

COLLEGE COMMUNITY SCHOOL DISTRICT

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

YEAR ENDED JUNE 30, 2015

**COLLEGE COMMUNITY SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2015**

OFFICIALS	1
INDEPENDENT AUDITORS' REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION – EXHIBIT A	18
STATEMENT OF ACTIVITIES – EXHIBIT B	20
GOVERNMENTAL FUND FINANCIAL STATEMENTS	
BALANCE SHEET – EXHIBIT C	24
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION – EXHIBIT D	26
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – EXHIBIT E	27
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES – EXHIBIT F	29
PROPRIETARY FUND FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION – EXHIBIT G	30
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – EXHIBIT H	31
STATEMENT OF CASH FLOWS – EXHIBIT I	32
FIDUCIARY FUND FINANCIAL STATEMENTS	
STATEMENT OF FIDUCIARY NET POSITION – EXHIBIT J	34
NOTES TO FINANCIAL STATEMENTS	35

**COLLEGE COMMUNITY SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2015**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCES – BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS	57
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING	59
SCHEDULE OF THE DISTRICT’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY REQUIRED	60
SCHEDULE OF THE DISTRICT’S CONTRIBUTIONS – LAST TEN FISCAL YEARS	61
NOTES TO REQUIRED SUPPLEMENTARY – PENSION LIABILITY	62
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN	64

SUPPLEMENTARY INFORMATION

NONMAJOR FUNDS

COMBINING BALANCE SHEET – SCHEDULE 1	65
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – SCHEDULE 2	66
SCHEDULE OF CHANGES IN STUDENT ACTIVITY ACCOUNTS – SCHEDULE 3	67
PROPRIETARY FUND FINANCIAL STATEMENTS	
COMBINING STATEMENTS OF NET POSITION – SCHEDULE 4	69
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – SCHEDULE 5	71
COMBINING STATEMENTS OF CASH FLOWS – SCHEDULE 6	73
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUND – SCHEDULE 7	75

**COLLEGE COMMUNITY SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2015**

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION – ALL GOVERNMENTAL FUND TYPES – SCHEDULE 8	76
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – SCHEDULE 9	78
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	79
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	80
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	85
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS	90

**COLLEGE COMMUNITY SCHOOL DISTRICT
OFFICIALS
JUNE 30, 2015**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
	<u>Board of Education</u>	
Randy Bauer	President	2015
Greg Kelsey	Board Member	2015
Jed Peterson	Board Member	2017
Dorothy Pospischil	Board Member	2015
Kristie Fisher	Board Member	2017
Angela Ehle	Board Member	2015
Jim Hodina	Board Member	2017
	<u>School Officials</u>	
John Speer	Superintendent	2015
James A. Rotter, Jr.	District Secretary – Treasurer and Director of Business Services	Indefinite



INDEPENDENT AUDITORS' REPORT

Board of Education
College Community School District
Cedar Rapids, Iowa

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 the College Community School District (the District), Cedar Rapids, Iowa, as of and for the year ended June 30, 2015, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Emphasis of Matter Regarding a Change in Accounting Principle

As discussed in Note 14 to the financial statements, College Community School District adopted a 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* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinions are not modified with respect to this matter.

Emphasis of a Matter Regarding the Correction of an Error

As discussed in Note 14 to the financial statements, certain errors resulting in an understatement of net position in the governmental activities, business-type activities, and nonmajor proprietary fund-student built house fund, were discovered by management of the District during the current year. Accordingly, amounts reported for net position in the governmental activities, business-type activities, and nonmajor proprietary fund-student built house fund have been restated to correct the error. Our opinions are unmodified with respect to these matters.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College Community School District's basic financial statements. The supplementary information included, as required by the State of Iowa, 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* (collectively the supplementary information) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the College Community School District's financial statements for the nine years ended June 30, 2014, which are not presented with the accompanying financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. Those audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College Community School District's basic financial statements as a whole. The supplementary information included in Schedule 8 for the nine years ending June 30, 2014 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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 for those nine years ending June 30, 2014. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nine years ending June 30, 2014 presented in schedule 8 is fairly stated, in all material respects, in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015 on our consideration of College Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College Community School District's internal control over financial reporting and compliance.


CliftonLarsonAllen LLP

Cedar Rapids, Iowa
December 10, 2015

Management Discussion and Analysis

This section of the College Community School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2015. The analysis focuses on the District's financial performance as a whole. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Efforts have been made to provide comparison to prior year data when such data is available. Comparison to prior year data will be provided for all key financial information.

Financial Highlights

- The State of Iowa allowed a 4% growth (State Supplemental Aid) for the 2014-15 school year. This followed the 2% State Aid + a 2% (one time) allowable growth in 2013-14. This, with the addition of 115.6 resident students, formulated an increase in revenue of \$1,865,892 to the General Fund regular formula. These increased dollars were made up of a combination of State aid and local taxes. The 115.6 student increase represents a 2.46% increase in the District's resident enrollment.
- The District spent a little over \$3.5 million on construction projects. This is considerably less than previous year's expenditures as the District had paid most of the cost of its 5th Elementary building construction in the previous year. The District also conducted two General Obligation Refunding issues during the fiscal year. In September 2014, Series 2014 (2006 issue) in the amount of \$25.55M was closed at a savings of \$3.96M over the remaining life of the Bonds. In April 2015, Series 2015 (2009A & 2009B issues) in the amount of \$5.98M was closed at a savings of \$419,479 over the remaining life of the Bonds. Total general obligation bond principal totaled \$60.85 million as of June 30, 2015.
- The General Fund balance decreased from \$6.45 million on June 30, 2014 to \$1.57 million on June 30, 2015. This equates to a 3.12% solvency ratio which is down from a 13.51% ratio one year ago. Solvency ratios between 5 – 15% are considered "good" or "excellent" according to the Iowa School Board Association. This decrease in ratio is the result of the District's additional hiring in preparation of staff for the new elementary school and Teacher Leadership Staff Positions. The District has implemented a "hiring freeze" for the 2014-15 and 2015-16 school years as its balance is replenished through student growth and the Cash Reserve levy.
- Interest rates remain at record lows with a public fund investment rate of 0.05% in July 2014 and remaining at 0.05% in June 2015. These rates yielded only \$4,754 in revenue across all funds.
- The District was unable to levy cash reserve dollars due to its strong solvency ratio at the end of 2012-13 & 2013-14 fiscal years. This statutory restriction has effectively reduced the District's Cash position from \$10.16M in June 2012 to \$1.57M in June 2015. The District has levied cash reserve dollars in the 2015-16 school year in amount of \$3.96M and realized a \$1.57M ongoing funding increase in Teacher Leadership dollars.

Overview of the Financial Statements

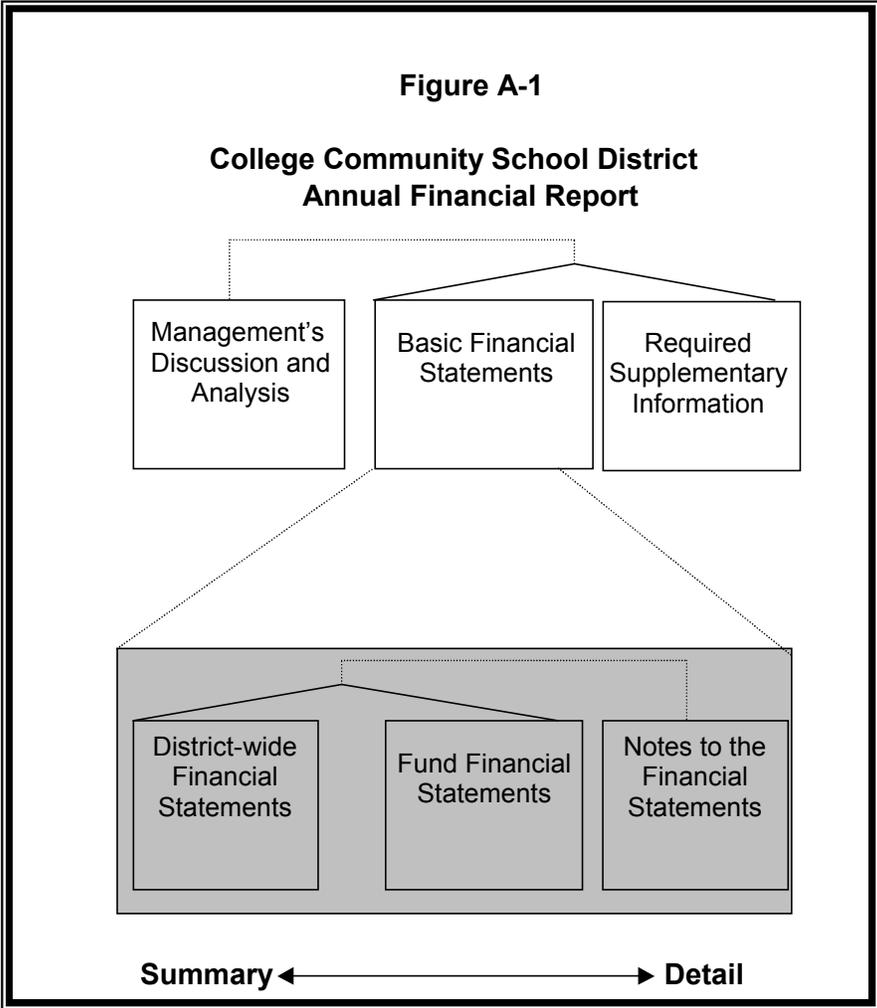
This annual report consists of three parts: required supplementary information, which includes Management's Discussion and Analysis (this section), budgetary comparison schedules and schedule of funding progress for the retiree health plan, the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the District operates like businesses, such as food services.
- 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.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

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



District-Wide Financial Statements

Figure A-2: Major Features of the District Wide and Fund Financial Statements				
	District-wide Statements	Fund Financial 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 is included here	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of 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

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position - the difference between the District's assets and liabilities - is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.

- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-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 taxes and state aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service program would be 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 repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) are optional and available to report activities that provide supplies and services for other District programs and activities. At this time the District utilizes a print shop fund for this purpose.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as a scholarship fund. The District accounts for outside donations to specific District schools for specific purposes in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Net position: The District's net position is evidenced below in Figure A-3. Combined total net position has decreased by 68.7%. This substantial decrease is due to decreased assets (especially unrestricted assets) and increased liabilities. Assets decreased due to those costs associated with new staff positions hired in the past two fiscal years. Liabilities increased and net position decreased by \$25.9 million due to the implementation of the GASB No. 68 and GASB No. 71, which required the District to report its proportionate share of the unfunded pension obligation of IPERS.

Figure A-3

CONDENSED STATEMENT OF NET ASSETS (EXPRESSED IN THOUSANDS)

	Governmental Activities		Business-Type Activities		Total School District		Total Change 2014-2015
	2015	2014	2015	2014	2015	2014	
Current and other assets	\$ 34,461	\$ 42,782	\$ 419	\$ 338	\$ 36,880	\$ 43,120	-14.5%
Capital assets	<u>94,279</u>	<u>93,153</u>	<u>794</u>	<u>862</u>	<u>95,073</u>	<u>94,015</u>	1.1%
Total assets	<u>\$130,740</u>	<u>\$135,935</u>	<u>\$ 1,213</u>	<u>\$ 1,200</u>	<u>\$131,953</u>	<u>\$137,135</u>	-3.8%
Deferred Outflows of Resources	\$ 5,238	\$ -	\$ 276	\$ -	\$ 5,514	\$ -	100.0%
Long Term Obligations	\$ 87,933	\$ 72,399	\$ 1,111	\$ -	\$ 89,044	\$ 72,399	23.0%
Other liabilities	<u>2,058</u>	<u>4,115</u>	<u>170</u>	<u>162</u>	<u>2,228</u>	<u>4,277</u>	-47.9%
Total Liabilities	<u>89,991</u>	<u>76,514</u>	<u>1,281</u>	<u>162</u>	<u>91,272</u>	<u>76,676</u>	-19.0%
Deferred Inflows of Resources	<u>\$ 34,284</u>	<u>\$ 23,764</u>	<u>\$ 424</u>	<u>\$ -</u>	<u>\$ 34,708</u>	<u>\$ 23,764</u>	46.1%
Net Assets:							
investment in capital assets, Net of related Debt	\$ 34,002	\$ 29,972	\$ 793	\$ 862	\$ 34,795	\$ 30,834	12.8%
Restricted	5,993	2,475	-	-	5,993	2,475	142.1%
Unrestricted	<u>-28,292</u>	<u>3,210</u>	<u>(1,009)</u>	<u>176</u>	<u>(29,301)</u>	<u>3,386</u>	-965.4%
Total net position	<u>\$ 11,703</u>	<u>\$ 35,657</u>	<u>\$ (216)</u>	<u>\$ 1,038</u>	<u>\$ 11,487</u>	<u>\$ 36,695</u>	-68.7%

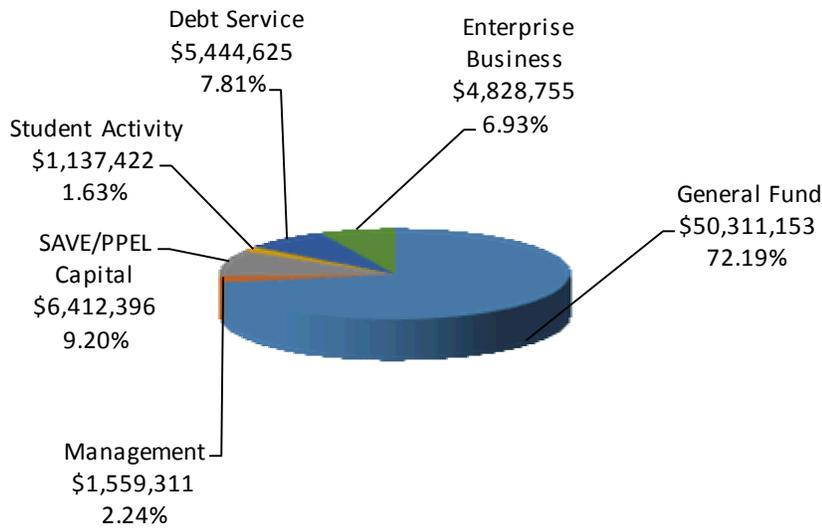
Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities and business type activities, as stated on chart A-4 below, were restated in 2014-15 to report the net pension liability as of June 30, 2014. Fiscal year 2013-14 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.

