

West Central Community School District

Independent Auditor's Reports  
Basic Financial Statements  
And Supplementary Information  
Schedule of Findings

June 30, 2015

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**West Central Community School District**

**Officials**

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>Board of Education</b>		
Chad Ingels	President	2015
Brent Sharff	Vice President	2017
Barry Charlie	Board Member	2017
Mary Ann Munger	Board Member	2015
Lyle Bushkofsky	Board Member	2015
<b>School Officials</b>		
Stuart Fuhs	Superintendent	2015
Kim Arndt	District Secretary/Treasurer and Business Manager	2015
Brian Gruhn	Attorney	2015

## Independent Auditor's Report

To the Board of Education of  
West Central Community School District:

### Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of West Central Community School District, Maynard, Iowa, as of and for the year ended June 30, 2015, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I 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.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### Opinions

In my 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 West Central Community School District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

### Emphasis of Matter

As discussed in Note 14 to the financial statements, West Central Community School District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. My opinions are not modified with respect to this matter.

Other Matters

*Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 4 through 14 and 42 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Central Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules I through 9, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated February 9, 2016 on my consideration of West Central Community School District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering West Central Community School District's internal control over financial reporting and compliance.

  
Keith Oltrogge  
Certified Public Accountant

February 9, 2016

## **West Central Community School District**

### **Management's Discussion and Analysis**

#### **For the Fiscal Year Ended June 30, 2015**

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

#### **2015 FINANCIAL HIGHLIGHTS**

- General Fund revenues increased from \$3,114,858 in fiscal 2014 to \$3,237,631 in fiscal 2015, and General Fund expenditures decreased from \$3,347,119 in fiscal 2014 to \$3,253,153 in fiscal 2015. The District's General Fund balance decreased from adjusted -\$49,331 in the fiscal year 2014 to -\$64,853 in the fiscal year 2015, a 24% decrease.
- The increase in General Fund revenues was attributable to an increase in local sources in fiscal year 2015. The decrease in expenditures was due primarily to a decrease in instruction and support services.
- The District's solvency ratio has decreased from -4.8% at June 30, 2014 to -6.2% at June 30, 2015. The District's solvency level indicates the District is able to meet unforeseen financing requirements and presents a sound risk for the timely repayment of short-term debt obligations.

#### **USING THIS ANNUAL REPORT**

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

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

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

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

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

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

Supplementary Information provides detailed information about the non-major governmental funds.

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

**Figure A-1**  
**West Central Community School District Annual Financial Report**

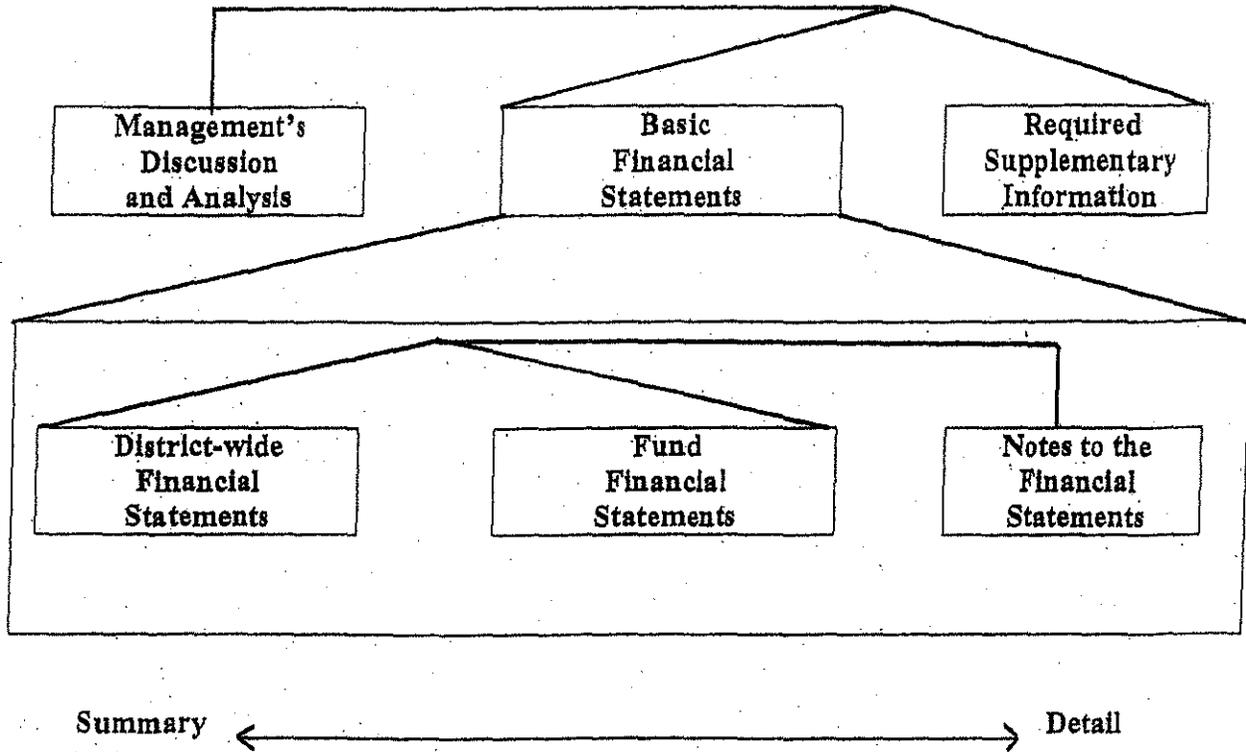


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
Required financial statements	Statement of net position  Statement of activities	Balance sheet  Statement of revenues, expenditures and changes in fund balances	Statement of net position  Statement of revenues, expenses and changes in fund net position  Statement of cash flows	Statement of fiduciary net position  Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow/inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of fund balance that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future reporting period

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

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### *Government-wide Financial Statements*

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

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

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

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

### *Fund Financial Statements*

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

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

The District has three kinds of funds:

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

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

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

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

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

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

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

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

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

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

**Figure A-3  
Condensed Statement of Net Position**

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2015	2014	2015	2014	2015	2014	2014-2015
		(not restated)		(not restated)		(not restated)	
Current and other assets	\$4,169,055	\$10,210,080	\$26,796	\$23,402	\$4,195,851	\$10,233,482	-59.0%
Capital assets	10,045,131	2,783,905	3,541	4,942	10,048,672	2,788,847	260.0%
Total assets	\$14,214,186	\$12,993,985	\$30,337	\$28,344	\$14,244,523	\$13,022,329	9.4%
Deferred outflows of resources	\$375,871	\$-	\$9,866	\$-	\$385,737	\$-	100.0%
Long-term liabilities	\$7,935,029	\$7,448,455	\$30,892	\$-	\$7,965,921	\$7,448,455	6.9%
Other liabilities	919,268	617,010	17,679	8,995	936,947	626,005	49.7%
Total liabilities	\$8,854,297	\$8,065,465	\$48,571	\$8,995	\$8,902,868	\$8,074,460	10.3%
Deferred inflows of resources	\$2,643,201	\$1,977,149	\$11,781	\$-	\$2,654,982	\$1,977,149	34.3%
Net position:							
Net investment in capital assets	\$3,065,131	-\$4,511,095	\$3,541	\$4,942	\$3,068,672	-\$4,506,153	168.1%
Restricted	1,443,266	7,600,255	-	-	1,443,266	7,600,255	-81.0%
Unrestricted	-1,415,838	-137,789	-23,690	14,407	-1,439,528	-123,382	-1,066.7%
Total net position	\$3,092,559	\$2,951,371	-\$20,149	\$19,349	\$3,072,410	\$2,970,720	3.4%

The District's total net position increased 3.4%, or \$101,690, from the prior year. The largest portion of the District's net position is in the "invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt". The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position decreased by \$6,156,989, or 81% from the prior year. The decrease was primarily a result of the expenditures for facilities acquisition from the capital project fund.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased \$1,316,146, or 1,066.7%. This reduction in unrestricted net position was primarily a result of the District’s net pension liability and net pension expense recorded in the current year.

