

Revenue Bonds

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

Year Ending June 30,	Bond Issue June 1, 2009			
	Interest Rates	Principal	Interest	Total
2016	4.250 %	\$ 430,000	\$ 479,619	\$ 909,619
2017	4.250	440,000	461,131	901,131
2018	4.000	465,000	442,481	907,481
2019	4.714	475,000	421,984	896,984
2020	5.000	510,000	398,038	908,038
2021-2025	5.000-5.200	2,960,000	1,569,163	4,529,163
2026-2030	5.375-5.625	4,270,000	679,498	4,949,498
		<u>\$ 9,550,000</u>	<u>\$ 4,451,914</u>	<u>\$ 14,001,914</u>

Year Ending June 30,	Bond Issue October 1, 2012			
	Interest Rates	Principal	Interest	Total
2016	2.00 %	\$ 130,000	\$ 53,915	\$ 183,915
2017	2.00	140,000	51,215	191,215
2018	2.00	135,000	48,465	183,465
2019	2.00	145,000	45,665	190,665
2020	2.00	140,000	42,815	182,815
2021-2025	2.00-2.20	735,000	169,260	904,260
2026-2030	2.55-3.00	935,000	75,345	1,010,345
		<u>\$ 2,360,000</u>	<u>\$ 486,680</u>	<u>\$ 2,846,680</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. Long-Term Liabilities (continued)

Revenue Bonds (continued)

Year Ending June 30,	Total		
	Principal	Interest	Total
2016	\$ 560,000	\$ 533,534	\$ 1,093,534
2017	580,000	512,346	1,092,346
2018	600,000	490,946	1,090,946
2019	620,000	467,649	1,087,649
2020	650,000	440,853	1,090,853
2021-2025	3,695,000	1,738,423	5,433,423
2026-2030	5,205,000	754,843	5,959,843
	\$ 11,910,000	\$ 4,938,594	\$ 16,848,594

The District pledged future statewide sales, services and use tax revenues to repay the \$12,505,000 and \$2,625,000 bonds issued in June 2009 and October 2012, respectively. The bonds were issued for the purpose of financing a portion of the costs of a new high school athletic complex and auditorium and an elementary school addition. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 63 to 97 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$16,848,594. For the current year, principal of \$540,000 and interest of \$553,871 was paid on the bonds and total statewide sales, services and use tax revenues were \$1,697,169.

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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.)

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.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 6. Pension Plan (continued)

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 \$1,201,359.

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 \$7,137,374 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 0.179968 percent, which was an increase of 0.012618 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$605,348. 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	\$ 77,569	\$ -
Changes of assumptions	314,988	-
Net difference between projected and actual earnings on pension plan investments	-	2,721,989
Changes in proportion and differences between District contributions and proportionate share of contributions	304,360	-
District contributions subsequent to the measurement date	<u>1,201,359</u>	<u>-</u>
Total	<u>\$ 1,898,276</u>	<u>\$ 2,721,989</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 6. Pension Plan (continued)

\$1,201,359 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,		
<u>                    </u>		
2016	\$	(517,666)
2017		(517,666)
2018		(517,666)
2019		(517,666)
2020		<u>45,592</u>
Total	\$	<u><u>(2,025,072)</u></u>

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

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

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

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 6. Pension Plan (continued)

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

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	\$ 13,485,868	\$ 7,137,374	\$ 1,778,588

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).

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 173 active and 19 retired members in the plan. Retired participants must be age 55 or older at retirement.

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

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

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

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

Annual required contribution	\$ 118,000
Interest on net OPEB obligation	8,000
Adjustment to annual required contribution	<u>(21,000)</u>
Annual OPEB cost	105,000
Contributions made	<u>(44,000)</u>
Increase in net OPEB obligation	61,000
Net OPEB obligation beginning of year	<u>325,000</u>
Net OPEB obligation end of year	<u><u>\$ 386,000</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the District contributed \$44,000 to the medical plan.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 106,000	20.8%	\$ 243,000
2014	105,000	21.9%	325,000
2015	105,000	41.9%	386,000

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 \$626,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$626,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$13,735,000, and the ratio of the UAAL to covered payroll was 4.6%. As of June 30, 2015, there were no trust fund assets.