Figure A-4 below reflects totals from the 2014-15 fiscal year ended June 30, 2015.

Figure A-4	CHANGES IN NET ASSETS (EXPRESSED IN THOUSANDS)					
	Governmental Activities		Business-Type Activities		Total School District	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for service and sales	\$ 6,973	\$ 6,343	\$ 3,470	\$ 2,985	\$ 10,443	\$ 9,328
Operating grants, contributions, and restricted interest	6,664	6,268	1,171	1,060	7,835	7,328
Capital grants, contributions, and restricted interest	-	100	-	-	-	100
General revenues:						
Property tax	30,938	29,290	-	-	30,938	29,290
Sale of Assets	37				37	
Unrestricted state grants	20,023	19,127	-	-	20,023	19,127
Unrestricted investment earnings	3	21	-	-	3	22
Other	263	129	-	-	263	129
Total revenues	<u>64,901</u>	<u>61,278</u>	<u>4,641</u>	<u>4,046</u>	<u>69,542</u>	<u>65,324</u>
Program expenses:						
Governmental activities:						
Instruction	38,790	37,034	-	-	38,790	37,034
Support services	17,584	16,612	207	245	17,791	16,857
Non-instructional programs	-		4,625	4,416	4,625	4,416
Other expenses	9,143	9,324	-	-	9,143	9,324
Total expenses	<u>65,517</u>	<u>62,970</u>	<u>4,832</u>	<u>4,661</u>	<u>70,349</u>	<u>67,631</u>
Capital contribution	-	-	-	-	-	-
Changes in net position	<u>\$ (616)</u>	<u>\$ (1,692)</u>	<u>\$ (191)</u>	<u>\$ (615)</u>	<u>\$ (807)</u>	<u>\$ (2,307)</u>
Net Position Beg. Of year As Restated	<u>\$12,318</u>	<u>\$37,349</u>	<u>\$(24)</u>	<u>\$1,653</u>	<u>\$12,294</u>	<u>\$39,002</u>
Net Position end of year	<u>\$11,702</u>	<u>\$35,657</u>	<u>\$(215)</u>	<u>\$1,038</u>	<u>\$11,487</u>	<u>\$36,695</u>

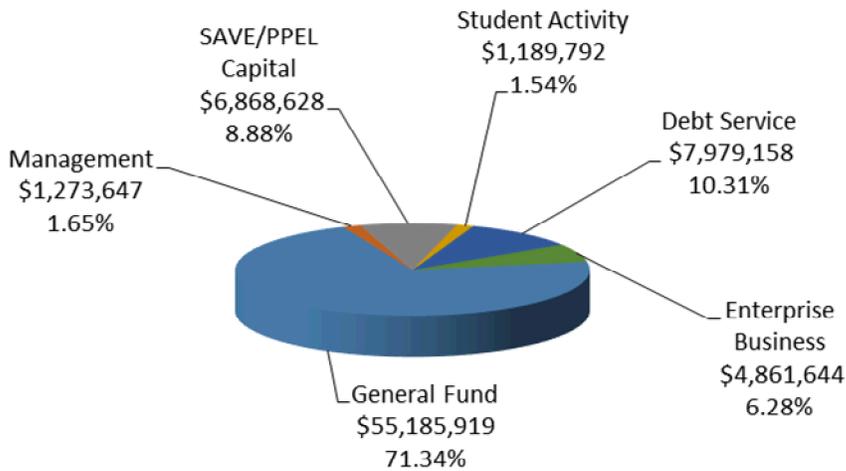
District's total revenues increased \$4.2M from the previous year, while total expenditures increased \$2.72M. Total net position decreased \$807,000. This decrease is attributed to both the District's governmental and business activities. The District's governmental activity shows expected increased costs for staff positions and expected increased revenues. Property tax collections increased only slightly as the District did not levy cash reserve dollars per Iowa Code restrictions and the funding formula changes resulting in a larger % of revenues provided through the State. Student enrollment, net open enrollment, and allowable growth have a significant role on revenues generated by the District. During the past 5 years, open enrollment and tuition generated revenue are as follows: fiscal year 2011 \$4.30M, fiscal year 2012 \$4.48M, fiscal year 2013 \$4.94M, fiscal year 2014 \$4.82M, and fiscal year 2015 \$5.00M. Business-type activities had an increase in revenue and an increase in expenditures. Resident enrollment, not including 4 year old preschool students, increased from 3,656 in September 2005 to 4,947 in October 2015. This calculates to an average of an additional 129.1 students per year.

Revenues for Fiscal Year 2014-2015



The chart above illustrates total Revenues for the 2014-15 school year. The General Fund accounts for the largest portion of Revenues. The chart below illustrates total Expenses which indicates the greatest portion of dollars were spent in the General Fund followed by Debt Service and Capital Projects.

Expenses for Fiscal Year 2014-2015



Governmental Activities

Governmental activities are primarily supported through the State aid formula and local property taxes. The overall property tax base (taxable valuation) has increased from \$1,228,291,971 in 2004 to \$1,887,384,963 in 2014. This 53.65% increase over the ten year period averages to 5.36% per year. The increase from 2013 to 2014 was 4.42%.

The overall District tax rate was \$14.80 per thousand in the 2015 fiscal year which was \$.41 (per thousand) less than the levy in the 2014 school year. This is down \$2.41 per \$1,000 valuation since the 2009-10 school year marking a decrease each of the last 5 years. Despite the 4% allowable growth, which places upward pressure on the levy rate, the levy decreased due to the District not levying cash reserve dollars, increase in valuations per pupil, & the State funding the “Supplemental State Aid” (formerly known as Allowable Growth).

Figure A-5 presents the cost of four District activities: instruction, support services, non-instructional, and other expenses. The table shows each activity’s *net cost*, (total costs less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers and State formula by each of these functions.

Figure A-5	TOTAL AND NET COST OF GOVERNMENTAL ACTIVITIES (EXPRESSED IN THOUSANDS)	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 38,790	\$ 30,556
Support services	17,584	14,154
Non-Instructional	-	-
Other Expenses	<u>9,143</u>	<u>7,170</u>
Totals	<u>\$ 65,517</u>	<u>\$ 51,879</u>

- The cost of all governmental activities this year was \$65.52 million compared to \$62.97 million a year ago. This \$2.55M increase is modest when compared to the previous year increase of \$5.66M.
- Some of the cost (non-resident tuition, fees, and rentals) was financed by the users of the District’s programs. This accounted for \$6.97 million in revenue to help offset the above costs.
- Most of the District’s Governmental Activities costs were financed by District and State taxpayers. This portion of governmental activities was financed with \$30.94 million in Local Sources (including property taxes and fees) and \$26.72 million in State and Federal aid.

Business-Type Activities

Revenues of the District's business-type activities were \$4.64 million, while expenses were \$4.83 million (Refer to Figure A-4). Although these activities are not in place to make a profit, they are organized and structured to operate at a revenue/expenditure neutral position. The loss in cash balance is due to the Nutritional funds expenditures for personnel cost in the Prairie Hill Kitchen. This deficit spending is significantly less than the year prior as equipment purchases were not necessary in the new kitchen in year two and student count (meals served) helped offset the cost.

Financial Analysis of the District's Funds

Business-Type Fund Highlights

- The Nutrition and Daycare Fund balances both changed substantially due to the required GASB 68 (IPERS Liability) adjustment. These adjustments resulted in a Nutrition net position of \$235,034 and a Daycare fund balance of (\$617,823). Cash position of the Nutrition fund is \$192,057 and Daycare is \$4,149. Although both Funds remained in positive territory, on a cash basis, both require close scrutiny on any unplanned spending.
- The Student Built House Fund balance closed with revenues receipted from both the 2013-14 house and the 2014-15 house resulting in a net balance of \$22,779. Each year the timing of selling the house has an effect on the ending balance as the house usually goes on the market in late spring and sells in either June or July.

Governmental Fund Highlights

The District's General Fund balance decreased significantly again this year as the District absorbed 40+ staffing positions between Prairie Hill Elementary and many Teacher Leadership positions a year prior to Teacher Leadership categorical funding. This was done at the same time the District was not allowed to levy cash reserve due to Legislative rules. The District was able to once again levy cash in 2015-16 to offset these additional costs at the maximum allowed amount of \$3.96M. This, in addition to \$1.57M additional funding for Teacher Leadership positions, will help offset the District's deficit spending moving forward. At the time of this report the District had also realized a 146 resident student gain which will provide ongoing funding in the General Fund of an additional \$922,224 annually. All other Governmental funds are in good position moving forward to meet the District's growing needs.

- The Management Fund balance remains strong and adequate with a closing balance of \$1.93 million. The District pays for its liability, property, fleet, and workers compensation insurance, and early separation programs out of the Management Fund. The balance remains adequate moving forward although the District is mindful of increased Insurance costs. Data continues to show that the early separation program results in savings to the General Fund through the hiring of less expensive staff overall while helping older staff transition into retirement. The District currently has 36 certified employees eligible for early separation. 2 certified staff members took advantage of the program in fiscal year 2015.
- The Capital Projects fund (SAVE and 5th Elementary Fund) balances decreased from \$4.7 million to \$1.81 million. This decrease is due to the final payments made on Prairie Hill 5th Elementary. School Infrastructure Local Option (SAVE) funds are primarily utilized for various projects approved by the Board and an annual \$2.0 million payment on District debt. The SAVE fund Balance grew from \$689,769 to \$1.8 million. This was planned as the District prepares to do capital improvements to 3 of its older elementary buildings.

- The Physical Plant and Equipment Levy (PPEL) Fund balance increased from \$529,981 to \$1.12 million. PPEL Fund dollars are utilized to purchase technology and complete general maintenance projects. Funds are also utilized to replace old busses and vans in the District fleet. The balance increased due to the timing of summer projects and billing of those projects, which often occur in the months of July and August. With its current assessed valuation, the District is able to generate approximately \$1.91 million annually in this fund. This is achieved with the current voter approved \$.67 levy per \$1,000 valuation and Board approved \$.33 per \$1,000. This is less than the maximum allowed voter approved levy of \$1.34 per \$1,000.
- The Other Governmental Funds balance (the Activity Fund) decreased slightly from \$593,825 to \$541,455 from the previous fiscal year. The primary activities in this fund include the athletic accounts and building level student activities other than athletics.
- The General Fund overall balance decreased from \$6.45 million to \$1.57 million during the fiscal year. As mentioned earlier, the District continued to absorb the cost of additional employees without the benefit of a cash reserve levy during the 2014-15 fiscal year. The balance is anticipated to hold steady during the 2015-16 fiscal year as the District was again able to levy cash reserve in the 2015-16 budget of \$3.96M. Additionally, Teacher Leadership funding has begun for the District, offsetting the additional cost of these positions, and additional student count contributing ongoing cash and authority of \$922,224 per year.

General Fund Budgetary Highlights

Of all Governmental Funds, the General Fund is by far the largest, comprising 70% of all Governmental Fund expenses in the fiscal year. All other Governmental funds combined account for a little less than half of the General Fund expenditures in a typical year. That remained true in the 2014-15 fiscal year.

The General Fund expenditures are updated monthly to monitor expenditures and reflect any changes in staffing and non-staffing costs. A comparison of General Fund budgeted to actual expenditures shows actual expenditures of \$55.18 million, which was less than the original budgeted line item amount of \$55.49 million approved in the certified budget in April 2014.