Governmental Accounting Standards Board Statement No 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities and business type activities were restated by \$1,443,124 and \$37,880, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Figure A-4 shows the changes in net position for the year ended June 30, 2015 compared to the year ended June 30, 2014.

**Figure A-4**  
**Changes in Net Position**

	Governmental Activities		Business Type Activities		Total District		Total Change
	2015	2014 (Not restated)	2015	2014 (Not restated)	2015	2014 (Not restated)	2014-2015
<b>Revenues:</b>							
<b>Program revenues:</b>							
Charges for service	\$352,306	\$274,477	\$72,257	\$135,576	\$424,563	\$410,053	3.5%
Operating grants, contributions and restricted interest	510,390	488,504	89,870	84,347	600,260	572,851	4.8%
Capital grants, contributions and restricted interest	25,000	-	-	-	25,000	-	100%
<b>General revenues:</b>							
Property tax	1,977,140	1,870,307	-	-	1,977,140	1,870,307	5.7%
Income surtax	168,342	114,067	-	-	168,342	114,067	47.6%
Statewide sales, service and use tax	263,742	259,292	-	-	263,742	259,292	1.7%
Unrestricted state grants	988,424	1,081,022	-	-	988,424	1,081,022	-8.6%
Unrestricted investment earnings	12,061	19,902	56	53	12,117	19,955	-39.3%
Other	74,053	47,224	-	-	74,053	47,224	56.8%
<b>Total revenues</b>	<b>\$4,371,458</b>	<b>\$4,154,795</b>	<b>\$162,183</b>	<b>\$219,976</b>	<b>\$4,533,641</b>	<b>\$4,374,771</b>	<b>3.6%</b>
<b>Program expenses:</b>							
<b>Governmental activities:</b>							
Instruction	\$2,279,417	\$2,482,723	\$23,294	\$64,809	\$2,302,711	\$2,547,532	-9.6%
Support services	1,013,057	1,150,783	-	-	1,013,057	1,150,783	-12.0%
Non-instructional programs	-	-	140,507	157,187	140,507	157,187	-10.6%
Other expenses	-479,909	336,094	-	-	-479,909	336,094	242.8%
<b>Total expenses</b>	<b>\$2,812,565</b>	<b>\$3,969,600</b>	<b>\$163,801</b>	<b>\$221,996</b>	<b>\$2,976,366</b>	<b>\$4,191,596</b>	<b>-29%</b>
Change in net position before other financing sources	\$1,558,893	\$185,195	-\$1,618	-\$2,020	\$1,557,275	\$183,175	750.2%
Net other financing sources	-	3,183	-	-	-	3,183	-100%
<b>Change in net position</b>	<b>\$1,558,893</b>	<b>\$188,378</b>	<b>-\$1,618</b>	<b>-\$2,020</b>	<b>\$1,557,275</b>	<b>\$186,358</b>	<b>835.6%</b>
Net position, beginning of year, as restated	\$1,508,247	\$2,762,993	-\$18,531	\$21,369	\$1,489,716	\$2,784,362	-46.5%
Prior period adjustment	25,419	-	-	-	25,419	-	100%
<b>Adjusted net position, beginning of year, as restated</b>	<b>\$1,533,666</b>	<b>\$2,762,993</b>	<b>-\$18,531</b>	<b>\$21,369</b>	<b>\$1,515,135</b>	<b>\$2,784,362</b>	<b>-45.6%</b>
<b>Net position, end of year</b>	<b>\$3,092,559</b>	<b>\$2,951,371</b>	<b>-\$20,149</b>	<b>\$19,349</b>	<b>\$3,072,410</b>	<b>\$2,970,720</b>	<b>3.4%</b>

In fiscal year 2015, property tax and unrestricted state grants account for 65.4% of governmental activities revenue while charges for service and operating grants, contributions and restricted interest accounted for 99.9% of business type activities revenue. The District's total revenues were approximately \$4.5 million, of which approximately \$4.3 million was for governmental activities and less than \$0.2 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 3.6% increase in revenues and a 29% decrease in expenses. Property tax increased \$906,833.

**Governmental Activities**

Revenues for governmental activities were \$4,371,458 and expenses were \$2,812,565 for the year ended June 30, 2015. In a difficult budget year, the District was able to balance the budget by trimming expenses to match available revenues.

The following table presents the total and net cost of the District's major governmental activities, instruction, support services, non-instructional programs and other expenses for the year ended June 30, 2015 compared to the year ended June 30, 2014.

**Figure A-5  
Total and Net Cost of Governmental Activities**

	Total Cost of Services		Change 2014-2015	Net Cost of Services		Change 2014-2015
	2015	2014 (Not restated)		2015	2014 (Not restated)	
Instruction	\$2,279,417	\$2,482,723	-8.2%	\$1,418,776	\$1,722,160	-17.6%
Support services	1,013,057	1,150,783	-12.0%	1,011,002	1,148,365	-11.2%
Non-instructional programs	-	-	-	-	-	-
Other expenses	-479,909	336,094	242.8%	-504,909	336,094	250.2%
<b>Totals</b>	<b>\$2,812,565</b>	<b>\$3,969,600</b>	<b>-29.1%</b>	<b>\$1,924,869</b>	<b>\$3,206,619</b>	<b>-40.0%</b>

For the year ended June 30, 2015:

- The cost financed by users of the District's programs was \$424,563.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$600,260.
- The net cost of governmental activities was financed with \$2,409,224 in property and other taxes and \$988,424 in unrestricted state grants.

**Business Type Activities**

Revenues for business type activities during the year ended June 30, 2015 were \$162,183 representing a 26.3% decrease over the prior year, while expenses totaled \$163,801, a 26.2% decrease over the prior year. The District's business type activities include the School Nutrition and Preschool Funds. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

**INDIVIDUAL FUND ANALYSIS**

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balances of \$3,092,559 well above last year's adjusted ending fund balances of \$1,533,666.

## **Governmental Fund Highlights**

- The General Fund balance decreased from adjusted -\$49,331 to -\$64,853, due in part to the increase in expenditures over the increase in revenue.
- The Capital Projects Fund balance decreased from adjusted \$7,313,017 to \$1,176,464 at June 30, 2015, representing a decrease of approximately 83.9%, primarily due to the use of funds from the \$7,600,000 general obligation bonds.

## **Proprietary Fund Highlights**

School Nutrition Fund net position decreased from -\$18,531 at June 30, 2014 to -\$20,149 at June 30, 2015, representing a decrease of approximately 8.7%. However, the District also reflected the related expenses for the net pension liability, which caused an overall reduction of net position.

## **BUDGETARY HIGHLIGHTS**

Over the course of the year, West Central Community School District amended its budget one time.