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

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

As of the July 1, 2012 actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%.

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 8. Operating Lease

The District is obligated under a copier equipment lease accounted for as an operating lease. Operating leases do not give rise to property rights or lease obligations and, therefore, are not reflected on the District's Statement of Net Position. The agreement provides for monthly lease payments of \$2,376.11 with possible annual increases during the term of the lease.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 28,513
2017	28,513
2018	<u>2,376</u>
	<u>\$ 59,402</u>

Total payments under the lease agreement for the year ended June 30, 2015 were \$28,513.

Note 9. Risk Management

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

Note 10. 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 \$771,323 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.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 11. Categorical Funding

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

Program	Amount
Limited English proficient	\$ 5,819
Home school assistance program	23,992
Gifted and talented programs	126,737
Four year old preschool state aid	293,803
Teacher salary supplement	82,022
Successful progression for early readers	46,652
Professional development for model core curriculum	92,800
Professional development	2,077
Teacher leadership grants	<u>5,273</u>
 Total	 <u>\$ 679,175</u>

Note 12. Construction Commitments

The District has entered into various contracts totaling \$29,724,329 for a new elementary school, a middle school renovation project, a middle school/high school sidewalk project, and a parking lot project. As of June 30, 2015, costs of \$21,261,706 had been incurred against the contracts. The balance of \$8,462,623 remaining at June 30, 2015 will be paid as work on the projects progresses.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 13. Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The 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, School Nutrition Fund</u>	<u>Enterprise, Daycare Fund</u>	<u>Enterprise, Public Pool Fund</u>
Net position June 30, 2014, as previously reported	\$ 28,648,662	\$ 944,625	\$ 600,583	\$ 342,440	\$ 1,602
Net pension liability at June 30, 2014	(9,113,819)	(494,907)	(262,127)	(218,486)	(14,294)
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	<u>997,202</u>	<u>54,151</u>	<u>28,681</u>	<u>23,906</u>	<u>1,564</u>
Net position July 1, 2014, as restated	<u>\$ 20,532,045</u>	<u>\$ 503,869</u>	<u>\$ 367,137</u>	<u>\$ 147,860</u>	<u>\$ (11,128)</u>

Note 14. Deficit Balance – The Enterprise Public Pool Fund within the nonmajor enterprise funds had a deficit unrestricted net position of \$7,912 at June 30, 2015.

Required Supplementary Information

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

Required Supplementary Information

Year Ended June 30, 2015

	Governmental Funds - Actual	Proprietary Funds - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
<b>REVENUES:</b>						
Local sources	\$ 15,311,410	\$ 1,039,497	\$ 16,350,907	\$ 17,496,520	\$ 17,496,520	\$ (1,145,613)
State sources	12,115,084	8,321	12,123,405	10,452,837	10,452,837	1,670,568
Federal sources	1,353,224	382,993	1,736,217	1,211,000	1,211,000	525,217
<b>Total revenues</b>	<b>28,779,718</b>	<b>1,430,811</b>	<b>30,210,529</b>	<b>29,160,357</b>	<b>29,160,357</b>	<b>1,050,172</b>
<b>EXPENDITURES/EXPENSES:</b>						
Instruction	15,070,930	-	15,070,930	14,800,000	15,000,000	(70,930)
Support services	7,995,758	8,664	8,004,422	7,949,900	8,200,000	195,578
Non-instructional programs	5,826	1,377,967	1,383,793	1,760,000	1,760,000	376,207
Other expenditures	34,578,573	-	34,578,573	38,938,208	45,000,000	10,421,427
<b>Total expenditures/expenses</b>	<b>57,651,087</b>	<b>1,386,631</b>	<b>59,037,718</b>	<b>63,448,108</b>	<b>69,960,000</b>	<b>10,922,282</b>
Excess (deficiency) of revenues over (under) expenditures/ expenses	(28,871,369)	44,180	(28,827,189)	(34,287,751)	(40,799,643)	11,972,454
Other financing sources, net	14,804,011	-	14,804,011	10,000,000	10,000,000	4,804,011
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	(14,067,358)	44,180	(14,023,178)	(24,287,751)	(30,799,643)	16,776,465
Balance beginning of year, as restated	36,607,583	503,869	37,111,452	30,682,181	30,682,181	6,429,271
Balance end of year	<u>\$ 22,540,225</u>	<u>\$ 548,049</u>	<u>\$ 23,088,274</u>	<u>\$ 6,394,430</u>	<u>\$ (117,462)</u>	<u>\$ 23,205,736</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA 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 \$6,511,892.