The General Fund balance at year-end was 3.12% of fund revenues, down from 13.51% from a year ago. This is a substantial decrease that requires close monitoring by the Board. The Board of Education has supported action to ensure that District General Fund cash reserves are adequate utilizing local property taxes as necessary to fund the growth of the District. Another important aspect of the General fund balance is the actual "spending authority" that accompanies the cash reserve. At the time of this report, it's estimated that the carry over authority is approximately \$7.01 million, down from \$7.54 million a year ago. The current condition of not having the same amount of cash to back up authority has been described earlier in this report. The District's Board is committed to replenish the cash reserve through the cash reserve levy, which is now available to the District as explained earlier. Ensuring there is adequate cash to meet the District's authority to spend is a critical measure as the District continues to grow and must plan for future building and expansion of its facilities. In addition to levying the maximum cash reserve for the 2015-16 year, the Board has approved a hiring freeze of all new positions during the 2014-15 and 2015-16 fiscal year to help control cost increases.

Capital Asset and Debt Administration

Capital Assets

By the end of 2015, the District had invested, net of depreciation, \$95.07 million in a broad range of assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (See Figure A-6). This amount represents a net increase of .5% from a year ago.

Governmental Funds account for all of these assets with the exception of \$794,000, which is accounted for in the Food and Nutritional Fund and the Student Built House Fund.

Figure A-6 will continually change as the depreciation of current assets will continue to reduce/offset totals.

	CAPITAL ASSETS, NET OF DEPRECIATION (EXPRESSED IN THOUSANDS)						
	Governmental Activities		Business-Type Activities		Total School District		Total Change
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2014-2015</u>
Land	\$ 3,973	\$ 3,973	\$ -	\$ -	\$ 3,973	\$ 3,973	0.0%
Construction in progress	142	11,697	-	-	142	11,697	-98.8%
Buildings	79,773	68,002	-	-	79,773	68,002	17.3%
Improvements other than buildings	8,743	8,439	-	-	8,743	8,439	3.6%
Furniture and equipment	<u>1,648</u>	<u>1,620</u>	<u>794</u>	<u>862</u>	<u>2,442</u>	<u>2,482</u>	-1.6%
Totals	<u>\$ 94,279</u>	<u>\$ 93,731</u>	<u>\$ 794</u>	<u>\$ 862</u>	<u>\$ 95,073</u>	<u>\$ 94,593</u>	.5%

Long-Term Debt

At year-end, the District had \$89.04 million in general obligation bonds and other long-term obligations outstanding. This represents an increase of \$16.65 million over the previous fiscal year as can be seen in Figure A-7 below. Fiscal year 2015 marks the seventh year that the District is reporting the Other Post Employment Benefits (OPEB) per GASB-45 and the first year of reporting GASB-68 (IPERS Liability). The OPEB actuarially liability is \$5.75 million and the IPERS (Net Pension) liability is calculated at \$21.27 million. OPEB liabilities are a combination of early retirement incentives offered by the District and implicit benefits guaranteed public employees by State code which allows them to take advantage of group health insurance rates until the age of 65.

Figure A-7

**OUTSTANDING LONG-TERM
OBLIGATIONS
(EXPRESSED IN THOUSANDS)**

	<u>Total School District</u>		<u>Total Change</u>
	<u>2015</u>	<u>2014</u>	<u>2014-15</u>
General obligation bonds	\$ 60,850	\$ 67,192	-9.4%
Notes payable	-	-	0.0%
Bond Premiums Payable	1,243	128	871.1%
OPEB Liability	5,745	4,956	15.9%
NET Pension Liability	21,105	-	
Early retirement	<u>101</u>	<u>123</u>	-17.9%
Totals	<u>\$ 89,044</u>	<u>\$ 72,399</u>	23.0%

Changes in the debt schedule traditionally have been due to the payment on general obligation bonds and the sale of new bonds. This will change moving forward as the District is required to report actuarial OPEB and Net Pension amounts. These amounts represent possible future costs based upon individual employee choices about retirement and the State's ability, and will, to fund its IPERS obligations moving forward. The District did not incur new "actual" debt during the fiscal year as debt on bonds and loans, as authorized by the Board and District Patrons, was reduced from a year ago by \$6.34 million. Additionally, three previous issues were refunded resulting in a savings of \$4.09 million over the remaining life of the bonds.

Factors bearing on the District's Future

- Financial solvency from both a cash and authority perspective are key to the District's financial position as new buildings will be needed and staff costs with these buildings will be realized. Enrollment is up again with an increase of 144 resident students at the time of this report. Staff populations have grown to 901 persons.
- State funding growth for public schools for fiscal year 2015 was 4%. Funding for the 2016 fiscal year was only 1.25% due to additional funding being vetoed by the Governor. State Legislators have explained this new funding model as "targeted funding", which includes Teacher Leadership funding. This will be utilized to enhance and offset some costs the District has already incurred with the hiring of curriculum specialists and building facilitators at each of our elementary buildings. Current law indicates that this ongoing funding will become part of the State aid and levy formula. Net cash and authority from the grant will be ongoing additional funding of \$1.6M+ per year with the potential to grow per State Legislative approval.
- School Infrastructure Local Option (SAVE) funds continue to be utilized to offset the District's tax levy with \$2.0 million per year pledged to be utilized for District debt. Current funding levels provide approximately \$919 per resident student per year. With District enrollment increasing, the \$919+ per student receipts in 2015 resulted in revenue of \$4.43M. Future revenues will be based on District student population and statewide sales tax figures.

- District certified enrollment continues to trend upward with the addition of 114 students in 2014-15. Under Iowa's school funding formula, this places upward pressure on the District tax levy. Historically, during the same time, property valuations have grown, which helps offset this pressure. The most recent year valuation increase was only .7% for the fiscal year 2016 school year. Supplemental Aid from the State, and the current year's enrollment increase of 144 students, will all play a role on the levy. The State continues its initiative to balance property tax rates through an increase in the roll back percentage on residential property, which also provides upward pressure on the local levy rate.
- For fiscal year 2015, the fiscal position of the District shows that the cost of adding staff, along with the inability to generate cash through the cash reserve levy continued to push the District's cash position downward. The District expected this pressure as it is a normal pattern when a new building is opened. The District went through this same cycle when Prairie Ridge was opened in 2002 and when Prairie Point was opened in 2009. Salary negotiations will become increasingly important as the State has indicated a reluctance to increase funding at necessary levels to support movement on the District's professional staff pay schedule. This has become a reality for most all Districts across the State as the new State Teacher Leadership initiative and other "targeted funds" are considered in place of general funding of Iowa's K-12 Districts. Despite these pressures and unknowns, the District will remain committed to delivering the most effective instructional methodology possible.

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 of the money it receives. If you have questions about this report or need additional financial information, contact James Rotter Jr., Executive Director of Business Services, College Community School District, 401 76th Avenue SW, Cedar Rapids, Iowa 52404.

BASIC FINANCIAL STATEMENTS

COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Pooled Investments	\$ 6,469,677	\$ 648,773	\$ 7,118,450
Receivables:			
Property Tax:			
Delinquent	132,493	-	132,493
Succeeding Year	26,660,653	-	26,660,653
Accounts	48,898	8,396	57,294
Accrued Interest	235	24	259
Other	37,776	-	37,776
Internal Balances	250,000	(250,000)	-
Due from Other Governments	2,818,538	(12)	2,818,526
Inventories	27,061	11,002	38,063
Prepaid Items	16,066	1,317	17,383
Nondepreciable Capital Assets	4,114,636	-	4,114,636
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>90,164,141</u>	<u>793,892</u>	<u>90,958,033</u>
Total Assets	130,740,174	1,213,392	131,953,566
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	5,237,784	276,445	5,514,229
LIABILITIES			
Accounts Payable	291,710	54,009	345,719
Accrued Expenses	1,153,955	77,783	1,231,738
Salaries and Benefits Payable	79,309	37,829	117,138
Due to Other Governments	378,551	-	378,551
Accrued Interest Payable	155,205	-	155,205
Long-Term Liabilities:			
Portion Due Within One Year:			
Bonds Payable	4,135,000	-	4,135,000
Bond Premiums	131,644	-	131,644
Early Retirement	100,598	-	100,598
Portion Due After One Year:			
Bonds Payable	56,715,000	-	56,715,000
Bond Premiums	1,111,142	-	1,111,142
Net Pension Liability	19,993,954	1,111,074	21,105,028
Net OPEB Liability	<u>5,745,709</u>	<u>-</u>	<u>5,745,709</u>
Total Liabilities	89,991,777	1,280,695	91,272,472

See accompanying Notes to Financial Statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2015**

	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Pension related	7,625,119	423,731	8,048,850
Succeeding Year Property Taxes	<u>26,658,588</u>	<u>-</u>	<u>26,658,588</u>
Total Deferred Inflows of Resources	<u>34,283,707</u>	<u>423,731</u>	<u>34,707,438</u>
NET POSITION			
Net Investment in Capital Assets	34,002,380	793,893	34,796,273
Restricted for:			
Categorical Funding and Other Reserves	201,747	-	201,747
Debt Service	497,354	-	497,354
Physical Plant and Equipment Levy	1,122,477	-	1,122,477
Student Activity Purposes	538,180	-	538,180
Capital Projects	3,632,776	-	3,632,776
Unrestricted	<u>(28,292,440)</u>	<u>(1,008,482)</u>	<u>(29,300,922)</u>
Total Net Position	<u>\$ 11,702,474</u>	<u>\$ (214,589)</u>	<u>\$ 11,487,885</u>

See accompanying Notes to Financial Statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2015**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Service	Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions, and Restricted Interest
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 25,184,253	\$ 2,625,888	\$ 759,793	\$ -
Special Instruction	8,400,967	2,504,993	-	-
Other Instruction	5,205,004	1,703,148	640,706	-
	<u>38,790,224</u>	<u>6,834,029</u>	<u>1,400,499</u>	<u>-</u>
Support Services:				
Student	1,781,388	-	421,662	-
Instructional Staff	3,135,682	-	2,807,207	-
Administration	5,085,517	-	-	-
Operation and Maintenance of Plant	4,712,646	52,028	10,952	-
Transportation	2,868,669	87,021	51,244	-
	<u>17,583,902</u>	<u>139,049</u>	<u>3,291,065</u>	<u>-</u>
Non-Instructional Programs	-	-	-	-
Other Expenses:				
Facilities Acquisition	2,152,234	-	-	-
Long-Term Debt Interest	2,286,620	-	933	-
AEA Flowthrough	1,971,913	-	1,971,913	-
Depreciation (Unallocated)	2,732,061	-	-	-
Total Other Expenses	<u>9,142,828</u>	<u>-</u>	<u>1,972,846</u>	<u>-</u>
Total Governmental Activities	65,516,954	6,973,078	6,664,410	-
Business-Type Activities:				
Support Services:				
Administrative Services	182,158	-	-	-
Operation and Maintenance of Plant	24,634	-	-	-
Non-Instructional Programs:				
Nutrition Services	2,553,353	1,333,403	1,103,040	-
Daycare Services	1,589,875	1,643,620	67,983	-
Concession Services	165,312	172,672	-	-
Student Built House	316,211	319,932	-	-
Total Business-Type Activities	<u>4,831,543</u>	<u>3,469,627</u>	<u>1,171,023</u>	<u>-</u>
Total	<u>\$ 70,348,497</u>	<u>\$ 10,442,705</u>	<u>\$ 7,835,433</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (21,798,572)	\$ -	\$ (21,798,572)
(5,895,974)	-	(5,895,974)
<u>(2,861,150)</u>	-	<u>(2,861,150)</u>
(30,555,696)	-	(30,555,696)
(1,359,726)	-	(1,359,726)
(328,475)	-	(328,475)
(5,085,517)	-	(5,085,517)
(4,649,666)	-	(4,649,666)
<u>(2,730,404)</u>	-	<u>(2,730,404)</u>
(14,153,788)	-	(14,153,788)
-	-	-
(2,152,234)	-	(2,152,234)
(2,285,687)	-	(2,285,687)
-	-	-
<u>(2,732,061)</u>	-	<u>(2,732,061)</u>
<u>(7,169,982)</u>	-	<u>(7,169,982)</u>
(51,879,466)	-	(51,879,466)
-	(182,158)	(182,158)
-	(24,634)	(24,634)
-	(116,910)	(116,910)
-	121,728	121,728
-	7,360	7,360
-	3,721	3,721
<u>-</u>	<u>(190,893)</u>	<u>(190,893)</u>
<u>\$ (51,879,466)</u>	<u>\$ (190,893)</u>	<u>\$ (52,070,359)</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES (CONTINUED)
JUNE 30, 2015**

		Program Revenues	
Expenses	Charges for Service	Operating Grants, Contributions, and Restricted Interest	Capital Grants, Contributions, and Restricted Interest
GENERAL REVENUES			
Property Tax Levied for:			
General Purposes			
Debt Service			
Capital Outlay			
Sale of Capital Assets			
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			