The District's revenues were \$44,544 more than budgeted revenues, a variance of 1%. The most significant variance resulted from the District receiving more in federal aid than originally anticipated.

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

In spite of the District's budgetary practice, the certified budget was exceeded in the other expenditures functional area due to the timing of expenditures at year-end without sufficient time to amend the certified budget.

## **Fund Balance vs. Unspent (Unused) Budget Authority**

Unspent budget authority is a unique feature of the Iowa school foundation formula. Iowa public school districts are required to keep track of fund balance and unused budget authority.

Simply stated, fund balance is the balance on the books assuming the District would cease operations at the end of the fiscal year. The following pages within the audit report will state fund balances for the various funds required to operate the District.

The Iowa public school funding formula is a pupil based formula. Each district receives an amount of funding (cash) and the authorization to spend it (authority). Another way to look at authority is to think of it as a credit card limit. Simply stated the budget authority is the number of student's times the formula amount per student. Unspent budget authority is the total authority (credit card limit) minus expenditures for the fiscal year. This "unspent budget authority" amount is carried forward to be included in the total authorized budget or spending authority for the next fiscal year.

Total authorized budget or spending authority is the legal limit an Iowa public school district can spend in a fiscal year. As stated above, this is not the same as cash or fund balance. The State of Iowa has established spending authority to enforce per pupil spending equity across the state. Unspent budget authority gained more importance in 2007 when the Iowa Legislature passed a law allowing the initiation of a Phase II review of public school districts that overspend their budget spending authority for two consecutive years. This review is both a financial viability review as well as a full academic review. At the completion of the review, the School Budget Review committee (SBRC), through the State Board of Education, may order remedies up to and including dissolution of the school district.

Adequate unspent budget authority is critical in management of the District in the event of unforeseen increases or decreases in enrollment as well as unanticipated mid-year across the board reductions in state foundation aid. With approximately 80% of a public school districts expenses directly tied to labor contracts, it is very difficult to make mid-year corrections when state mandated across the board funding reductions are implemented.

The following chart shows the change in Unspent Budget Authority between fiscal years 2014 and 2015.

	<b>Unspent Budget Authority Comparison</b>		
	2014	2015	Change
<b>Budget Revenue</b>			
Maximum General Fund District Cost	\$2,498,637	\$2,504,287	\$5,650
Preschool Foundation Aid	-	60,477	60,477
Instructional Support Fund	149,594	152,976	3,382
Other Miscellaneous Income	372,178	404,088	31,910
Previous Year Unspent Budget Authority	880,746	554,036	-326,710
Maximum Budget Authority	\$3,901,155	\$3,675,864	-\$225,291
<b>Total Expenditures</b>			
	\$3,347,119	\$3,253,153	-\$93,966
End Fiscal Year Unspent Budget Authority	\$554,036	\$422,711	-\$131,325

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2015, the District had invested \$10,048,672, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net increase of 260.3% from last year. More detailed information about the District’s capital assets is presented in Note 4 to the financial statements. Depreciation expense for the year was \$178,490.

The original cost of the District’s capital assets was \$13,656,759. Governmental funds account for \$13,639,942, with the remainder of \$16,817 accounted for in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the construction in process category. The completion of the construction of an addition to the school resulted in the decrease in the construction in process category.

**Figure A-6  
Capital Assets, net of Depreciation**

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30.
	2015	2014	2015	2014	2015	2014	2014-2015
Land	\$62,506	\$62,506	\$-	\$-	\$62,506	\$62,506	-
Construction in process	-	1,788,782	-	-	-	1,788,782	-100%
Buildings	9,428,899	450,529	-	-	9,428,899	450,529	1,992.8%
Improvements other than buildings	103,375	113,710	-	-	103,375	113,710	-9.1%
Furniture and equipment	450,351	368,378	3,541	4,942	453,892	373,320	21.6%
<b>Totals</b>	<b>\$10,045,131</b>	<b>\$2,783,905</b>	<b>\$3,541</b>	<b>\$4,942</b>	<b>\$10,048,672</b>	<b>\$2,788,847</b>	<b>260.3%</b>

## Long-Term Debt

At June 30, 2015, the District had \$6,980,000 in general obligation bonds outstanding. This represents a decrease of 4.3% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

The District continues to carry a general obligation bond rating of Aa3 assigned by national rating agencies to the District's debt. The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's constitutional debt limit is approximately \$13.0 million.

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

	Total District June 30, 2015	Total Change June 30, 2014-2015
General obligation bonds	\$6,980,000	\$7,295,000 -4.3%

## ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Fayette County has advised the District that the District's total taxable valuation will remain about the same for property tax collected in fiscal 2015.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kim Arndt, the District Secretary/Business Manager, West Central Community School District, 305 Pember Street, Maynard, IA 50655.

## **Basic Financial Statements**

West Central Community School District

Statement of Net Position

June 30, 2015

	Govern- mental Activities	Business Type Activities	Total
<b>Assets</b>			
Cash, Cash Equivalents and Pooled Investments	\$ 1,680,067	\$ 23,679	\$ 1,703,746
Receivables:			
Property tax:			
Delinquent	30,382	-	30,382
Succeeding year	2,194,375	-	2,194,375
Income surtax	150,103	-	150,103
Accounts	86,092	449	86,541
Accrued interest	21	-	21
Due from other governments	28,015	-	28,015
Inventories	-	2,668	2,668
Capital assets, net of accumulated depreciation/amortization	10,045,131	3,541	10,048,672
<b>Total Assets</b>	<b>\$ 14,214,186</b>	<b>\$ 30,337</b>	<b>\$ 14,244,523</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	\$ 375,871	\$ 9,866	\$ 385,735
<b>Liabilities</b>			
Bank overdraft	\$ 6,545	\$ 8,264	\$ 14,809
Accounts payable	189,351	-	189,351
Salaries and benefits payable	352,009	6,476	358,485
Unearned revenue	-	2,939	2,939
Accrued interest payable	30,363	-	30,363
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	320,000	-	320,000
Early retirement	21,000	-	21,000
Portion due after one year:			
General obligation bonds	6,660,000	-	6,660,000
Early retirement	15,000	-	15,000
Net pension liability	1,176,875	30,892	1,207,767
Net OPEB liability	83,154	-	83,154
<b>Total Liabilities</b>	<b>\$ 8,854,297</b>	<b>\$ 48,571</b>	<b>\$ 8,902,868</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenue	\$ 2,194,375	\$ -	\$ 2,194,375
Pension related deferred inflows	448,826	11,781	460,607
<b>Total deferred inflows of resources</b>	<b>\$ 2,643,201</b>	<b>\$ 11,781</b>	<b>\$ 2,654,982</b>

West Central Community School District

Statement of Net Position

June 30, 2015

	Govern- mental Activities	Business Type Activities	Total
<b>Net Position</b>			
Net investment in capital assets	\$ 3,065,131	\$ 3,541	\$ 3,068,672
Restricted for:			
Categorical funding	137,741	-	137,741
Debt service	1,147	-	1,147
Capital projects	803,959	-	803,959
Management levy purposes	49,710	-	49,710
Student activities	76,204	-	76,204
Physical plant and equipment	374,505	-	374,505
Unrestricted	-1,415,838	-23,690	-1,439,528
<b>Total Net Position</b>	<b>\$ 3,092,559</b>	<b>\$ -20,149</b>	<b>\$ 3,072,410</b>

See notes to financial statements.