During the year ended June 30, 2015, expenditures/expenses in the instruction function exceeded the amount budgeted.

CLEAR CREEK AMANA 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	0.179968
District's proportionate share of the net pension liability	\$ 7,137
District's covered-employee payroll	\$ 13,453
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	53.05%
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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CLEAR CREEK AMANA 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	\$ 1,201	\$ 1,051	\$ 952	\$ 714
Contributions in relation to the statutorily required contribution	<u>(1,201)</u>	<u>(1,051)</u>	<u>(952)</u>	<u>(714)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 13,453	\$ 11,790	\$ 10,976	\$ 8,846
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>
\$ 655	\$ 606	\$ 575	\$ 497	\$ 432	\$ 403
<u>(655)</u>	<u>(606)</u>	<u>(575)</u>	<u>(497)</u>	<u>(432)</u>	<u>(403)</u>
<u>\$ -</u>					
\$ 9,422	\$ 9,106	\$ 9,061	\$ 8,215	\$ 7,504	\$ 7,011
6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

CLEAR CREEK AMANA 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.

CLEAR CREEK AMANA 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.

CLEAR CREEK AMANA 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	\$ -	\$ 479	\$ 479	0.0%	\$ 9,177	5.2%
2011	July 1, 2009	-	475	475	0.0%	9,423	5.0%
2012	July 1, 2009	-	459	459	0.0%	10,105	4.5%
2013	July 1, 2012	-	690	690	0.0%	10,966	6.3%
2014	July 1, 2012	-	665	665	0.0%	11,935	5.6%
2015	July 1, 2012	-	626	626	0.0%	13,735	4.6%

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

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2015

	Special Revenue			Total
	Management Levy	Student Activity	Library	
<b>Assets</b>				
Cash and pooled investments	\$ 1,383,197	\$ 215,577	\$ 83,261	\$ 1,682,035
Receivables:				
Property tax:				
Current year	3,056	-	222	3,278
Succeeding year	9,733	-	24,673	34,406
Accounts	-	1,845	-	1,845
Due from other governments	-	360	7,000	7,360
Prepaid expenses	38,672	-	-	38,672
<b>Total assets</b>	<b>\$ 1,434,658</b>	<b>\$ 217,782</b>	<b>\$ 115,156</b>	<b>\$ 1,767,596</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,430	\$ 2,481	\$ 61	\$ 4,972
Salaries and benefits payable	-	-	5,341	5,341
<b>Total liabilities</b>	<b>2,430</b>	<b>2,481</b>	<b>5,402</b>	<b>10,313</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues:				
Succeeding year property tax	9,733	-	24,673	34,406
<b>Fund balances:</b>				
Nonspendable:				
Prepaid expenses	38,672	-	-	38,672
Restricted for:				
Management levy purposes	1,383,823	-	-	1,383,823
Student activities	-	215,301	-	215,301
Library purposes	-	-	85,081	85,081
<b>Total fund balances</b>	<b>1,422,495</b>	<b>215,301</b>	<b>85,081</b>	<b>1,722,877</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,434,658</b>	<b>\$ 217,782</b>	<b>\$ 115,156</b>	<b>\$ 1,767,596</b>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