See accompanying Notes to Financial Statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ 23,568,855	\$ -	\$ 23,568,855
5,443,692	-	5,443,692
1,925,344	-	1,925,344
36,752	-	36,752
20,023,286	-	20,023,286
3,467	355	3,822
262,775	-	262,775
51,264,171	355	51,264,526
(615,295)	(190,538)	(805,833)
12,317,769	(24,051)	12,293,718
\$ 11,702,474	\$ (214,589)	\$ 11,487,885

**COLLEGE COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

ASSETS	General	Special Revenue- Management	Debt Service
Cash and Pooled Investments	\$ 817,325	\$ 2,021,757	\$ 625,203
Receivables:			
Property Tax:			
Delinquent	88,793	7,208	26,962
Succeeding Year	20,266,548	1,008,956	3,635,087
Accounts	48,674	-	-
Accrued Interest	6	79	26
Other	-	-	-
Due from Other Funds	250,000	-	-
Due from Other Governments	2,128,418	-	-
Inventories	2,552	-	-
Prepaid Items	12,791	-	-
Total Assets	<u>\$ 23,615,107</u>	<u>\$ 3,038,000</u>	<u>\$ 4,287,278</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 168,007	\$ -	\$ -
Accrued Expenses	1,153,955	-	-
Salaries and Benefits Payable	79,090	100,598	-
Due to Other Governments	377,691	740	-
Total Liabilities	1,778,743	101,338	-
DEFERRED INFLOWS OF RESOURCES - SUCCEEDING YEAR PROPERTY TAX	20,265,100	1,008,843	3,634,719
FUND BALANCES			
Nonspendable	15,343	-	-
Restricted for:			
Categorical Funding and Other Reserves	201,747	-	-
Debt Service	-	-	652,559
Management Levy Purposes	-	1,927,819	-
Student Activities	-	-	-
School Infrastructure	-	-	-
Physical Plant and Equipment	-	-	-
Assignable for Automotive Resale	108,711	-	-
Unassigned	1,245,463	-	-
Total Fund Balances	<u>1,571,264</u>	<u>1,927,819</u>	<u>652,559</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,615,107</u>	<u>\$ 3,038,000</u>	<u>\$ 4,287,278</u>

See accompanying Notes to Financial Statements.

EXHIBIT C

<u>SAVE</u>	<u>Nonmajor</u>	<u>Total</u>
\$ 1,135,037	\$ 1,725,140	\$ 6,324,462
-	9,530	132,493
-	1,750,062	26,660,653
-	-	48,674
50	74	235
-	37,776	37,776
-	-	250,000
689,179	941	2,818,538
-	-	2,552
-	3,275	16,066
<u>\$ 1,824,266</u>	<u>\$ 3,526,798</u>	<u>\$ 36,291,449</u>
\$ 7,878	\$ 112,601	\$ 288,486
-	-	1,153,955
-	219	179,907
-	120	378,551
<u>7,878</u>	<u>112,940</u>	<u>2,000,899</u>
-	1,749,926	26,658,588
-	3,275	18,618
-	-	201,747
-	-	652,559
-	-	1,927,819
-	538,180	538,180
1,816,388	-	1,816,388
-	1,122,477	1,122,477
-	-	108,711
-	-	1,245,463
<u>1,816,388</u>	<u>1,663,932</u>	<u>7,631,962</u>
<u>\$ 1,824,266</u>	<u>\$ 3,526,798</u>	<u>\$ 36,291,449</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Total Fund Balances of Governmental Funds (page 28) \$ 7,631,962

***Amounts reported for governmental activities in the statement
of net position is different because:***

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 94,212,823

Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds. (155,205)

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	5,237,784
Deferred inflows of resources	(7,625,119)

Long-term liabilities, including bonds payable, compensated absences, other postemployment benefits payable, and net pension liability are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. (87,832,449)

The Internal Service Funds are utilized to account for the financing of goods or services provided by one department or agency to other department or agencies of a government on a cost reimbursement basis. The change in net position of the Internal Service Fund is reported with governmental activities. 232,678

Net Position of Governmental Activities (page 26) \$ 11,702,474

**COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	<u>General</u>	<u>Special Revenue- Management</u>	<u>Debt Service</u>
REVENUES			
Local Sources:			
Local Tax	\$ 17,687,021	\$ 1,433,652	\$ 5,440,026
Tuition	5,023,465	-	-
Other	901,901	124,577	933
State Sources	25,238,315	1,082	3,666
Federal Sources	1,460,451	-	-
Total Revenues	<u>50,311,153</u>	<u>1,559,311</u>	<u>5,444,625</u>
EXPENDITURES			
Instruction:			
Regular Instruction	24,956,464	720,734	-
Special Instruction	8,705,841	-	-
Other Instruction	4,006,682	-	-
Total Instruction	<u>37,668,987</u>	<u>720,734</u>	<u>-</u>
Support Services:			
Student Services	1,781,388	-	-
Instructional Staff Services	2,545,518	-	-
Administrative Services	4,795,737	45,809	-
Operation and Maintenance of Plant Services	4,408,397	382,371	-
Transportation Services	2,013,979	124,733	-
Total Support Services	<u>15,545,019</u>	<u>552,913</u>	<u>-</u>
Non-Instructional Programs	-	-	-
Other Expenditures:			
Facilities Acquisition	-	-	-
Long-Term Debt:			
Principal	-	-	6,251,889
Interest and Fiscal Charges	-	-	2,272,269
AEA Flowthrough	1,971,913	-	-
Total Other Expenditures	<u>1,971,913</u>	<u>-</u>	<u>8,524,158</u>
Total Expenditures	<u>55,185,919</u>	<u>1,273,647</u>	<u>8,524,158</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,874,766)	285,664	(3,079,533)
OTHER FINANCING SOURCES (USES):			
General Obligation Bonds Issued	-	-	30,995,000
Current Refunding of Bonds	-	-	(31,085,000)
Premiums on Bonds Issued	-	-	1,138,153
Discount on Bonds Issued	-	-	(81,302)
Proceeds from Capital Assets	-	-	-
Transfers In	-	-	2,000,000
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,966,851</u>
NET CHANGE IN FUND BALANCES	(4,874,766)	285,664	(112,682)
Fund Balances Beginning of Year	<u>6,446,030</u>	<u>1,642,155</u>	<u>765,241</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,571,264</u>	<u>\$ 1,927,819</u>	<u>\$ 652,559</u>

See accompanying Notes to Financial Statements.

EXHIBIT E

<u>SAVE</u>	<u>Nonmajor</u>	<u>Total</u>
\$ -	\$ 1,924,048	\$ 26,484,747
-	-	5,023,465
4,436,247	1,177,275	6,640,933
-	1,296	25,244,359
-	10,952	1,471,403
<u>4,436,247</u>	<u>3,113,571</u>	<u>64,864,907</u>
-	-	25,677,198
-	-	8,705,841
-	1,173,494	5,180,176
<u>-</u>	<u>1,173,494</u>	<u>39,563,215</u>
-	-	1,781,388
102,749	486,487	3,134,754
-	38	4,841,584
-	-	4,790,768
-	444,624	2,583,336
<u>102,749</u>	<u>931,149</u>	<u>17,131,830</u>
-	-	-
1,206,879	4,644,149	5,851,028
-	-	6,251,889
-	-	2,272,269
-	-	1,971,913
<u>1,206,879</u>	<u>4,644,149</u>	<u>16,347,099</u>
<u>1,309,628</u>	<u>6,748,792</u>	<u>73,042,144</u>
3,126,619	(3,635,221)	(8,177,237)
-	-	30,995,000
-	-	(31,085,000)
-	-	1,138,153
-	-	(81,302)
-	36,752	36,752
-	600,670	2,600,670
<u>(2,000,000)</u>	<u>(600,670)</u>	<u>(2,600,670)</u>
<u>(2,000,000)</u>	<u>36,752</u>	<u>1,003,603</u>
1,126,619	(3,598,469)	(7,173,634)
<u>689,769</u>	<u>5,262,401</u>	<u>14,805,596</u>
<u>\$ 1,816,388</u>	<u>\$ 1,663,932</u>	<u>\$ 7,631,962</u>

**COLLEGE 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 (page 33) \$ (7,173,634)

**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, these costs are reported in the Statement of Net Position and are allocated over their estimated useful lives as a depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital Outlays	\$ 3,698,794	
Depreciation Expense	<u>(3,152,540)</u>	546,254

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances exceeded repayments as follows:

Issued	(30,995,000)	
Repaid or Refunded	37,336,889	
Change in Bond Premium Payable	<u>(1,115,123)</u>	5,226,766

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

43,921

Pension expenses on the governmental funds are measured by current year employee contributions. Pension expenditures on the statement of activities are measured by the change in net pension liability and the related deferred inflows and deferred outflows.

1,535,872

Long-term liabilities that pertain to governmental funds are not due and payable in the current period and therefore are not reported as fund liabilities. Changes in liabilities, both current and long-term, are reported in the Statement of Net Position as follows:

Other Post Employment Benefits Payable		(789,714)
--	--	-----------

The Internal Service Funds are utilized to account for the financing of goods or services provided by one department or agency to other department or agencies of a government on a cost reimbursement basis. The change in net position of the Internal Service Fund is reported with governmental activities.

(4,760)

Change in Net Position of Governmental Activities (page 26) \$ (615,295)

**COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015**

	Nonmajor Proprietary Funds	Governmental Activities - Internal Service Fund
ASSETS		
Cash and Cash Equivalents	\$ 648,773	\$ 145,215
Accounts Receivable	8,396	224
Accrued Interest Receivable	24	-
Inventories	11,002	24,509
Prepays	1,317	-
Capital Assets, Net of Accumulated Depreciation	793,892	65,953
Total Assets	1,463,404	235,901
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related Deferred Outflows	276,445	-
LIABILITIES		
Accounts Payable	54,009	3,223
Accrued Expenses	77,783	-
Salaries and Benefits Payable	37,829	-
Net Pension Liability	1,111,074	-
Due to Other Governments	12	-
Due to Other Funds	250,000	-
Total Liabilities	1,530,707	3,223
DEFERRED INFLOWS OF RESOURCES		
Pension Related Deferred Inflows	423,731	-
NET POSITION		
Net Investment in Capital Assets	793,892	65,953
Unrestricted	(1,008,481)	166,725
Total Net Position	\$ (214,589)	\$ 232,678

See accompanying Notes to Financial Statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	Nonmajor Proprietary Funds	Governmental Activities - Internal Service Fund
OPERATING REVENUES		
Local Sources:		
Charges for Services	\$ 3,469,627	\$ 193,245
State Sources	67,983	-
Total Operating Revenues	3,537,610	193,245
OPERATING EXPENSES		
Support Services:		
Administrative Services	182,158	-
Operation and Maintenance of Plant Services	24,634	-
Total Support Services	206,792	-
Non-Instructional Programs:		
Salaries	1,864,691	-
Benefits	463,862	-
Purchased Supplies	10,901	-
Supplies	2,180,149	171,974
Depreciation	105,148	20,536
Total Non-Instructional Programs	4,624,751	192,510
Total Operating Expenses	4,831,543	192,510
OPERATING INCOME (LOSS)	(1,293,933)	735
NONOPERATING REVENUES (EXPENSES)		
State Sources	19,806	-
Federal Sources	1,083,234	-
Interest Income	355	-
Sale of Capital Assets	-	(5,495)
Total Nonoperating Revenues	1,103,395	(5,495)
CHANGE IN NET POSITION	(190,538)	(4,760)
Net Position - Beginning of Year (as restated)	(24,051)	237,438
NET POSITION - END OF YEAR	\$ (214,589)	\$ 232,678

See accompanying Notes to Financial Statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	Nonmajor Proprietary Funds	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Sale of Lunches and Breakfasts	\$ 1,343,355	\$ -
Cash Received from Daycare Activities	1,711,603	-
Cash Received from Printing	-	196,559
Cash Received from Concession Sales	171,946	-
Cash Received from Student-Built Houses	319,932	-
Cash Payments to Employees for Services	(2,424,170)	-
Cash Payments to Suppliers for Goods or Services	(2,366,490)	(175,364)
Net Cash Provided (Used) by Operating Activities	(1,243,824)	21,195
CASH FLOWS FROM FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State Grants Received	19,806	-
Federal Grants Received	1,083,234	-
Net Cash Provided by Non-Capital Financing Activities	1,103,040	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Gain (Loss) on Sale of Capital Assets	267,221	(5,495)
Acquisition of Capital Assets	(37,247)	(21,660)
Net Cash Provided by Capital Financing Activities	229,974	(27,155)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	368	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	89,558	(5,960)
Cash and Cash Equivalents - Beginning of Year	559,215	151,175
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 648,773	\$ 145,215

See accompanying Notes to Financial Statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	Nonmajor Proprietary Funds	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (1,293,933)	\$ 735
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
Used in Operating Activities:		
Depreciation	105,148	20,536
Decrease in Inventories	(674)	(3,515)
Increase in Accounts Receivable	9,226	3,314
Decrease in Prepaid Expenses	(160)	-
Decrease (Increase) in Deferred Outflows - Pension Related	(112,461)	-
Decrease in Accounts Payable	13,483	125
Increase in Salaries and Benefits Payable	(24,890)	-
Increase (Decrease) in Net Pension Liability	(381,997)	-
Increase (Decrease) in Deferred Inflows-Pension Related	423,731	-
Decrease in Due to Other Funds	(185)	-
Increase in Accrued Expenses	18,888	-
Net Cash Provided (Used) by Operating Activities	\$ (1,243,824)	\$ 21,195

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

During the year ended June 30, 2015, the District received \$183,696 of federal commodities.