**West Central Community School District**

**Statement of Activities**

**Year Ended June 30, 2015**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
<b><u>Functions/Programs</u></b>				
Governmental Activities:				
Instruction:				
Regular instruction	\$ 1,476,225	\$ 184,660	\$ 435,082	\$ -
Special instruction	299,876	73,214	13,502	-
Other instruction	503,316	94,432	59,751	-
	<u>\$ 2,279,417</u>	<u>\$ 352,306</u>	<u>\$ 508,335</u>	<u>\$ -</u>
Support Services:				
Student services	\$ 26,423	\$ -	\$ 1,240	\$ -
Instructional staff services	119,998	-	-	-
Administration services	437,186	-	-	-
Operation and maintenance of plant services	262,522	-	-	-
Transportation services	166,928	-	815	-
	<u>\$ 1,013,057</u>	<u>\$ -</u>	<u>\$ 2,055</u>	<u>\$ -</u>
Other Expenditures:				
Facilities acquisition	\$ -790,420	\$ -	\$ -	\$ 25,000
Long-term debt interest	187,930	-	-	-
AEA flow-through	122,581	-	-	-
	<u>\$ -479,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,000</u>
<b>Total Governmental Activities</b>	<u>\$ 2,812,565</u>	<u>\$ 352,306</u>	<u>\$ 510,390</u>	<u>\$ 25,000</u>
Business Type Activities:				
Instructional Programs:				
Preschool operations	\$ 23,294	\$ 3,370	\$ 11,660	\$ -
Non-Instruction Programs:				
Food service operations	140,507	68,887	78,210	-
<b>Total Business Type Activities</b>	<u>\$ 163,801</u>	<u>\$ 72,257</u>	<u>\$ 89,870</u>	<u>\$ -</u>
<b>Total</b>	<u>\$ 2,976,366</u>	<u>\$ 424,563</u>	<u>\$ 600,260</u>	<u>\$ 25,000</u>

See notes to financial statements.

Net (Expense) Revenue  
And Changes in Net Position

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Governmental Activities	Business Type Activities	Total
\$ -856,483	\$ -	\$ -856,483
-213,160	-	-213,160
-349,133	-	-349,133
\$ -1,418,776	\$ -	\$ -1,418,776
\$ -25,183	\$ -	\$ -25,183
-119,998	-	-119,998
-437,186	-	-437,186
-262,522	-	-262,522
-166,113	-	-166,113
\$ -1,011,002	\$ -	\$ -1,011,002
\$ 815,420	\$ -	\$ 815,420
-187,930	-	-187,930
-122,581	-	-122,581
\$ 504,909	\$ -	\$ 504,909
\$ -1,924,869	\$ -	\$ -1,924,869
\$ -	\$ -8,264	\$ -8,264
-	6,590	6,590
\$ -	\$ -1,674	\$ -1,674
\$ -1,924,869	\$ -1,674	\$ -1,926,543

West Central Community School District

Statement of Activities

Year Ended June 30, 2015

	Program Revenues		
	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
	Expenses		
<b>General Revenues:</b>			
Property Tax Levied For:			
General purposes			
Capital outlay			
Debt service			
Income surtax			
Statewide sales, services and use tax			
Unrestricted state grants			
Unrestricted investment earnings			
Other			
Total General Revenues			
Change in net position			
Net position beginning of year, as restated			
Prior period adjustment			
Adjusted net position beginning of year, as restated			
Net Position End of Year			

See notes to financial statements.

Net (Expense) Revenue  
And Changes in Net Position

---

	Governmental Activities	Business Type Activities		Total
\$	1,365,190	-	\$	1,365,190
	111,386	-		111,386
	500,564	-		500,564
	168,342	-		168,342
	263,742	-		263,742
	988,424	-		988,424
	12,061	56		12,117
	74,053	-		74,053
<hr/>				
\$	3,483,762	56	\$	3,483,818
<hr/>				
\$	1,558,893	-1,618	\$	1,557,275
<hr/>				
\$	1,508,247	-18,531	\$	1,489,716
	25,419	-		25,419
<hr/>				
\$	1,533,666	-18,531	\$	1,515,135
<hr/>				
\$	3,092,559	-20,149	\$	3,072,410

West Central Community School District

Balance Sheet  
Governmental Funds

June 30, 2015

	General	Debt Service	Capital Projects	Non-Major Funds	Total
<b>Assets</b>					
Cash, Cash Equivalents and Pooled Investments	\$ 240,895	\$ -	\$ 1,276,174	\$ 162,998	\$ 1,680,067
Receivables:					
Property Tax:					
Delinquent	20,978	7,692	1,712	-	30,382
Succeeding year	1,490,427	502,681	131,268	69,999	2,194,375
Income surtax	105,072	-	45,031	-	150,103
Accounts	45,067	-	41,025	-	86,092
Accrued interest	-	-	-	21	21
Due from other governments	28,015	-	-	-	28,015
<b>Total assets</b>	<b>\$ 1,930,454</b>	<b>\$ 510,373</b>	<b>\$ 1,495,210</b>	<b>\$ 233,018</b>	<b>\$ 4,169,055</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities:</b>					
Bank overdrafts	\$ -	\$ 6,545	\$ -	\$ -	\$ 6,545
Accounts payable	47,799	-	140,447	1,105	189,351
Salaries and benefits payable	352,009	-	-	-	352,009
Total liabilities	\$ 399,808	\$ 6,545	\$ 140,447	\$ 1,105	\$ 547,905
<b>Deferred inflows of resources:</b>					
<b>Unavailable revenues:</b>					
Succeeding year property tax	\$ 1,490,427	\$ 502,681	\$ 131,268	\$ 69,999	\$ 2,194,375
Other	105,072	-	45,031	-	150,103
Total deferred inflows of resources	\$ 1,595,499	\$ 502,681	\$ 176,299	\$ 69,999	\$ 2,344,478
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Categorical funding	\$ 137,741	\$ -	\$ -	\$ -	\$ 137,741
Debt service	-	1,147	-	-	1,147
Management levy purposes	-	-	-	85,710	85,710
Student activities	-	-	-	76,204	76,204
School infrastructure	-	-	803,959	-	803,959
Physical plant and equipment	-	-	374,505	-	374,505
Unassigned	-202,594	-	-	-	-202,594
Total fund balances	\$ -64,853	\$ 1,147	\$ 1,178,464	\$ 161,914	\$ 1,276,672
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,930,454</b>	<b>\$ 510,373</b>	<b>\$ 1,495,210</b>	<b>\$ 233,018</b>	<b>\$ 4,169,055</b>

See notes to financial statements.