	Special Revenue			Total
	Management Levy	Student Activity	Library	
Revenues:				
Local sources:				
Local tax	\$ 554,765	\$ -	\$ 24,794	\$ 579,559
Other	12,003	308,808	43,155	363,966
State sources	14,556	-	1,637	16,193
Total revenues	<u>581,324</u>	<u>308,808</u>	<u>69,586</u>	<u>959,718</u>
Expenditures:				
Current:				
Instruction	81,187	313,137	-	394,324
Support services:				
Instructional staff	-	275	14,053	14,328
Administration	257,332	-	55,925	313,257
Operation and maintenance of plant	134,395	1,888	-	136,283
Transportation	39,538	-	-	39,538
Non-instructional programs	5,826	-	-	5,826
Total expenditures	<u>518,278</u>	<u>315,300</u>	<u>69,978</u>	<u>903,556</u>
Excess (deficiency) of revenues over (under) expenditures	63,046	(6,492)	(392)	56,162
Fund balances beginning of year	<u>1,359,449</u>	<u>221,793</u>	<u>85,473</u>	<u>1,666,715</u>
Fund balances end of year	<u>\$ 1,422,495</u>	<u>\$ 215,301</u>	<u>\$ 85,081</u>	<u>\$ 1,722,877</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA 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	\$ 2,616,303	\$ 479,446	\$ 16,524,660	\$ 19,620,409
Receivables:				
Property tax:				
Current year	-	3,243	-	3,243
Succeeding year	-	346,876	-	346,876
Income surtax	-	112,100	-	112,100
Due from other governments	264,417	-	-	264,417
Total assets	<u>\$ 2,880,720</u>	<u>\$ 941,665</u>	<u>\$ 16,524,660</u>	<u>\$ 20,347,045</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	<u>\$ 21,895</u>	<u>\$ 647</u>	<u>\$ 2,118,681</u>	<u>\$ 2,141,223</u>
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	346,876	-	346,876
Other	-	112,100	-	112,100
	<u>-</u>	<u>458,976</u>	<u>-</u>	<u>458,976</u>
Fund balances:				
Restricted for:				
Revenue bonds	1,448,515	-	-	1,448,515
School infrastructure	1,410,310	-	14,405,979	15,816,289
Physical plant and equipment	-	482,042	-	482,042
Total fund balances				
	<u>2,858,825</u>	<u>482,042</u>	<u>14,405,979</u>	<u>17,746,846</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,880,720</u>	<u>\$ 941,665</u>	<u>\$ 16,524,660</u>	<u>\$ 20,347,045</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 1,282,944	\$ -	\$ 1,282,944
Other	15,273	9,285	57,800	82,358
State sources	1,697,169	15,234	-	1,712,403
Total revenues	<u>1,712,442</u>	<u>1,307,463</u>	<u>57,800</u>	<u>3,077,705</u>
Expenditures:				
Current:				
Instruction	-	577,956	-	577,956
Support services:				
Instructional staff	-	17,306	185,881	203,187
Administration	-	-	53,474	53,474
Operation and maintenance of plant	-	220,267	-	220,267
Transportation	-	370,035	-	370,035
Other expenditures:				
Facilities acquisition	64,881	148,785	23,381,705	23,595,371
Long term debt:				
Interest and fiscal charges	-	-	98,269	98,269
Total expenditures	<u>64,881</u>	<u>1,334,349</u>	<u>23,719,329</u>	<u>25,118,559</u>
Excess (deficiency) of revenues over (under) expenditures	1,647,561	(26,886)	(23,661,529)	(22,040,854)
Other financing sources (uses):				
Sale of real property	-	20,000	-	20,000
Compensation for loss of capital assets	-	6,529	-	6,529
General obligation bonds issued	-	-	9,720,000	9,720,000
Premium on bonds issued	-	-	222,090	222,090
Interfund transfers out	(1,108,472)	-	-	(1,108,472)
Total other financing sources (uses)	<u>(1,108,472)</u>	<u>26,529</u>	<u>9,942,090</u>	<u>8,860,147</u>
Net change in fund balances	539,089	(357)	(13,719,439)	(13,180,707)
Fund balances beginning of year	<u>2,319,736</u>	<u>482,399</u>	<u>28,125,418</u>	<u>30,927,553</u>
Fund balances end of year	<u>\$ 2,858,825</u>	<u>\$ 482,042</u>	<u>\$ 14,405,979</u>	<u>\$ 17,746,846</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS

June 30, 2015

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 305,018	\$ 4,206	\$ 309,224
Accounts receivable	5,638	-	5,638
Capital assets, net of accumulated depreciation	39,779	-	39,779
Total assets	<u>350,435</u>	<u>4,206</u>	<u>354,641</u>
Deferred Outflows of Resources			
Pension related deferred outflows	<u>35,542</u>	<u>1,886</u>	<u>37,428</u>
Liabilities			
Accounts payable	3,080	506	3,586
Salaries and benefits payable	34,877	3,699	38,576
Net pension liability	133,633	7,094	140,727
Total liabilities	<u>171,590</u>	<u>11,299</u>	<u>182,889</u>
Deferred Inflows of Resources			
Pension related deferred inflows	<u>50,964</u>	<u>2,705</u>	<u>53,669</u>
Fund Net Position			
Net investment in capital assets	39,779	-	39,779
Unrestricted	<u>123,644</u>	<u>(7,912)</u>	<u>115,732</u>
Total fund net position	<u>\$ 163,423</u>	<u>\$ (7,912)</u>	<u>\$ 155,511</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Operating revenues:			
Local sources:			
Charges for services	\$ 363,615	\$ 18,851	\$ 382,466
Operating expenses:			
Support services:			
Administration	33	-	33
Non-instructional programs	361,266	17,653	378,919
Total operating expenses	<u>361,299</u>	<u>17,653</u>	<u>378,952</u>
Operating income	2,316	1,198	3,514
Non-operating revenues:			
Interest on investments	36	18	54
Contributions	732	2,000	2,732
Federal sources	12,479	-	12,479
Total non-operating revenues	<u>13,247</u>	<u>2,018</u>	<u>15,265</u>
Change in fund net position	15,563	3,216	18,779
Fund net position beginning of year, as restated	<u>147,860</u>	<u>(11,128)</u>	<u>136,732</u>
Fund net position end of year	<u>\$ 163,423</u>	<u>\$ (7,912)</u>	<u>\$ 155,511</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
Year Ended June 30, 2015