COLLEGE COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	<u>Agency</u>
ASSETS	
Cash	<u>\$ 300,803</u>
LIABILITIES	
Other Payables	<u>\$ 300,803</u>

See accompanying Notes to Financial Statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

College Community School District (the "District") is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education. 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 southern portion of Cedar Rapids, Iowa and the rural areas of southern Linn, northern Johnson and eastern Benton 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.

Reporting Entity

For financial reporting purposes, College 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 (1) appointing a voting majority of an organization's governing body, (2) significantly influencing the programs, projects, activities or level of services performed by the organization, (3) the ability of the District to impose its will on that organization or (4) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. College Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Basis of Presentation

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

The Statement of Net Position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position are reported in three categories:

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

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

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources 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 that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the district-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 other nonmajor governmental funds.

The District reports the following major governmental funds:

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

Special Revenue Management Fund - The Management Fund is used to account for the payment of District insurance costs and early separation benefits.

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

SAVE Capital Projects Fund - This Capital Projects Fund is used to account for all resources received from school infrastructure local option tax to be used in acquisition and construction of capital facilities approved by the Board of Education.

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

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District maintains its financial records on the modified accrual basis.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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

Property Tax Receivable - Property taxes in governmental fund types are accounted for using the modified accrual basis of accounting.

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 1/2% per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2014.

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

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (Continued)

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

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments. Prepaid items are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

Capital Assets - Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide statement of net position. 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 two years.

Furniture and Equipment:	
School Nutrition Fund Equipment	\$ 500
Other Furniture and Equipment	5,000

No threshold exists for land, buildings, or improvements.

Property, furniture, and equipment are depreciated using the straight line method of depreciation over the following estimated useful lives:

Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	3-5 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.

COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (Continued)

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the district-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that 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 Management Fund.

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

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Iowa Public Employee's 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 legally or contractually required to be maintained intact.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (Continued)

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

Committed - Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned - Amounts the District intends to use for specific purposes.

Unassigned - All amounts not included in other spendable classifications.

Budgeting and Budgetary Control

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, no expenditures exceeded the amounts budgeted.

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 insure there will be no loss of public funds.

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

At June 30, 2015, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$4,048,278 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Schools Joint Investment Trust was rated AAAM by Standard & Poor's Financial Services.

Custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy over custodial credit risk is to comply with Chapter 12C of the Code of Iowa. At June 30, 2015, all investments and collateral were listed in the name of the District.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 CASH AND POOLED INVESTMENTS (CONTINUED)

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District's policy over credit risk is to comply with Chapter 12C of the Code of Iowa. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, which was Aaa.

Concentration of credit risk. The District does not have a formal policy limiting the amount of the total portfolio that may be invested with any one depository. All of the District's investments were with the ISJIT.

NOTE 3 DUE FROM AND DUE TO OTHER FUNDS

The detail of interfund receivables and payables at June 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount
General	Non-Major Fund - Student Built House	\$ 250,000

The interfund receivable to the General Fund is for expenses related to a house that was built by the students. The house was approved for sale at the end of the year.

NOTE 4 INTERFUND TRANSFERS

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

Transfer to	Transfer From	Amount
Debt Service	SAVE	\$ 2,000,000
PPEL	5th Elementary	600,670
		\$ 2,600,670

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

NOTE 5 STEWARDSHIP AND ACCOUNTABILITY

Excess of Expenditures Over Budget:

Expenditures exceed budgeted amounts in the following functional program:

	Budget	Expenditure	Excess
Non-instructional Programs	\$ 4,507,555	\$ 4,624,751	\$ (117,196)

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 CAPITAL ASSETS

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

	Balance Beginning of Year (as restated)	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 3,972,734	\$ -	\$ -	\$ 3,972,734
Construction in Progress	11,697,421	3,010,297	14,565,816	141,902
Total Capital Assets not Being Depreciated	<u>15,670,155</u>	<u>3,010,297</u>	<u>14,565,816</u>	<u>4,114,636</u>
Capital Assets Being Depreciated:				
Buildings	95,616,516	13,853,412	-	109,469,928
Improvements Other than Buildings	11,914,850	954,014	-	12,868,864
Furniture and Equipment	6,356,433	468,548	81,144	6,743,837
Total Capital Assets Being Depreciated	<u>113,887,799</u>	<u>15,275,974</u>	<u>81,144</u>	<u>129,082,629</u>
Less Accumulated Depreciation for:				
Buildings	27,615,165	2,082,138	-	29,697,303
Improvements Other than Buildings	3,476,276	649,533	-	4,125,809
Furniture and Equipment	4,735,115	441,405	81,144	5,095,376
Total Accumulated Depreciation	<u>35,826,556</u>	<u>3,173,076</u>	<u>81,144</u>	<u>38,918,488</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 93,731,398</u>	 <u>\$ 15,113,195</u>	 <u>\$ 14,565,816</u>	 <u>\$ 94,278,777</u>
 Business-Type Activities:				
Furniture and Equipment	\$ 2,097,046	\$ 42,742	\$ 7,555	\$ 2,132,233
Less: Accumulated Depreciation	<u>1,235,252</u>	<u>105,148</u>	<u>2,061</u>	<u>1,338,339</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 861,794</u>	 <u>\$ (62,406)</u>	 <u>\$ 5,494</u>	 <u>\$ 793,894</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the governmental functions of the District as follows:

Governmental Activities:

Instruction:

Regular	\$ 47,999
Special	348
Other	24,828

Support Services:

Instructional Staff	928
Administration	27,555
Operations and Maintenance	1,918
Transportation	337,439

Unallocated Depreciation

Total Depreciation Expense - Governmental Activities	\$ 3,173,076
---	--------------

Business-Type Activities:

Daycare	\$ 5,155
Student-Built House	1,164
Enterprise/Resale	-
Nutrition Services	98,829

Total Depreciation Expense - Business Type Activities	\$ 105,148
--	------------

NOTE 7 LONG-TERM LIABILITIES

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

	Balance Beginning of Year Restated	Additions	Reductions	Balance End of Year	Due Within One Year
Early retirement	\$ 123,033	\$ 100,598	\$ 123,033	\$ 100,598	\$ 100,598
General obligation bonds	65,980,000	30,995,000	36,125,000	60,850,000	4,135,000
Revenue bonds	1,211,888	-	1,211,888	-	-
Bonds premiums payable	127,663	1,246,767	131,644	1,242,786	131,644
Net Pension liability	29,526,627	1,165,492	9,587,091	21,105,028	-
Net OBEB liability	4,955,995	1,057,657	267,943	5,745,709	-
Total	\$ 101,925,206	\$ 34,565,514	\$ 47,446,599	\$ 89,044,121	\$ 4,367,242

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty-five and employees must have completed ten years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education. Early retirement incentives are available for all employees except bus drivers and are based on classification of employee. At June 30, 2015, the District has obligations to six participants with a total liability of \$100,598. Actual early retirement expenditures for the year ended June 30, 2015 totaled \$333,441. The cost of early retirement payments expected to be liquidated currently is recorded as a liability of the Special Revenue, Management Fund.

General Obligation Bonds

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

Year Ending June 30,	Bond issue of 2007			Bond Issue of 2008		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2016	3.75%	\$ 260,000	\$ 321,671	4.00%	\$ 115,000	\$ 375,950
2017	3.75%	260,000	311,921	4.00%	2,190,000	371,350
2018	3.80%	255,000	302,171	4.25%	1,415,000	283,750
2019	3.85%	265,000	292,481	3.50%	1,600,000	223,612
2020	3.85%	260,000	282,279	3.55%	1,735,000	167,612
2021-2025	3.88-4.00%	1,325,000	1,256,069	3.60%	2,945,000	106,020
2026-2027	4.00%	5,490,000	428,600		-	-
Total		\$ 8,115,000	\$ 3,195,192		\$ 10,000,000	\$ 1,528,294

Year Ending June 30,	Bond Issue of 2012 C			Bond Issue of 2013		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2016	2.00%	\$ 185,000	\$ 122,775	1.25%	\$ 560,000	\$ 123,368
2017	2.00%	185,000	119,075	1.25%	570,000	116,368
2018	2.00%	185,000	115,375	1.25%	825,000	109,243
2019	2.00%	190,000	111,675	1.30%	725,000	98,930
2020	2.00%	195,000	107,875	1.30%	800,000	89,505
2021-2025	0.00-2.00%	610,000	483,475	1.45-2.00%	2,855,000	303,070
2026-2030	0.00-2.625%	1,645,000	380,813	2.00-2.25%	1,390,000	51,100
2031-2032	2.75-2.875%	1,880,000	79,600		-	-
Total		\$ 5,075,000	\$ 1,520,663		\$ 7,725,000	\$ 891,584

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

Year Ending June 30,	Bond Issue of 2014			Bond Issue of 2015		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2016	3.00%	\$ 505,000	\$ 756,031	1.50%	\$ 2,510,000	\$ 109,382
2017	3.00%	470,000	740,881	1.50%	540,000	66,800
2018	3.00%	495,000	726,781	2.00%	1,165,000	58,700
2019	3.00%	545,000	711,931	2.00%	1,145,000	35,400
2020	3.00%	575,000	695,581	2.00%	625,000	12,500
2021-2025	3.00-3.25%	16,945,000	2,586,356		-	-
2026	3.38%	4,415,000	149,006		-	-
Total		\$ 23,950,000	\$ 6,366,567		\$ 5,985,000	\$ 282,782

**General Obligation Bonds
Total**

	Principal	Interest
2016	\$ 4,135,000	\$ 1,809,178
2017	4,215,000	1,726,395
2018	4,340,000	1,596,020
2019	4,470,000	1,474,029
2020	4,190,000	1,355,352
2021-2025	24,680,000	4,734,990
2026-2030	12,940,000	1,009,518
2031-2032	1,880,000	79,600
	\$ 60,850,000	\$ 13,785,082

On May 1, 2007, the District issued \$16,000,000 of General Obligation School Bonds, Series 2007. The proceeds of the issue were used for the construction and furnishing of a new middle school.

On May 1, 2008, the District issued \$10,000,000 of General Obligation School Refunding Bonds. The proceeds of the issue were used to refund, in advance of maturity, \$10,000,000 of outstanding maturities of the District's General Obligation School Bonds, Series 2001.

On July 1, 2009, the District issued \$9,920,000 and \$6,265,000 in General Obligation School Refunding Bonds, Series 2009A and 2009B, respectively. The proceeds were used to refund, in advance of maturity, outstanding maturities of the District's General Obligation School Building Bonds, Series 2002A, 2003A, 2003C, and 2004. This issuance was refunded during the year by Series 2015 issuance.

On April 24, 2012, the District issued \$28,500,000 of General Obligation School Bonds, Series 2006. The proceeds of the issue were used for the purchase of land, construction and furnishings of a new middle school. This issuance was refunded during the year by the Series 2014.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

On April 24, 2012, the District issued \$1,500,000 in General Obligation School Capital Loan Note, Series 2012B. The proceeds of the issue were used to purchase laptops for the students. This issue was paid off in 2015.

On August 15, 2012, the District issued \$6,000,000 of General Obligation School Bonds, Series 2012C. The proceeds of the issue will be used for the new elementary school.

On April 23, 2013, the District issued \$9,000,000 of General Obligation School Bonds, Series 2013. The proceeds of the issue will be used for the new elementary school.

On July 23, 2014, the District issued \$25,010,000 in General Obligation School Refunding Bonds, Series 2014. The proceeds were used to current refund the outstanding maturities of the District's General Obligation School Bonds, Series 2006. Total cash flow savings and economic gain was \$3,960,366 and \$3,418,507, respectively, over the remaining life of the bond.

On May 14, 2015, the District issued \$5,985,000 in General Obligation School Refunding Bonds, Series 2015. The proceeds were used to current refund the outstanding maturities of the District's General Obligation School Bonds, Series 2009A & 2009B. Total cash flow savings and economic gain was \$419,479 and \$408,358, respectively, over the remaining life of the bond.

NOTE 8 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, IA 60306-9117 or at www.ipers.com.