West Central Community School District

Reconciliation of the Balance Sheet – Governmental Funds  
To the Statement of Net Position

June 30, 2015

<b>Total fund balances of governmental funds (page 19)</b>	\$	1,276,672
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds		10,045,131
Other long-term assets, including income surtax receivable, are not available to pay current year expenditures and, therefore are recognized as deferred inflows of resources in the governmental funds.		150,103
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds		-30,363
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	\$	375,871
Deferred inflows of resources		-448,826
		-72,955
Long-term liabilities, including bonds payable, early retirement, other postemployment benefits payable and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		-8,276,029
<b>Net position of governmental activities (page 16)</b>	<b>\$</b>	<b>3,092,559</b>

West Central Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year Ended June 30, 2015

	General	Capital Projects	Debt Service	Non-Major Funds	Total
<b>Revenues:</b>					
<b>Local Sources:</b>					
Local tax	\$ 1,464,305	\$ 153,864	\$ 500,564	\$ -	\$ 2,118,733
Tuition	253,545	-	-	-	253,545
Other	22,380	67,368	35	95,091	184,874
Intermediate sources	-	-	-	-	-
State sources	1,401,599	263,999	1,156	-	1,666,754
Federal sources	95,802	25,000	-	-	120,802
<b>Total Revenues</b>	<b>\$ 3,237,631</b>	<b>\$ 510,231</b>	<b>\$ 501,755</b>	<b>\$ 95,091</b>	<b>\$ 4,344,708</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular instruction	\$ 1,465,429	\$ -	\$ -	\$ 47,401	\$ 1,512,830
Special instruction	319,979	-	-	-	319,979
Other instruction	435,484	-	-	86,096	521,580
	<b>\$ 2,220,892</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 133,497</b>	<b>\$ 2,354,389</b>
<b>Support Services:</b>					
Student services	\$ 26,861	\$ -	\$ -	\$ -	\$ 26,861
Instructional staff services	92,824	52,214	-	20,676	165,714
Administration services	463,834	1,073	-	-	464,907
Operation and maintenance of plant services	203,647	-	-	52,033	255,680
Transportation services	122,514	77,899	-	9,313	209,726
	<b>\$ 909,680</b>	<b>\$ 131,186</b>	<b>\$ -</b>	<b>\$ 82,022</b>	<b>\$ 1,122,888</b>
<b>Other Expenditures:</b>					
Facilities acquisition	\$ -	\$ 6,513,598	\$ -	\$ -	\$ 6,513,598
Principal	-	-	315,000	-	315,000
Interest and fiscal charges	-	-	188,980	-	188,980
AEA flow-through	122,581	-	-	-	122,581
	<b>\$ 122,581</b>	<b>\$ 6,513,598</b>	<b>\$ 503,980</b>	<b>\$ -</b>	<b>\$ 7,140,159</b>
<b>Total Expenditures</b>	<b>\$ 3,253,153</b>	<b>\$ 6,644,784</b>	<b>\$ 503,980</b>	<b>\$ 215,519</b>	<b>\$ 10,617,436</b>
Excess (deficiency) of revenues over (under) expenditures	\$ -15,522	\$ -6,134,553	\$ -2,225	\$ -120,428	\$ -6,272,728
Fund balances beginning of year	\$ -51,250	\$ 7,289,517	\$ 3,372	\$ 282,342	\$ 7,523,981
Prior period adjustment	1,919	23,500	-	-	25,419
Adjusted Fund Balance beginning of year	\$ -49,331	\$ 7,313,017	\$ 3,372	\$ 282,342	\$ 7,549,400
Fund Balance, End of Year	\$ -64,853	\$ 1,178,464	\$ 1,147	\$ 161,914	\$ 1,276,672

West Central 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

Changes in fund balances – total governmental funds (page 21) \$ -6,272,728

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

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

Expenditures for capital assets	\$ 7,438,315	
Depreciation/amortization expense	<u>-177,089</u>	7,261,226

Income surtax revenue not received for several months after year end is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds. 26,750

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 repayments, are as follows:

Repaid 315,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 1,050

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 176,767

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

Early retirement	\$ 48,988	
Pension expense	16,527	
Other postemployment benefits	<u>-14,687</u>	50,828

Change in Net Position of Governmental Activities (page 18) \$ 1,558,893

## West Central Community School District

Statement of Net Position  
Proprietary Funds

June 30, 2015

	Non-Major Preschool	School Nutrition	Total
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ -	\$ 23,679	\$ 23,679
Accounts receivable	-	449	449
Inventories	-	2,668	2,668
Total current assets	\$ -	\$ 26,796	\$ 26,796
<b>Non-Current Assets:</b>			
Capital assets, net of accumulated depreciation	\$ -	\$ 3,541	\$ 3,541
<b>Total Assets</b>	\$ -	\$ 30,337	\$ 30,337
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	\$ -	\$ 9,866	\$ 9,866
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank overdrafts	\$ 8,264	\$ -	\$ 8,264
Salaries and benefits payable	-	6,476	6,476
Unearned revenue	-	2,939	2,939
Total current liabilities	\$ 8,264	\$ 9,415	\$ 17,679
<b>Non-Current Liabilities:</b>			
Net pension liability	\$ -	\$ 30,892	\$ 30,892
<b>Total Liabilities</b>	\$ 8,264	\$ 40,307	\$ 48,571
<b>Deferred Inflows of Resources</b>			
Pension related deferred inflows	\$ -	\$ 11,781	\$ 11,781
<b>Net Position</b>			
Net investment in capital assets	\$ -	\$ 3,541	\$ 3,541
Unrestricted	-8,264	-15,426	-23,690
<b>Total Net Position</b>	\$ -8,264	\$ -11,885	\$ -20,149

See notes to financial statements.

**West Central Community School District**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended June 30, 2015**

	Non-Major Preschool	School Nutrition	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 3,370	\$ 68,887	\$ 72,257
Operating expenses:			
Instructional programs:			
Preschool operations:			
Salaries	\$ 18,181	\$ -	\$ 18,181
Benefits	5,113	-	5,113
Total operating expenses	\$ 23,294	\$ -	\$ 23,294
Non-instructional programs:			
Food service operations:			
Salaries	\$ -	\$ 44,582	\$ 44,582
Benefits	-	2,378	2,378
Purchased services	-	577	577
Supplies	-	91,399	91,399
Depreciation	-	1,401	1,401
Other	-	170	170
Total operating expenses	\$ -	\$ 140,507	\$ 140,507
Total Expenses	\$ 23,294	\$ 140,507	\$ 163,801
Operating loss	\$ -19,924	\$ -71,620	\$ -91,544
Non-operating revenues:			
State sources	\$ 11,660	\$ 1,245	\$ 12,905
Federal sources	-	76,965	76,965
Interest income	-	56	56
Total non-operating revenues	\$ 11,660	\$ 78,266	\$ 89,926
Change in net position	\$ -8,264	\$ 6,646	\$ -1,618
Net position beginning of year, as restated	-	-18,531	-18,531
Net Position End of Year	\$ -8,264	\$ -11,885	\$ -20,149

See notes to financial statements.

## West Central Community School District

Statement of Cash Flows  
Proprietary Funds

Year Ended June 30, 2015

	Preschool	School Nutrition
Cash flows from operating activities:		
Cash received from preschool fees	\$ 3,370	\$ -
Cash received from sale of lunches and breakfasts	-	68,891
Cash paid to employees for services	-23,294	-51,782
Cash paid to suppliers for goods or services	-	-79,038
Net cash used by operating activities	<u>\$ -19,924</u>	<u>\$ -61,929</u>
Cash flows from non-capital financing activities:		
State grants received	\$ 11,660	\$ 1,245
Federal grants received	-	64,920
Net cash provided by non-capital financing activities	<u>\$ 11,660</u>	<u>\$ 66,165</u>
Cash flows from investing activities:		
Interest on investments	\$ -	\$ 56
Net increase (decrease) in cash and cash equivalents	\$ -8,246	\$ 4,292
Cash and cash equivalents beginning of year	-	19,387
Cash and Cash Equivalents End of Year	<u>\$ -8,264</u>	<u>\$ 23,679</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>		
Operating loss	\$ -19,924	\$ -71,620
Adjustments to reconcile operating loss to net cash used by operating activities:		
Commodities used	-	12,099
Depreciation	-	1,401
Decrease in inventories	-	1,023
(Increase) in accounts receivable	-	-180
Increase in salaries and benefits payable	-	252
Increase in unearned revenue	-	169
(Increase) in deferred outflows of resources	-	-5,314
Increase in deferred inflows of resources	-	11,781
(Decrease) in net pension liability	-	-11,540
Net Cash Used by Operating Activities	<u>\$ -19,924</u>	<u>\$ -61,929</u>

**Non-cash investing, capital and related financing activities:**

During the year ended June 30, 2015, the District received \$12,099 of federal commodities.