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ 377,133	\$ 18,851	\$ 395,984
Cash paid to employees for services	(351,641)	(23,679)	(375,320)
Cash paid to suppliers for goods or services	(49,496)	(198)	(49,694)
Net cash used by operating activities	<u>(24,004)</u>	<u>(5,026)</u>	<u>(29,030)</u>
Cash flows from non-capital financing activities:			
Contributions received	732	2,000	2,732
Federal grants received	9,785	-	9,785
Net cash provided by non-capital financing activities	<u>10,517</u>	<u>2,000</u>	<u>12,517</u>
Cash flows from investing activities:			
Interest on investments	36	18	54
Net decrease in cash and cash equivalents	(13,451)	(3,008)	(16,459)
Cash and cash equivalents beginning of year	<u>318,469</u>	<u>7,214</u>	<u>325,683</u>
Cash and cash equivalents end of year	<u>\$ 305,018</u>	<u>\$ 4,206</u>	<u>\$ 309,224</u>
Reconciliation of operating income to net cash used by operating activities:			
Operating income	\$ 2,316	\$ 1,198	\$ 3,514
Adjustments to reconcile operating income to net cash used by operating activities:			
Depreciation	2,340	-	2,340
Decrease in accounts receivable	13,518	-	13,518
(Decrease) in accounts payable	(708)	(198)	(906)
Increase (decrease) in salaries and benefits payable	4,055	(1,209)	2,846
(Decrease) in net pension liability	(84,853)	(7,200)	(92,053)
(Increase) in deferred outflows of resources	(11,636)	(322)	(11,958)
Increase in deferred inflows of resources	50,964	2,705	53,669
Net cash used by operating activities	<u>\$ (24,004)</u>	<u>\$ (5,026)</u>	<u>\$ (29,030)</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Interest	\$ -	\$ 211	\$ 211	\$ -
HS Drama	4,966	1,586	2,861	3,691
MS Drama	1,106	272	186	1,192
HS Musical	7,216	3,587	6,450	4,353
HS Show Choir	270	725	995	-
HS Jazz Band	763	200	963	-
HS Color Guard	-	600	-	600
HS Athletics	99,905	195,426	187,490	107,841
MS Athletics	-	16,542	15,539	1,003
MS Cheerleading	866	-	866	-
HS Yearbook	36,452	16,390	24,372	28,470
MS Yearbook	-	1,820	1,820	-
HS Art Club	624	2,891	2,447	1,068
MS Art Club	78	-	78	-
Robotics Club	500	-	-	500
National Honor Society	1,276	4,496	5,076	696
HS Safe Club	108	-	-	108
HS Student Assistance Team	424	220	526	118
HS Spanish Club	613	-	319	294
HS Student Council	8,397	8,324	7,293	9,428
MS Student Council	-	11,231	6,021	5,210
Government Club	1,065	-	-	1,065
HS Weight Club	2,192	5,811	6,563	1,440
HS Win With Wellness	557	-	557	-
HS Pom Squad	6,418	11,230	13,647	4,001
HS Student Fundraiser	1,807	-	-	1,807
MS Student Fundraiser	7,851	2,414	10,265	-
Amana Fundraising	133	-	133	-
HS Transitions Students Fundraiser	456	-	-	456
Class of 2013	1,922	-	-	1,922
Class of 2014	7,630	-	-	7,630
Class of 2015	10,403	-	2,509	7,894
Class of 2016	2,018	15,250	8,647	8,621
MS Bigger Faster Stronger Club	5	-	5	-
HS Concessions	15,746	9,582	9,435	15,893
MS Athletic Fundraiser/Concessions	26	-	26	-
<b>Total</b>	<b>\$ 221,793</b>	<b>\$ 308,808</b>	<b>\$ 315,300</b>	<b>\$ 215,301</b>

See accompanying independent auditor's report.

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

ALL GOVERNMENTAL FUNDS  
FOR THE LAST TEN YEARS

	Modified Accrual Basis Years Ended June 30,			
	2015	2014	2013	2012
<b>Revenues:</b>				
Local sources:				
Local tax	\$ 12,513,604	\$ 11,214,429	\$ 12,175,812	\$ 11,685,859
Tuition	2,104,892	1,689,561	1,799,996	1,649,034
Other	692,914	792,596	591,051	734,165
State sources	12,115,084	10,475,726	7,916,632	7,818,771
Federal sources	1,353,224	968,544	923,838	815,255
<b>Total revenues</b>	<b>\$ 28,779,718</b>	<b>\$ 25,140,856</b>	<b>\$ 23,407,329</b>	<b>\$ 22,703,084</b>
<b>Expenditures:</b>				
Instruction	\$ 15,070,930	\$ 13,176,808	\$ 11,858,789	\$ 10,212,561
Support services:				
Student	406,949	370,306	341,656	325,023
Instructional staff	1,111,400	724,892	1,039,053	696,187
Administration	2,940,675	2,749,619	2,302,065	2,145,647
Operation and maintenance of plant	2,297,325	2,013,246	1,665,681	1,466,650
Transportation	1,239,409	1,136,988	1,097,624	866,450
Non-instructional programs	5,826	4,870	6,286	4,975
Other expenditures:				
Facilities acquisition	23,595,371	4,781,950	2,375,874	610,937
Long-term debt:				
Principal	7,995,000	17,910,597	2,538,851	3,241,861
Interest and fiscal charges	2,216,879	2,234,348	1,673,907	1,645,376
AEA flowthrough	771,323	682,767	614,099	586,165
<b>Total expenditures</b>	<b>\$ 57,651,087</b>	<b>\$ 45,786,391</b>	<b>\$ 25,513,885</b>	<b>\$ 21,801,832</b>

See accompanying independent auditor's report.