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.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 PENSION PLAN (CONTINUED)

Pension Benefits

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

Contributions

Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following an 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 the 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.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 PENSION PLAN (CONTINUED)

Contributions (Continued)

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

The District's Contributions to IPERS for the year ended June 30, 2015 were \$3,407,317.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District's liability for its proportionate share of the net pension liability totaled \$21,105,028. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's collective proportion was .521487 percent, which was an increase of .020584 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$1,800,716. 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
Differences Between Expected and Actual Experience	\$ 229,371	\$ -
Changes in Assumptions	931,413	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	8,048,850
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	944,755	-
District Contributions Subsequent to the Measurement Date	3,407,317	-
Differences Between Actual and Proportionate Share of Employee Contributions	1,373	-
	\$ 5,514,229	\$ 8,048,850

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 PENSION PLAN (CONTINUED)

\$3,407,317 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,		
2016	\$	(1,519,943)
2017		(1,519,943)
2018		(1,519,943)
2019		(1,519,943)
2020		137,834
Total	\$	<u>(5,941,938)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions

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

Rate of inflation (effective June 30, 2014)	3.00 percent per annum
Rates of 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.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 PENSION PLAN (CONTINUED)

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

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

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, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 8 PENSION PLAN (CONTINUED)

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	\$ 39,877,356	\$ 21,105,028	\$ 5,259,237

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 www.ipers.org.

Payables to the Pension Plan

At June 30, 2015, the District reported payables to the defined benefit pension plan of \$1,142,351 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description - The District participates in an Iowa Chapter 28E plan with five other schools, called the Metro Interagency Insurance Program (MIIP), which provides medical and prescription drug benefits for retirees and their spouses. There are 702 active and 43 retired members in the plan. Participants must be age 55 and 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. MIIP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to MIIP, 4401 6th Street SW, Cedar Rapids, IA 52404.

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.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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	\$ 1,337,227
Interest on Net OPEB Obligation	122,674
Adjustment to Annual Required Contribution	(402,244)
Annual OPEB	1,057,657
Contributions Made	267,943
Increase in net OPEB obligation	789,714
Net OPEB Obligation, Beginning of Year	4,955,995
 Net OPEB Obligation, End of Year	 \$ 5,745,709

For the year ended June 30, 2015, the District contributed \$267,943 to the medical plan.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2015 are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Contributed	Net OPEB Obligation
2013	\$ 790,949	31.4%	\$ 4,307,434
2014	911,594	28.9%	4,955,995
2015	1,057,657	25.3%	5,745,709

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$7,063,393, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,063,393. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$46,269,562, and the ratio of the UAAL to covered payroll was 15.27%.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

As of the July 1, 2014 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumption includes a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 5%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender-specific basis.

The UAAL is being amortized as a level dollar cost on an open basis over 30 years.

NOTE 10 RISK MANAGEMENT

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

NOTE 11 AREA EDUCATION AGENCY

The District is required by the Code of Iowa to budget for its share of special education support, media, and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$1,971,913 for the year ended June 30, 2015 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 12 CATEGORICAL FUNDING

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

<u>Program</u>	<u>Amount</u>
Teacher Leadership Grant	\$ 4,779
Statewide Volunteer 4 year Old Preschool Program	82,034
Summer Drivers Education	8,141
Teacher Compensation Pay	30,749
Succesful Progression for Early Readers	19,920
Total	<u>\$ 145,623</u>

NOTE 13 DEFICIT BALANCES

The Day Care proprietary fund had a deficit balance of \$(617,823) at June 30, 2015. This was caused by the restatement of beginning net assets in relation to the Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*.

NOTE 14 COMMITMENTS

Federal and State Programs

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 15 RESTATEMENT FOR CHANGE IN ACCOUNTING PRINCIPLE AND FOR CORRECTION OF AN ERROR

Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB 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 the 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.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 RESTATEMENT FOR CHANGE IN ACCOUNTING PRINCIPLE AND FOR CORRECTION OF AN ERROR (CONTINUED)

There were two restatements in the June 30, 2015 fiscal year for the governmental activities, business-type activities, and nonmajor proprietary fund-student built house fund. The business-type activities and nonmajor proprietary fund-student built house fund had an adjustment of \$267,221 to record the house that was built in the 2013-14 fiscal year. The governmental activities had an adjustment to construction in progress (capital assets) for retainage relating to the construction of the 5th Elementary. The amount of retainage that should have been included in construction in progress is \$578,195.

The effect of the restatements is as follows:

	<u>As Previously Reported</u>	<u>Change in Accounting Principle</u>	<u>Correction of An Error</u>	<u>As Restated</u>
Nonmajor Proprietary Funds	<u>\$ 1,037,816</u>	<u>\$ (1,329,088)</u>	<u>\$ 267,221</u>	<u>\$ (24,051)</u>
Business-Type Activities	<u>\$ 1,037,816</u>	<u>\$ (1,329,088)</u>	<u>\$ 267,221</u>	<u>\$ (24,051)</u>
Governmental Activities	<u>\$ 35,656,736</u>	<u>\$ (23,917,162)</u>	<u>\$ 578,195</u>	<u>\$ 12,317,769</u>

NOTE 16 SUBSEQUENT EVENT

Management evaluated subsequent events through December 10, 2015, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2015, but prior to December 10, 2015 that provided additional evidence about conditions that existed at June 30, 2015, have been recognized in the financial statements for the year ended June 30, 2015. Events or transactions that provided evidence about conditions that did not exist at June 30, 2015 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

**COLLEGE COMMUNITY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN BALANCES – BUDGET AND ACTUAL
 ALL GOVERNMENT FUNDS AND PROPRIETARY FUNDS
 REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED JUNE 30, 2015**

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
REVENUES			
Local Sources	\$ 38,149,145	\$ 3,469,982	\$ 41,619,127
State Sources	25,244,359	87,789	25,332,148
Federal Sources	1,471,403	1,083,234	2,554,637
Total Revenues	<u>64,864,907</u>	<u>4,641,005</u>	<u>69,505,912</u>
EXPENDITURES			
Instruction	39,563,215	-	39,563,215
Support Services	17,131,830	206,792	17,338,622
Non-Instructional Programs	-	4,624,751	4,624,751
Other Expenditures	16,347,099	-	16,347,099
Total Expenditures	<u>73,042,144</u>	<u>4,831,543</u>	<u>77,873,687</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,177,237)	(190,538)	(8,367,775)
OTHER FINANCING SOURCES, NET	<u>1,003,603</u>	<u>-</u>	<u>1,003,603</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(7,173,634)	(190,538)	(7,364,172)
Balances - Beginning of Year	<u>14,805,596</u>	<u>(24,051)</u>	<u>14,781,545</u>
BALANCES - END OF YEAR	<u><u>\$ 7,631,962</u></u>	<u><u>\$ (214,589)</u></u>	<u><u>\$ 7,417,373</u></u>

Budgeted Amounts		Final to Actual
Original	Final	Variance Positive/ (Negative)
\$ 40,001,720	\$ 40,001,720	\$ 1,617,407
25,286,750	25,286,750	45,398
3,152,831	3,152,831	(598,194)
<u>68,441,301</u>	<u>68,441,301</u>	<u>1,064,611</u>
39,307,187	40,051,534	488,319
18,402,680	18,537,423	1,198,801
4,448,350	4,507,555	(117,196)
<u>11,478,691</u>	<u>47,651,045</u>	<u>31,303,946</u>
<u>73,636,908</u>	<u>110,747,557</u>	<u>32,873,870</u>
(5,195,607)	(42,306,256)	33,938,481
<u>-</u>	<u>-</u>	<u>1,003,603</u>
(5,195,607)	(42,306,256)	34,942,084
<u>10,873,289</u>	<u>10,873,289</u>	<u>3,908,256</u>
<u>\$ 5,677,682</u>	<u>\$ (31,432,967)</u>	<u>\$ 38,850,340</u>

**COLLEGE 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 the Print Fund and Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs, and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$37,110,649. This increase was due mostly to the refunding of the GO Bonds during the year (see Note 6).

During the year ended June 30, 2015, expenditures in Non-Instructional Programs exceeded the amounts budgeted by \$117,196.

**COLLEGE COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED JUNE 30, 2015**

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

	2015
District's Proportion of the Net Pension Liability:	0.521487
District's Total Proportionate Share of the Net Pension Liability	\$ 21,269
District's Covered-Employee Payroll	\$ 38,427
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	55.35%
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.

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS – LAST TEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Statutorily Required Contribution	\$ 3,432	\$ 3,110	\$ 2,812	\$ 2,499	\$ 2,092	\$ 1,260	\$ 1,074	\$ 953	\$ 842	\$ 790
Contributions in Relation to the Statutorily Required Contribution	<u>(3,432)</u>	<u>(3,110)</u>	<u>(2,812)</u>	<u>(2,499)</u>	<u>(2,092)</u>	<u>(1,260)</u>	<u>(1,074)</u>	<u>(953)</u>	<u>(842)</u>	<u>(790)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
District's Covered-Employee Payroll	\$ 38,427	\$ 34,821	\$ 32,431	\$ 30,966	\$ 30,098	\$ 18,948	\$ 16,919	\$ 15,759	\$ 14,638	\$ 13,740
Contributions as a Percentage of Covered-Employee Payroll	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
YEAR ENDED JUNE 30, 2015**

Changes in 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 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 (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 assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in 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.

**COLLEGE 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.

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
(IN THOUSANDS)
REQUIRED SUPPLEMENTARY INFORMATION**

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2013	July 1, 2012	-	\$ 6,362	\$ 6,362	0%	\$ 31,730	20.1%
2014	July 1, 2012	-	5,890	5,890	0%	33,893	17.4%
2015	July 1, 2014	-	7,044	7,044	0%	46,270	15.2%

SUPPLEMENTARY INFORMATION

**COLLEGE COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue	Capital Projects		
	Student Activity	Physical Plant and Equipment Levy	5th Elementary Fund	Total
ASSETS				
Cash and Pooled Investments	\$ 548,895	\$ 1,176,245	\$ -	\$ 1,725,140
Receivables:				
Property Tax:				
Delinquent	-	9,530	-	9,530
Succeeding Year	-	1,750,062	-	1,750,062
Accrued Interest	24	50	-	74
Other	-	37,776	-	37,776
Due from Other Governments	941	-	-	941
Prepaid Items	3,275	-	-	3,275
Total Assets	<u>\$ 553,135</u>	<u>\$ 2,973,663</u>	<u>\$ -</u>	<u>\$ 3,526,798</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 11,341	\$ 101,260	\$ -	\$ 112,601
Salary and Benefits Payable	219	-	-	219
Due to Other Governments	120	-	-	120
Total Liabilities	<u>11,680</u>	<u>101,260</u>	<u>-</u>	<u>112,940</u>
DEFERRED INFLOWS OF RESOURCES - SUCCEEDING YEAR PROPERTY TAXES	-	1,749,926	-	1,749,926
FUND BALANCES				
Nonspendable	3,275	-	-	3,275
Restricted for:				
School Infrastructure	-	-	-	-
Student Activities	538,180	-	-	538,180
Physical Plant and Equipment	-	1,122,477	-	1,122,477
Total Fund Balances	<u>541,455</u>	<u>1,122,477</u>	<u>-</u>	<u>1,663,932</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 553,135</u>	 <u>\$ 2,973,663</u>	 <u>\$ -</u>	 <u>\$ 3,526,798</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	Special	Capital		Total
	Revenue	Projects		
	Student	Physical Plant	5th	
	Activity	and Equipment	Elementary	
		Levy	Fund	
REVENUES				
Local Sources:				
Local Tax	\$ -	\$ 1,924,048	\$ -	\$ 1,924,048
Other	1,137,422	39,673	180	1,177,275
State Sources	-	1,296	-	1,296
Federal Sources	-	10,952	-	10,952
Total Revenues	<u>1,137,422</u>	<u>1,975,969</u>	<u>180</u>	<u>3,113,571</u>
EXPENDITURES				
Instruction:				
Regular Instruction	-	-	-	-
Other Instruction	1,173,494	-	-	1,173,494
Support Services:				
Instructional Staff Services	-	486,487	-	486,487
Administrative Services	-	38	-	38
Transportation Services	16,298	428,326	-	444,624
Other Expenditures:				
Facilities Acquisition	-	1,106,044	3,538,105	4,644,149
Total Expenditures	<u>1,189,792</u>	<u>2,020,895</u>	<u>3,538,105</u>	<u>6,748,792</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(52,370)	(44,926)	(3,537,925)	(3,635,221)
OTHER FINANCING SOURCES (USES)				
Proceeds from Capital Assets	-	36,752	-	36,752
Transfers In	-	600,670	-	600,670
Transfers Out	-	-	(600,670)	(600,670)
Total Other Financing Uses	<u>-</u>	<u>637,422</u>	<u>(600,670)</u>	<u>36,752</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(52,370)	592,496	(4,138,595)	(3,598,469)
Fund Balances - Beginning of Year	<u>593,825</u>	<u>529,981</u>	<u>4,138,595</u>	<u>5,262,401</u>
FUND BALANCES - END OF YEAR	<u>\$ 541,455</u>	<u>\$ 1,122,477</u>	<u>\$ -</u>	<u>\$ 1,663,932</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN STUDENT ACTIVITY ACCOUNTS
JUNE 30, 2015**