See notes to financial statements.

West Central Community School District

Statement of Fiduciary Net Position  
Fiduciary Funds

June 30, 2015

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Cash, cash equivalents and pooled investments	\$ 22,442	\$ 253
Accrued interest receivable	201	-
<b>Total Assets</b>	<b>\$ 22,643</b>	<b>\$ 253</b>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 253
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 253</b>
<b>Net Position</b>		
Reserved for scholarships	\$ 22,643	\$ -

See notes to financial statements.

**West Central Community School District**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**Year Ended June 30, 2015**

	Private Purpose Trust Scholarship
Additions:	
Local sources:	
Gifts and contributions	\$ 5,608
Interest income	109
Total additions	\$ 5,717
Deductions	
Support services:	
Supplies/Scholarships	\$ 8,958
Change in net position	\$ -3,241
Net position beginning of year	25,884
Net Position End of Year	\$ 22,643

See notes to financial statements.

## West Central Community School District

### Notes to Financial Statements

June 30, 2015

#### (1) Summary of Significant Accounting Policies

West Central Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the Cities of Maynard, Westgate and Randalia, Iowa and portions of the predominately agricultural territories in Fayette County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

##### A. Reporting Entity

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

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

##### B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund 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 non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

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

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

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

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

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental funds:

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

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

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

The District reports the following major proprietary fund:

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

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

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

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

#### C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most District funds are pooled and invested. Investments are stated at fair value.

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½ % per month penalty for delinquent payments; is based on January 1, 2013 assessed property valuations; is for the tax accrual period July 1, 2014 through June 30, 2015 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2014.

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

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

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

Asset Class	Amount
Land	\$ 2,000
Buildings	10,000
Improvements other than buildings	10,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Improvements other than buildings	20 – 50 years
Furniture and equipment	5 – 15 years

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

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

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

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

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

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources 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 receivable that will not be recognized until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

During the year ended June 30, 2015, expenditures exceeded the amounts budgeted in the other expenditures function.

(2) **Cash, Cash Equivalents and Pooled Investments**

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

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

Interest Rate Risk - The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District.

**(3) Inter-fund Transfers**

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

Transfer to	Transfer from	Amount
Capital Projects – Other	Capital Projects – Statewide Sales, Services and Use Tax	\$ 200,000
		\$ 200,000

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

**(4) Capital Assets**

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

	Balance Beginning Of Year	Increases	Decreases	Balance End Of Year
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 62,506	\$ -	\$ -	\$ 62,506
Construction in process	1,788,782	-	1,788,782	-
Total capital assets not being depreciated	\$ 1,851,288	\$ -	\$ 1,788,782	\$ 62,506
Capital assets being depreciated:				
Buildings	\$ 1,706,376	\$ 9,024,414	\$ -	\$ 10,730,790
Improvements other than buildings	176,950	-	-	176,950
Furniture and equipment	2,467,013	202,683	-	2,669,696
Total capital assets being depreciated	\$ 4,350,339	\$ 9,227,097	\$ -	\$ 13,577,436
Less accumulated depreciation for:				
Buildings	\$ 1,255,847	\$ 46,044	\$ -	\$ 1,301,891
Improvements other than buildings	63,240	10,335	-	73,575
Furniture and equipment	2,098,635	120,710	-	2,219,345
Total accumulated depreciation	\$ 3,417,722	\$ 177,089	\$ -	\$ 3,594,811
Total capital assets being depreciated, net	\$ 932,617	\$ 9,050,008	\$ -	\$ 9,982,625
Governmental Activities Capital Assets, Net	\$ 2,783,905	\$ 9,050,008	\$ 1,788,782	\$ 10,045,131

	Balance Beginning Of Year	Increases	Decreases	Balance End Of Year
<b>Business type activities:</b>				
Furniture and equipment	\$ 16,817	\$ -	\$ -	\$ 16,817
Less accumulated depreciation	11,875	1,401	-	13,276
Business Type Activities Capital Assets, Net	\$ 4,942	\$ 1,401	\$ -	\$ 3,541

Depreciation expense was charged to the following functions:

Governmental Activities:

Instruction:

Regular	\$	109,203
Other		4,476

Support services:

Instructional support		8,044
Administration		3,696
Operation and maintenance of plant		12,123
Transportation		39,547

Total Depreciation Expense – Governmental Activities	\$	<u>177,089</u>
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Business Type Activities:

Food service operations	\$	<u>1,401</u>
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(5) Long-term Liabilities

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

	Balance Beginning Of Year	Additions	Reductions	Balance End Of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 7,295,000	\$ -	\$ 315,000	\$ 6,980,000	\$ 320,000
Early retirement	84,988	-	48,988	36,000	21,000
Net OPEB liability	68,467	14,687	-	83,154	-
Net pension liability	1,616,526	-	439,651	1,176,875	-
Total	<u>\$ 9,064,981</u>	<u>\$ 14,687</u>	<u>\$ 803,639</u>	<u>\$ 8,276,029</u>	<u>\$ 341,000</u>
Business type activities:					
Net pension liability	\$ 42,432	\$ -	\$ 11,540	\$ 30,892	\$ -
Total	<u>\$ 42,432</u>	<u>\$ -</u>	<u>\$ 11,540</u>	<u>\$ 30,892</u>	<u>\$ -</u>

Early Retirement

The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age fifty and employees must have completed twenty 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 benefits paid during the year ended June 30, 2015 totaled \$48,988.

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 June 25, 2013			
	Interest Rate	Principal	Interest	Total
2016	2.00%	\$ 320,000	\$ 182,180	\$ 502,180
2017	2.00%	325,000	175,780	500,780
2018	2.00%	330,000	169,280	499,280
2019	2.00%	340,000	162,680	502,680
2020	2.00%	345,000	155,880	500,880
2021	2.00%	355,000	148,980	503,980
2022	2.00%	360,000	141,880	501,880
2023	2.00%	365,000	134,680	499,680
2024	2.25%	375,000	127,380	502,380
2025	2.50%	380,000	118,943	498,943
2026	2.75%	390,000	109,442	499,442
2027	3.00%	405,000	98,718	503,718
2028	3.00%	415,000	86,567	501,567
2029	3.00%	425,000	74,118	499,118
2030	3.15%	440,000	61,367	501,367
2031	3.25%	455,000	47,508	502,508
2032	3.35%	470,000	32,720	502,720
2033	3.50%	485,000	16,975	501,975
		<u>\$ 6,980,000</u>	<u>\$ 2,045,078</u>	<u>\$ 9,025,078</u>

During the year ended June 30, 2015, the District made principal and interest payments totaling \$503,480 under the agreement.