	2011	2010	2009	2008	2007	2006
\$	11,183,865	\$ 10,763,604	\$ 9,920,491	\$ 9,877,435	\$ 7,005,106	\$ 5,563,759
	1,539,521	1,357,176	1,130,035	894,697	843,785	864,055
	706,475	797,538	1,368,218	1,649,981	1,657,083	622,669
	6,932,174	5,506,741	6,502,677	6,481,142	5,726,397	5,486,156
	774,172	1,077,779	549,496	625,576	524,561	315,725
\$	<u>21,136,207</u>	<u>19,502,838</u>	<u>19,470,917</u>	<u>19,528,831</u>	<u>15,756,932</u>	<u>12,852,364</u>
\$	9,562,898	\$ 9,080,537	\$ 9,312,449	\$ 8,442,875	\$ 7,867,766	\$ 7,349,809
	307,927	379,260	315,732	253,504	238,943	221,792
	684,850	628,140	826,405	523,684	606,214	494,515
	1,970,156	1,767,268	1,544,313	1,483,939	1,545,928	1,269,213
	1,482,470	1,563,413	1,379,802	1,196,637	1,271,048	1,143,662
	752,961	755,626	850,761	836,655	745,477	669,869
	-	-	9,508	110,589	-	31,086
	1,260,829	10,520,006	14,300,272	16,440,617	2,365,508	466,890
	1,945,384	1,215,529	997,504	1,285,883	549,171	470,000
	1,713,750	1,502,835	1,345,110	1,225,102	816,347	146,439
	597,803	564,144	496,524	467,919	433,596	388,998
\$	<u>20,279,028</u>	<u>27,976,758</u>	<u>31,378,380</u>	<u>32,267,404</u>	<u>16,439,998</u>	<u>12,652,273</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2015

Grantor / Program	CFDA Number	Pass-through Grantor Number	Expenditures
Direct:			
U.S. Department of Education:			
Impact Aid	84.041	FY 15	\$ <u>71,891</u>
Fund for the Improvement of Education	84.215	Q215F120042-13	<u>434,967</u>
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	1221-15	39,634
National School Lunch Program	10.555	1221-15	330,880 *
			<u>370,514</u>
Child and Adult Care Food Program	10.558	1221-15	<u>7,715</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	1221GC-15	53,209
Title I Grants to Local Educational Agencies	84.010	1221G-14	1
Title I Grants to Local Educational Agencies	84.010	1221G-15	103,620
Title I Grants to Local Educational Agencies	84.010	1221-15-SINA	14,757
			<u>171,587</u>
Special Education - Grants to States	84.027	1221-15	<u>13,453 **</u>
Improving Teacher Quality State Grants	84.367	1221-15	<u>27,865</u>
Grants for State Assessments and Related Activities	84.369	1221-15	<u>9,770</u>
Grant Wood Area Education Agency:			
Special Education - Grants to States	84.027	1221-15	<u>81,186 **</u>
Career and Technical Education - Basic Grants to States	84.048	1221-15	<u>7,595</u>
English Language Acquisition State Grants	84.365	1221-15	<u>5,346</u>
Investing in Innovation Fund	84.411	1221-15	<u>71,087</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2015

<u>Grantor / Program</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expenditures</u>
Indirect (continued):			
U. S. Department of Health and Human Services:			
Iowa/Jefferson/Keokuk County Early Childhood Iowa Area Board:			
Temporary Assistance for Needy Families	93.558	1221-15	\$ <u>4,764</u>
Iowa Department of Education:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	1221-15	<u>700</u>
Total			\$ <u><u>1,278,440</u></u>

\* = Includes \$71,298 of non-cash awards.

\*\*= Total for CFDA number 84.027 = \$94,639

Basis of Presentation –

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

See accompanying independent auditor's report.

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

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

We have audited in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Clear Creek Amana Community School District as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 2, 2016.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-15 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-B-15 to be a significant deficiency.

### Compliance

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 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.