	Balance - Beginning of Year	Revenues	Expenditures	Balance - End of Year
Student Activity Account:				
Athletic:				
General	\$ 64,126	\$ 122,925	\$ 163,120	\$ 23,931
Student Clubs:				
Advisory	84,160	10,515	10,467	84,208
Co-Curricular Activities:				
High School	-	50,618	41,125	9,493
Prairie Crest	3,803	4,852	7,741	914
Prairie Heights	16,798	14,473	7,207	24,064
Prairie Ridge	3,779	14,560	12,073	6,266
Prairie View	1,477	7,281	2,485	6,273
Prairie Edge	7,128	759	4,227	3,660
Prairie Point	33,734	16,040	37,444	12,330
Prairie Creek	432	2,311	1,965	778
Prairie Hill	-	1,541	5,474	(3,933)
Student Council	14,498	10,142	12,293	12,347
Class of:				
2012	393	-	-	393
2013	314	-	-	314
2014	3,039	-	2,195	844
2015	5,761	231	1,503	4,489
2016	-	10,970	5,558	5,412
Baseball Club	4,051	10,625	7,888	6,788
Softball Club	913	7,304	2,218	5,999
Special Olympics	936	1,283	381	1,838
13-14 Yearbook	1,754	307	2,061	-
14-15 Yearbook	(1,934)	13,092	3,907	7,251
Spring and Fall Plays	623	3,361	2,289	1,695
German Club	2,939	-	37	2,902
Student Vending	2,609	6,939	5,829	3,719
Letterman's Club	3,017	784	1,465	2,336
Girls Track Club	2,134	4,626	6,217	543
Boys Track Club	315	7,659	5,868	2,106
Volleyball Club	18,235	17,740	27,285	8,690
Art Activity	60	340	200	200
Ashby Activity	88	1,273	802	559
Gill Activity	1,496	154	816	834
Instrumental Music	5,987	24,703	20,985	9,705
Cheerleading	19,635	26,767	32,768	13,634
Football Club	3,482	4,736	5,898	2,320
Business Prof./America	17,214	66,445	62,347	21,312

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN STUDENT ACTIVITY ACCOUNTS (CONTINUED)
JUNE 30, 2015**

	Balance - Beginning of Year	Revenues	Expenditures	Balance - End of Year
Student Clubs (Continued):				
Boys Tennis Club	\$ 80	\$ 882	\$ 446	\$ 516
Girls Tennis Club	469	2,158	1,904	723
Girls CCountry Club	736	625	1,244	117
Long Activity	1,285	924	682	1,527
Dalton Activity	344	-	-	344
Bowling Club	417	2,700	2,744	373
Kean Activity	28	440	41	427
Boys Soccer Club	12,227	20,729	10,263	22,693
Girls Soccer Club	16,819	16,091	16,428	16,482
Wrestling Club	13,602	17,326	23,129	7,799
Music Trip	153,244	366,069	408,880	110,433
Prairie of Miracles 5K	-	3,225	3,225	-
Prairie Dance Team Club	9,252	36,160	24,438	20,974
Instrumental Activity	-	17,900	17,093	807
Hawk Talk - General	546	773	330	989
Skills USA	-	574	574	-
Electric Car Club	3,043	4,829	2,502	5,370
Washington Trip	3,371	47,005	45,116	5,260
International Club	100	-	100	-
Girls Basketball Club	2,664	2,040	3,725	979
Boys Basketball Club	5,593	10,627	14,071	2,149
Vocal Music	35,218	70,568	63,155	42,631
Musical	844	1,008	1,317	535
National Honor Society	-	1,458	1,458	-
One and Two Act Plays	959	692	315	1,336
Girls Golf Club	287	1,945	1,513	719
Boys Golf Club	1,273	2,928	2,732	1,469
PE Club	-			-
Student Mentors	-			-
Best Buddies	534	1,523	837	1,220
Graphics Club	762	48	188	622
Family Career Community Leaders	5,181	6,486	5,491	6,176
Band Uniforms	832	-	-	832
Drama	288	2,110	-	2,398
Speech	-	2,315	2,278	37
Performance Club	-	478	195	283
Key Club	520	1,767	2,011	276
State Tournaments	-	26,820	26,820	-
Science National Honor Society	311	843	409	745
Total Student Clubs	<u>529,699</u>	<u>1,014,497</u>	<u>1,026,672</u>	<u>517,524</u>
 Total	<u>\$ 593,825</u>	<u>\$ 1,137,422</u>	<u>\$ 1,189,792</u>	<u>\$ 541,455</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENTS OF NET POSITION
JUNE 30, 2015**

	School Nutrition	Day Care	Resale
ASSETS			
Cash and cash Equivalents	\$ 192,057	\$ 4,149	\$ 181,073
Accounts Receivable	-	-	8,396
Accrued Interest Receivable	13	4	6
Inventories	11,002	-	-
Prepaid Expenses	234	-	1,083
Due from Other Funds	-	-	-
Capital Assets, Net of Accumulated Depreciation	652,519	139,627	-
Total Assets	855,825	143,780	190,558
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferred Outflows	127,585	147,575	1,285
Total Deferred Outflows of Resources	127,585	147,575	1,285
LIABILITIES			
Accounts Payable	10,948	6,114	36,485
Accrued Expenses	77,783	-	-
Salaries and Benefits Payable	3,661	34,168	-
Net Pension Liability	474,857	629,002	7,215
Due to Other Governments	-	12	-
Due to Other Funds	-	-	-
Total Liabilities	567,249	669,296	43,700
DEFERRED INFLOWS OF RESOURCES			
Pension Related Deferred Inflows	181,097	239,882	2,752
NET POSITION			
Net Investment in Capital Assets	652,519	139,627	-
Unrestricted	(417,455)	(757,450)	145,391
Total Net Position	\$ 235,064	\$ (617,823)	\$ 145,391

SCHEDULE 4

Student Built House	Total	Governmental Activities - Internal Service Fund
\$ 271,494	\$ 648,773	\$ 145,215
-	8,396	224
-	23	-
-	11,002	24,509
-	1,317	-
-	-	-
1,747	793,893	65,953
273,241	1,463,404	235,901
-	276,445	-
-	276,445	-
462	54,009	3,223
-	77,783	-
-	37,829	-
-	1,111,074	-
-	12	-
250,000	250,000	-
250,462	1,530,707	3,223
-	423,731	-
1,747	793,893	65,953
21,032	(1,008,482)	166,725
\$ 22,779	\$ (214,589)	\$ 232,678

**COLLEGE COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	School Nutrition	Day Care	Resale
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Local Sources:			
Charges for Services	\$ 1,333,403	\$ 1,643,620	\$ 172,672
State Sources	-	67,983	-
Total Operating Revenues	<u>1,333,403</u>	<u>1,711,603</u>	<u>172,672</u>
OPERATING EXPENSES			
Support Services:			
Administrative Services	174,886	7,272	-
Operation and Maintenance of Plant Services	<u>24,634</u>	<u>-</u>	<u>-</u>
Total Support Services	199,520	7,272	-
Non-Instructional Programs:			
Salaries	819,079	1,039,232	6,380
Benefits	263,019	199,758	1,084
Purchased Supplies	-	3,963	6,939
Supplies	1,372,426	341,767	150,909
Depreciation	<u>98,829</u>	<u>5,155</u>	<u>-</u>
Total Non-Instructional Programs	<u>2,553,353</u>	<u>1,589,875</u>	<u>165,312</u>
Total Operating Expenses	<u>2,752,873</u>	<u>1,597,147</u>	<u>165,312</u>
OPERATING INCOME (LOSS)	(1,419,470)	114,456	7,360
NONOPERATING REVENUES			
State Sources	19,806	-	-
Federal Sources	1,083,234	-	-
Interest Income	241	41	73
Sale of Capital Assets	-	-	-
Total Nonoperating Revenues	<u>1,103,281</u>	<u>41</u>	<u>73</u>
NET INCOME (LOSS)	(316,189)	114,497	7,433
Net Position - Beginning of Year (as restated)	<u>551,253</u>	<u>(732,320)</u>	<u>137,958</u>
NET POSITION - END OF YEAR	<u>\$ 235,064</u>	<u>\$ (617,823)</u>	<u>\$ 145,391</u>

SCHEDULE 5

Student Built House	Total	Governmental Activities - Internal Service Fund
\$ 319,932	\$ 3,469,627	\$ 193,245
-	67,983	-
<u>319,932</u>	<u>3,537,610</u>	<u>193,245</u>
-	182,158	-
-	24,634	-
<u>-</u>	<u>206,792</u>	<u>-</u>
-	1,864,691	-
-	463,861	-
-	10,902	-
315,047	2,180,149	171,974
1,164	105,148	20,536
<u>316,211</u>	<u>4,624,751</u>	<u>192,510</u>
<u>316,211</u>	<u>4,831,543</u>	<u>192,510</u>
3,721	(1,293,933)	735
-	19,806	-
-	1,083,234	-
-	355	-
<u>-</u>	<u>-</u>	<u>(5,495)</u>
<u>-</u>	<u>1,103,395</u>	<u>(5,495)</u>
3,721	(190,538)	(4,760)
<u>19,058</u>	<u>(24,051)</u>	<u>237,438</u>
<u>\$ 22,779</u>	<u>\$ (214,589)</u>	<u>\$ 232,678</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
COMBINING STATEMENTS OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	School Nutrition	Day Care	Resale
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Sale of Lunches and Breakfasts	\$ 1,343,355	\$ -	\$ -
Cash Received from Day Care Activities	-	1,711,603	-
Cash Received from Printing	-	-	-
Cash Received from Concession Sales	-	-	171,946
Cash Received from Student-Built Houses	-	-	-
Cash Payments to Employees for Services	(1,125,459)	(1,291,297)	(7,414)
Cash Payments to Suppliers for Goods or Services	(1,551,260)	(362,926)	(124,267)
Net Cash Provided (Used) by Operating Activities	<u>(1,333,364)</u>	<u>57,380</u>	<u>40,265</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State Grants Received	19,806	-	-
Federal Grants Received	1,083,234	-	-
Net Cash Provided by Non-Capital Financing Activities	<u>1,103,040</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Gain (Loss) on Capital Assets	-	-	-
Acquisition of Capital Assets	(37,247)	-	-
Net Cash Provided by Capital Financing Activities	<u>(37,247)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	255	41	72
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(267,316)</u>	<u>57,421</u>	<u>40,337</u>
Cash and Cash Equivalents - Beginning of Year	459,373	(53,272)	140,736
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 192,057</u>	<u>\$ 4,149</u>	<u>\$ 181,073</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,419,470)	\$ 114,456	\$ 7,360
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	98,829	5,155	-
Decrease (Increase) in Inventories	(674)	-	-
Decrease (Increase) in Accounts Receivable	9,952	-	(726)
Decrease (Increase) in Prepaid Expenses	816	65	(1,041)
Decrease (Increase) in Deferred Outflows - Pension Related	(57,501)	(54,740)	(220)
Increase (Decrease) in Accounts Payable	1,828	(10,001)	34,646
Increase in Salaries and Benefits Payable	(3,696)	(21,194)	-
Increase (Decrease) in Net Pension Liability	(163,260)	(216,255)	(2,482)
Increase (Decrease) in Deferred Inflows-Pension Related	181,097	239,882	2,752
Decrease (Increase) in Due to Other Funds	(173)	12	(24)
Increase in Accrued Expenses	18,888	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,333,364)</u>	<u>\$ 57,380</u>	<u>\$ 40,265</u>

SCHEDULE 6

Student Built House	Total	Governmental Activities - Internal Service Fund
\$ -	\$ 1,343,355	\$ -
-	1,711,603	-
-	-	196,559
-	171,946	-
319,932	319,932	-
-	(2,424,170)	-
<u>(328,037)</u>	<u>(2,366,490)</u>	<u>(175,364)</u>
(8,105)	(1,243,824)	21,195
-	19,806	-
-	1,083,234	-
-	1,103,040	-
267,221	267,221	(5,495)
-	(37,247)	(21,660)
<u>267,221</u>	<u>229,974</u>	<u>(27,155)</u>
-	368	-
259,116	89,558	(5,960)
<u>12,378</u>	<u>559,215</u>	<u>151,175</u>
<u>\$ 271,494</u>	<u>\$ 648,773</u>	<u>\$ 145,215</u>
\$ 3,721	\$ (1,293,933)	\$ 735
1,164	105,148	20,536
-	(674)	(3,515)
-	9,226	3,314
-	(160)	-
-	(112,461)	-
(12,990)	13,483	125
-	(24,890)	-
-	(381,997)	-
-	423,731	-
-	(185)	-
-	18,888	-
<u>\$ (8,105)</u>	<u>\$ (1,243,824)</u>	<u>\$ 21,195</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2015**