**(6) Pension Plan**

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

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

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

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

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2015 were \$176,767.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the District reported a liability of \$1,207,767 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's collective proportion was 0.029843 percent, which was an increase of 0.00543 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015 the District recognized pension expense of \$96,184. 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	\$ 13,126	\$ -
Changes of assumptions	53,301	-
Net difference between projected and actual earnings on pension plan investments	-	460,607
Changes in proportion and differences between District contributions and proportionate share of contributions	24,764	-
District contributions subsequent to the measurement date	294,546	-
<b>Total</b>	<b>\$ 385,737</b>	<b>\$ 460,607</b>

\$176,767 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	\$ 136,458
2017	136,458
2018	135,458
2019	135,458
2020	5,966
Total	<u>\$ 551,798</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 measurement:

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

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

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

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

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

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

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

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District’s proportionate share of the net pension liability	\$2,282,041	\$1,207,767	\$300,968

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 in IPERS’ website at [www.ipers.org](http://www.ipers.org).

Payables to the Pension Plan – At June 30, 2015, the District reported no payables to the defined benefit pension plan for legally required employer contributions and for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

**(7) Other Postemployment Benefits (OPEB)**

Plan description – The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 24 active members in the plan. Retired participants must be age 55 or older at retirement.

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

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

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

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

Annual required contribution	\$ 32,165
Interest on net OPEB obligation	1,712
Adjustment to annual required contribution	<u>-6,249</u>
Annual OPEB cost	\$ 27,628
Contributions made	<u>-12,941</u>
Increase in net OPEB obligation	\$ 14,687
Net OPEB obligation beginning of year	<u>68,467</u>
Net OPEB obligation end of year	<u>\$ 83,154</u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2012. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the District contributed \$122,036 to the medical plan. Plan members eligible for benefits contributed \$169,582, or 58.2% of the premium costs.

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

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$15,213	24.7%	\$11,459
June 30, 2011	\$16,212	17.7%	\$23,758
June 30, 2012	\$17,552	7.6%	\$39,009
June 30, 2013	\$26,641	28.7%	\$53,992
June 30, 2014	\$29,346	34.5%	\$68,467
June 30, 2015	\$32,165	40.2%	\$83,154

Funded Status and Funding Progress – As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$114,669, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$114,669. The covered payroll (annual payroll of active employees covered by the plan) was \$1,330,817 and the ratio of the UAAL to covered payroll was 8.6%. As of June 30, 2015, there were no trust fund assets.

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

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

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

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2011 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2011.

Projected claim costs of the medical plan are \$414.21 per month for retirees less than age 65. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

**(8) Risk Management**

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

**(9) Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$122,581 for the year ended June 30, 2015 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**(10) Categorical Funding**

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

<u>Program</u>	<u>Amount</u>
Home School Assistance Program	\$ 3,177
Gifted and Talented	47,451
At Risk Programs	11,422
Beginning Teacher Mentoring	1,732
Teacher Salary Supplement	4,507
Core Curriculum	25,893
Professional Development	14,555
Market Factor	1,925
Early Literacy	23,413
Teacher Leadership	3,666
Total	<u>\$ 137,741</u>

**(11) Subsequent Events**

The District has evaluated subsequent events through February 9, 2016 which is the date that the financial statement were available to be issued.

**(12) Construction Commitments**

At October 14, 2013 board meeting, the District entered into a contract for \$8,471,000 for the construction of a school addition which will be primarily financed by the \$7,600,000 general obligation bonds issued June 25, 2013. At June 30, 2015, the balance of \$855,869 is to be paid as a retainer on the project.

**(12) Deficit Balances**

The General Fund had a \$64,853 deficit balance, and the Enterprise Preschool Fund had a \$8,264 deficit balance at June 30, 2015.

**(13) Prior Period Adjustments**

The General Fund had a \$1,919 prior period adjustment for prior year expenses. The Capital Projects – Statewide Sales, Services and Use Tax had a \$23,500 adjustment for the Fire Safety Grant expenses.

(14) Accounting Change/Restatement

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB No. 27 was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by Governmental Accounting Standards Board Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Beginning net position for governmental and business type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	Business Type Activities
Net position June 30, 2014, as previously reported	\$ 2,951,371	\$ 19,349
Net pension liability at June 30, 2014	-1,616,526	-42,432
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	173,402	4,552
Net position July 1, 2014, as restated	<u>\$ 1,508,247</u>	<u>\$ -18,531</u>

**Required Supplementary Information**

**West Central Community School District**

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

**Required Supplementary Information**

**Year Ended June 30, 2015**

	<u>Governmental Funds Actual</u>	<u>Proprietary Funds Actual</u>
Receipts:		
Local sources	\$ 2,557,152	\$ 72,313
Intermediate sources	-	-
State sources	1,666,754	12,905
Federal sources	120,802	76,965
Total Receipts	<u>\$ 4,344,708</u>	<u>\$ 162,183</u>
Disbursements:		
Instruction	\$ 2,354,389	\$ 23,294
Support services	1,122,888	-
Non-instructional programs	-	140,507
Other expenditures	7,140,159	-
Total Disbursements	<u>\$ 10,617,436</u>	<u>\$ 163,801</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	<u>\$ -6,272,728</u>	<u>\$ -1,618</u>
Balances beginning of year	\$ 7,523,981	\$ 19,349
Prior period adjustment	25,419	-37,880
Adjusted beginning fund balances	<u>\$ 7,549,400</u>	<u>\$ -18,531</u>
Balances End of Year	<u>\$ 1,276,672</u>	<u>\$ -20,149</u>

See accompanying independent auditor's report.

	Total Actual	Budgeted Amounts		Final to Actual Variance
		Original	Final	
\$	2,629,465	\$ 2,764,987	\$ 2,764,987	\$ -135,522
	-	-	-	-
	1,679,659	1,578,360	1,578,360	101,299
	197,767	119,000	119,000	78,767
\$	4,506,891	\$ 4,462,347	\$ 4,462,347	\$ 44,544
\$	2,377,683	\$ 2,523,147	\$ 2,523,147	\$ 145,464
	1,122,888	1,149,000	1,349,000	226,112
	140,507	192,574	192,574	52,067
	7,140,159	6,137,265	5,937,265	-1,202,894
\$	10,781,237	\$ 10,001,986	\$ 10,001,986	\$ -779,251
\$	-6,274,346	\$ -5,539,639	\$ -5,539,639	\$ -734,707
\$	7,543,330	\$ 7,003,197	\$ 7,003,197	\$ 540,133
	-12,461	-	-	-12,461
\$	7,530,869	\$ 7,003,197	\$ 7,003,197	\$ 527,672
\$	1,256,523	\$ 1,463,558	\$ 1,463,558	\$ -207,035

**West Central 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 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 reclassifying budgeted expenditures by \$200,000.

During the year ended June 30, 2015, expenditures in the other expenditures function exceeded the amount budgeted.

**West Central Community School District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**

**Iowa Public Employees' Retirement System**  
**Last Fiscal Year\***

**Required Supplementary Information**

	2015
District's proportion of the net pension liability	0.029843%
District's proportionate share of the net pension liability	\$ 1,207,767
District's covered-employee payroll	\$ 1,979,474
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	61.01%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

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

See accompanying independent auditor's report.