### Clear Creek Amana Community School District's Responses to the Findings

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 Clear Creek Amana Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Hunt & Associates, P.C.*

Oskaloosa, Iowa  
February 2, 2016

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

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

*Hunt + Associates, P.C.*

Oskaloosa, Iowa  
February 2, 2016

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

II-A-15 Financial Reporting – During the audit, we identified material amounts of revenues not properly recorded in the District’s financial statements. We noted \$84,377 of revenues that were recorded twice and \$72,704 of revenues that were recorded as a debit and credit to cash instead of the appropriate revenue account. Adjusting journal entries have been made to the general ledger to record and correct these items.

Recommendation – The District should implement procedures to ensure all revenues are properly recorded and included in the District’s financial statements. This would include investigating and correcting any differences on the bank reconciliations in a timely manner. This would allow the District to timely detect and correct errors or omissions and would provide accurate and reliable financial information of the District throughout the year for the Board of Education’s management decisions and ensure that the District’s financial statements are free of material misstatements.

Response – We will investigate and correct any bank reconciliation differences in the future to ensure all revenues are properly recorded.

Conclusion – Response accepted.

II-B-15 Capital Assets – During the audit, we identified a capital asset disposal for a parcel of land not recorded in the District’s financial statements.

Recommendation – The District should implement procedures to ensure all capital assets disposals are identified and removed from the District’s financial statements to ensure the accuracy of capital assets. The additions, disposals, and final listing should be reviewed each year and reconciled to the prior year listing to ensure accuracy. Land sold should be researched for its cost basis amount and properly deleted from the capital asset listing.

Response – We will double check these in the future to avoid missing any capital asset transactions and to ensure the accuracy of capital assets.

Conclusion – Response accepted.

CLEAR CREEK AMANA 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.

CLEAR CREEK AMANA 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 for the year ended June 30, 2015, exceeded the amount budgeted in the instruction function.

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:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Rick Hergert, Board Member	Score board operator	\$348(a)
Mary Swenka, Mother of Board President	Substitute teacher wages	\$15,515(b)
Don Schneider, Bus Driver Owner of Golden Touch Power Cleaning	Vehicle washes	\$8,630(c)
Doneta Wilcox, Bus Driver Spouse owns Parkview Development LLC	Snow removal	\$3,476(c)
Jim Seelman, Board Member Owner of MBA Concrete	Turf for athletic complex	\$4,050(d)

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2015

Part IV: Other Findings Related to Statutory Reporting:

IV-D-15 Business Transactions (continued)

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

However, the transaction designated with a (d) appears to represent a conflict of interest since it exceeds the \$2,500 limit allowed by Chapter 279.7A of the Code of Iowa.

Recommendation – The District should consult legal counsel to determine the disposition of this matter.

Response – We will consult our attorney about this.

Conclusion – Response accepted.

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.

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 – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

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.

CLEAR CREEK AMANA 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 – No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2015, the District reported the following information regarding the statewide sales, services and use tax revenue in the District’s CAR:

Beginning balance	\$	2,319,736	
Revenues:			
Interest	\$	15,273	
Statewide sales, services and use tax		1,697,169	1,712,442
Expenditures/transfers out:			
School infrastructure construction		64,881	
Transfers to other funds:			
Debt Service Fund		1,108,472	1,173,353
Ending balance	\$	2,858,825	

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 – At June 30, 2015, the governmental activities and the Enterprise, Public Pool Fund had deficit unrestricted net positions of \$6,637,564 and \$7,912, respectively. These deficit balances were caused by the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27, which requires the inclusion of the District’s proportionate share of the IPERS pension liability and the related deferred outflows of resources and deferred inflows of resources in the District’s financial statements.

Recommendation – Even though the deficits arose due to the net pension liability and deferred outflows and inflows of resources, the District should investigate ways to return the governmental activities and the Public Pool 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 pension liability and the related deferred outflows and inflows of resources since actions related to this area are controlled by the Iowa Legislature. However, we will look into this situation and investigate ways to return the governmental activities and the Public Pool Fund to sound financial conditions.

Conclusion – Response accepted.