	Balance - Beginning of Year	Additions	Deductions	Balance - End of Year
ASSETS				
Cash	<u>\$ 260,525</u>	<u>\$ 557,490</u>	<u>\$ 517,212</u>	<u>\$ 300,803</u>
Total Assets	<u><u>\$ 260,525</u></u>	<u><u>\$ 557,490</u></u>	<u><u>\$ 517,212</u></u>	<u><u>\$ 300,803</u></u>
LIABILITIES				
Other Payables	<u>\$ 260,525</u>	<u>\$ 557,490</u>	<u>\$ 517,212</u>	<u>\$ 300,803</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS**

	Modified Accrual Basis			
	2015	2014	2013	2012
REVENUES				
Local Sources:				
Local Tax	\$ 26,484,747	\$ 25,023,351	\$ 25,023,351	\$ 26,041,452
Tuition	5,023,465	4,952,310	4,952,310	4,602,834
Other	6,640,933	5,448,161	5,448,161	6,295,538
Intermediate Sources	-	-	-	-
State Sources	25,244,359	22,472,151	22,472,151	21,312,839
Federal Sources	1,471,403	1,371,591	1,371,591	1,432,493
Total Revenues	<u>\$ 64,864,907</u>	<u>\$ 59,267,564</u>	<u>\$ 59,267,564</u>	<u>\$ 59,685,156</u>
EXPENDITURES				
Instruction:				
Regular Instruction	\$ 25,677,198	\$ 21,524,976	\$ 21,524,976	\$ 19,939,924
Special Instruction	8,705,841	7,393,347	7,393,347	7,712,339
Other Instruction	5,180,176	4,439,053	4,439,053	4,375,324
Support Services:				
Student Services	1,781,388	1,803,044	1,803,044	1,992,616
Instructional Staff Services	3,134,754	2,491,934	2,491,934	4,966,561
Administration Services	4,841,584	4,002,873	4,002,873	3,876,552
Operation and Maintenance of				
Plant Services	4,790,768	4,367,545	4,367,545	3,934,601
Transportation Services	2,583,336	2,454,845	2,454,845	2,140,375
Non-Instructional Programs	-	193	193	48,084
Other Expenditures:				
Facilities Acquisition	5,851,028	2,512,455	2,512,455	5,932,980
Long-Term Debt:				
Principal	6,251,889	3,825,000	3,825,000	2,875,000
Debt Issuance Costs	-	-	-	-
Interest and Other Charges	2,272,269	2,638,424	2,638,424	2,457,999
AEA Flowthrough	1,971,913	1,744,232	1,744,232	1,660,568
Total Expenditures	<u>\$ 73,042,144</u>	<u>\$ 59,197,921</u>	<u>\$ 59,197,921</u>	<u>\$ 61,912,923</u>

SCHEDULE 8

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 24,219,102	\$ 22,093,711	\$ 20,945,968	\$ 20,361,901	\$ 20,086,865	\$ 16,951,789
4,312,674	3,663,733	3,333,102	3,549,899	3,490,482	3,716,232
5,905,077	5,999,103	5,736,360	6,659,201	3,385,477	1,891,034
-	-	-	-	-	-
19,794,883	17,314,281	18,005,005	17,104,669	14,985,960	13,320,215
2,967,785	3,231,491	1,387,306	943,920	681,553	841,765
<u>\$ 57,199,521</u>	<u>\$ 52,302,319</u>	<u>\$ 49,407,741</u>	<u>\$ 48,619,590</u>	<u>\$ 42,630,337</u>	<u>\$ 36,721,035</u>
\$ 18,906,433	\$ 19,208,996	\$ 16,819,529	\$ 16,265,900	\$ 14,419,478	\$ 13,299,906
7,303,228	6,752,971	6,448,388	5,829,626	5,549,502	5,236,403
4,073,595	4,051,048	3,925,508	3,186,826	3,146,535	2,899,110
1,588,468	1,417,533	1,148,780	894,530	914,795	970,198
2,604,179	2,450,988	2,393,970	1,842,438	1,798,291	1,959,626
3,743,217	3,809,772	3,321,006	3,148,693	3,159,628	3,024,768
3,864,337	3,667,250	3,158,914	3,169,968	2,907,370	2,833,886
2,076,206	1,994,335	1,733,199	1,561,871	1,645,811	1,592,256
32,611	-	-	-	-	-
2,737,713	1,837,000	12,971,023	23,729,926	5,096,572	2,157,313
2,800,000	3,110,000	3,596,000	12,638,000	2,096,000	1,939,000
-	147,134	-	-	-	-
2,503,471	2,651,037	2,968,168	3,153,022	2,760,324	1,565,105
1,719,630	1,638,722	1,397,624	1,290,071	1,162,546	1,039,137
<u>\$ 53,953,088</u>	<u>\$ 52,736,786</u>	<u>\$ 59,882,109</u>	<u>\$ 76,710,871</u>	<u>\$ 44,656,852</u>	<u>\$ 38,516,708</u>

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553		\$ 123,853
National School Lunch Program	10.555		<u>959,382</u>
Total U.S. Department of Agriculture			1,083,235
U.S. Department of Education:			
Iowa Department of Education			
Title I - Grants to Local Educational Agencies	84.010		425,044
Education for Homeless Children and Youth	84.196		35,000
Improving Teacher Quality State Grants	84.367		65,475
Grants for State Assessments and Related Activities	84.369		24,845
Title - I for Neglected & Delinquent	84.013		19,701
Advanced Placement Program	84.330		698
Special Education - Grants to States Part B High Cost Claim	84.027		11,016
Passed Through Grant Wood Area Education Agency:			
Special Education - Grants to States Idea Part B Flowthrough	84.027	RKB29210571337	219,622
Career and Technical Education - Basic Grants to States	84.048A		13,936
Title III - English Acquisition State Grants	84.365		<u>3,708</u>
Total U.S. Department of Education			819,045
U.S. Department of Defense:			
Passed Through Johnson County:			
Payments to States in Lieu of Real Estate Taxes (Flood Control Payments)	12.106		10,952
Department of Health and Human Services:			
School Health Surveys	93.938		<u>700</u>
Total			<u>\$ 1,913,932</u>

This information should be read only in connection with the notes to the Schedule of Expenditures of Federal Awards.

**COLLEGE COMMUNITY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

NOTE 1 BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of College Community School District and is presented on the 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 accounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 NONCASH AWARDS

The Child Nutrition Cluster, CFDA #10.555 includes \$183,696 of non-cash awards in the form of food commodities.

This information should be read only in connection with the accompanying Schedule of Expenditures of Federal Awards.



CliftonLarsonAllen

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

Board of Education
College Community School District
Cedar Rapids, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of College Community School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise College Community School District's basic financial statements, and have issued our report thereon dated December 10, 2015.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiencies described in Part II in the accompanying schedule of findings and questioned costs as items 2015-001 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.

Compliance and Other Matters

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

College Community School District's Responses to Findings

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

Purpose of this Report

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



Cedar Rapids, Iowa
December 10, 2015



CliftonLarsonAllen

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
College Community School District
Cedar Rapids, Iowa

Report on Compliance for Each Major Federal Program

We have audited College Community School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of College Community School District's major federal programs for the year ended June 30, 2015. College Community School District's major federal programs are identified in the summary of auditors' results section 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 grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of College 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 auditing standards generally accepted in the United States of America; 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 noncompliance 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 College Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, College 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 2015-002. Our opinion on each major federal program is not modified with respect to this matter.

College Community School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. College Community School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of College Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered College 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 that are 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 College Community School District's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-002 to be a material weakness.

College Community School District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. College Community School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Education
College Community School District

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
December 10, 2015

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Part I: Summary of the Independent Auditors' Results:

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? yes no

Identification of Major Federal Programs

CFDA Number(s)

10.553 and 10.555
84.010

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I – Grants to Local Education Agencies

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low-risk auditee pursuant to OMB Circular A-133?

yes no

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Part II – Findings Related to the Financial Statement

FINDING: 2015-001

MATERIAL AUDIT ADJUSTMENTS

- Condition:** The audit firm identified certain misstatements of 2013-14 of governmental activities, business-type activities, and nonmajor proprietary fund-student built house fund due to understatements of construction in progress assets and inventory. Management reviewed the journal entry and posted the entry to its general ledger.
- Criteria:** The District should have controls in place to prevent and detect a material misstatement in the financial statements in a timely manner.
- Context:** The District has informed us that they established procedures to review and record inventory and construction in progress assets.
- Effect:** The potential exists that a material misstatement could occur in the financial statements and not be prevented or detected and corrected by the District's internal control.
- Cause:** The District's controls were not adequate to ensure that all accounts' year end balances were proper and in accordance with generally accepted accounting principles (GAAP).
- Recommendation:** We recommend the District continue to work with the auditors to identify misstatements to ensure that all accounts are proper and in accordance with GAAP.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement With Audit Findings:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

Janet Binder, Accountant, understands the finding, and will work on correcting the under-accrual of revenue in the future.

Official Responsible for Ensuring CAP:

James Rotter, Executive Director Business Services, is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

June 30, 2016.

Plan to Monitor Completion of CAP:

The Board of Education will be monitoring this corrective action plan.

Conclusion:

Response accepted.

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Part III – Findings and Questioned Costs – Major Federal Programs

2015 – 002

Federal agency: Department of Education

Federal program: School Breakfast & National School Lunch Program

CFDA Number: 10.553 & 10.555

Type of Finding:

- **Material Weakness in Internal Control over Compliance**

Eligibility

Criteria or specific requirement: In accordance with A-133 requirements, the organization should have in place effective internal controls over compliance in regards to eligibility requirement.

Condition: There were not consistent second reviews performed on many of the free/reduced meal applications outside of the individual responsible for the intake.

Questioned costs: None

Context: 18 of 60 free/reduced meal applications were not reviewed after completion by the intake person.

Cause: Eligibility is not regularly reviewed after the intake process is completed.

Effect: There is a heightened risk that of incorrect eligibility determination, and therefore incorrect benefits being applied to students.

Recommendation: As best practice we recommend that a standard review process be implemented to insure that all applications are reviewed and approved outside of the person performing the intake.

Views of responsible officials and planned corrective actions:

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Actions planned in response to finding: The District will implement the recommendation.

Responsible party: James Rotter, District Secretary-Treasurer and Director of Business Operations, Phone Number: (319)848-5221

Planned completion date for corrective action plan: The planned completion date is December 31, 2015.

Plan to monitor completion of corrective action plan: The Board of Education and administration will monitor this corrective action plan.

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-2015 Certified Budget – Expenditures for the year ended June 30, 2015 exceeded the amended certified budget amounts in the non-instructional programs by \$117,196.
- IV-B-2015 Questionable Expenditures - No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-2015 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-2015 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-2015 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 insure that the coverage is adequate for current operations.
- IV-F-2015 Board Minutes - We noted no transactions requiring Board approval which had not been approved by the Board.
- IV-G-2015 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Department of Education were noted.
- IV-H-2015 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-I-2015 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.
- IV-J-2015 Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- IV-K-2015 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.
- IV-L-2015 Statewide Sales, Services and Use Tax – For the year ended June 30, 2015, the District did not reduce any levies as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

**COLLEGE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

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

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		\$ 689,769
Revenues/Transfers in:		
Sales Tax Revenues	\$ 4,435,569	
Other Local Revenues	678	4,436,247
		5,126,016
Expenditures/Transfers out:		
School Infrastructure Construction	1,206,879	
Transfers to Debt Service Fund	2,000,000	3,206,879
Ending Balance		<u><u>\$ 1,919,137</u></u>

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

IV-M-2015 Deficit Balance - The District had a deficit balance in the Proprietary – Day Care Fund of \$(617,823). This was caused by the restatement of beginning net assets in relation to the Governmental Accounting Standards Board Statement No. 68 *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27*.

Recommendation - The District should take appropriate action to return this fund to sound financial condition.

Response – This fund is considered to be run as a “non-profit” by the District. Therefore, the profits from this fund will be very minimal each year. The District will work to return this fund to a positive balance over time, as it is a large deficit, but it will likely hold a deficit balance for many years.

Conclusion - Response accepted.

**COLLEGE COMMUNITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

<u>Comment Reference</u>	<u>Comment Title</u>	<u>Status</u>	<u>If Not Corrected, Provide Planned Corrective Action or Other Explanation</u>
2014-001	Internal Control and Compliance Over Cash Management	Corrected During FY 2015	
2014-002	Internal Control and Compliance Over Eligibility	Not Corrected	The Board of Education and Administration will monitor this corrective action plan and implement by December 31, 2015
2014-003	Internal Control and Compliance Over Verification	Corrected During FY 2015	