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

**West Central Community School District**

**Schedule of District Contributions**

**Iowa Public Employees' Retirement System  
Last 10 Fiscal Years**

**Required Supplementary Information**

	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 176,767	\$ 176,316	\$ 163,426	\$ 147,552	\$ 121,244
Contributions in relation to the statutorily required contribution	-176,767	-176,316	-163,426	-147,552	-121,244
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,979,474	\$ 1,974,423	\$ 1,884,960	\$ 1,828,401	\$ 1,744,518
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%

See accompanying independent auditor's report.

	2010	2009	2008	2007	2006
\$	118,597	\$ 104,399	\$ 95,294	\$ 96,971	\$ 102,070
	-118,597	-104,399	-95,294	-96,971	-102,070
\$	-	\$ -	\$ -	\$ -	\$ -
\$	1,783,414	\$ 1,644,079	\$ 1,575,107	\$ 1,686,452	\$ 1,775,130
	6.65%	6.35%	6.05%	5.75%	5.75%

**West Central Community School District**

**Notes to Required Supplementary Information – Pension Liability**

**Year ended June 30, 2015**

Changes of benefit terms:

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

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

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

Changes of assumptions:

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

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

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

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

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

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.

**West Central Community School District**

**Schedule of Funding Progress for the  
Retiree Health Plan  
(In Thousands)**

**Required Supplementary Information**

**June 30, 2015**

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
2010	July 1, 2009	\$-	\$116	\$116	0.0%	\$1,380	8.0%
2011	July 1, 2009	\$-	\$109	\$109	0.0%	\$1,190	10.9%
2012	July 1, 2009	\$-	\$100	\$100	0.0%	\$1,225	12.2%
2013	July 1, 2012	\$-	\$126	\$126	0.0%	\$1,166	10.8%
2014	July 1, 2012	\$-	\$115	\$115	0.0%	\$1,304	8.8%
2015	July 1, 2012	\$-	\$115	\$115	0.0%	\$1,331	8.6%

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

## Supplementary Information

## West Central Community School District

Combining Balance Sheet  
Non-Major Governmental Funds

June 30, 2015

	Special Revenue		Total
	Student Activity	Management Levy	
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 76,582	\$ 86,416	\$ 162,998
Receivables:			
Property tax:			
Succeeding year	-	69,999	69,999
Accrued interest	-	21	21
<b>Total Assets</b>	<b>\$ 76,582</b>	<b>\$ 156,436</b>	<b>\$ 233,018</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 378	\$ 727	\$ 1,105
Total liabilities	\$ 378	\$ 727	\$ 1,105
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	\$ -	\$ 69,999	\$ 69,999
Total deferred inflows of resources	\$ -	\$ 69,999	\$ 69,999
Fund Balances:			
Restricted for:			
Management levy purposes	\$ -	\$ 85,710	\$ 85,710
Student activities	76,204	-	76,204
Total fund balances	\$ 76,204	\$ 85,710	\$ 161,914
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 76,582</b>	<b>\$ 156,436</b>	<b>\$ 233,018</b>

See accompanying independent auditor's report.

## West Central Community School District

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Non-Major Governmental Funds

Year Ended June 30, 2015

	Special Revenue		
	Student Activity	Management	Total
Revenues:			
Local Sources:			
Other	\$ 90,375	\$ 4,716	\$ 95,091
Total Revenues	\$ 90,375	\$ 4,716	\$ 95,091
Expenditures:			
Current:			
Instruction:			
Regular instruction	\$ -	\$ 47,401	\$ 47,401
Other instruction	86,096	-	86,096
Support Services:			
Instructional staff services	-	20,676	20,676
Operation and maintenance of plant services	399	51,634	52,033
Transportation services	-	9,313	9,313
Total Expenditures	\$ 86,495	\$ 129,024	\$ 215,519
Excess (deficiency) of revenues over (under) expenditures	\$ 3,880	\$ -124,308	\$ -120,428
Fund balances beginning of year	72,324	210,018	282,342
Fund Balances End of Year	\$ 76,204	\$ 85,710	\$ 161,914

See accompanying independent auditor's report.

West Central Community School District

Combining Balance Sheet  
Capital Project Accounts

June 30, 2015

	Capital Projects			
	Other Capital Projects	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 241,632	\$ 660,754	\$ 373,788	\$ 1,276,174
Receivables:				
Property tax:				
Delinquent	-	-	1,712	1,712
Succeeding year	-	-	131,268	131,268
Accounts	-	41,025	-	41,025
Due from other governments	-	-	45,031	45,031
<b>Total Assets</b>	<b>\$ 241,632</b>	<b>\$ 701,779</b>	<b>\$ 551,799</b>	<b>\$ 1,495,210</b>
<b>Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 139,452	\$ -	\$ 995	\$ 140,447
Total Liabilities	\$ 139,452	\$ -	\$ 995	\$ 140,447
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	\$ -	\$ -	\$ 131,268	\$ 131,268
Other	-	-	45,031	45,031
Total deferred inflows of resources	\$ -	\$ -	\$ 176,299	\$ 176,299
Fund Balances:				
Restricted for:				
School infrastructure	\$ 102,180	\$ 701,779	\$ -	\$ 803,959
Physical plant and equipment	-	-	374,505	374,505
Total fund balances	\$ 102,180	\$ 701,779	\$ 374,505	\$ 1,178,464
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 241,632</b>	<b>\$ 701,779</b>	<b>\$ 551,799</b>	<b>\$ 1,495,210</b>

See accompanying independent auditor's report.

## West Central Community School District

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Capital Project Accounts

Year Ended June 30, 2015

	Capital Projects			Total
	Other Capital Projects	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	
Revenues:				
Local Sources:				
Local tax	\$ -	\$ -	\$ 153,864	\$ 153,864
Other	9,616	2,728	55,024	67,368
State sources	-	263,742	257	263,999
Federal sources	-	25,000	-	25,000
Total Revenues	\$ 9,616	\$ 291,470	\$ 209,145	\$ 510,231
Expenditures:				
Support Services:				
Instructional staff services	\$ -	\$ -	\$ 52,214	\$ 52,214
Administration services	1,073	-	-	1,073
Transportation service	-	-	77,899	77,899
Other Expenditures:				
Facilities acquisition	6,389,065	41,074	83,459	6,513,598
Total Expenditures	\$ 6,390,138	\$ 41,074	\$ 213,572	\$ 6,644,784
Excess (deficiency) of revenues over (under) expenditures	\$ -6,380,522	\$ 250,396	\$ -4,427	\$ -6,134,553
Other Financing Sources (Uses):				
Operating transfers in (out)	200,000	-200,000	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -6,180,522	\$ 50,396	\$ -4,427	\$ -6,134,553
Fund balances beginning of year	\$ 6,282,702	\$ 627,883	\$ 378,932	\$ 7,289,517
Prior period adjustment	-	23,500	-	23,500
Adjusted fund balances beginning of year	\$ 6,282,702	\$ 651,383	\$ 378,932	\$ 7,313,017
Fund Balances End of Year	\$ 102,180	\$ 701,779	\$ 374,505	\$ 1,178,464

See accompanying independent auditor's report.

## West Central Community School District

## Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year Ended June 30, 2015

Account	Balance Beginning Of Year	Revenues and Inter-fund Transfers	Expenditures	Adjustments and Intra-Fund Transfers	Balance End of Year
Yearbook	\$ 6,736	\$ 4,908	\$ 4,261	\$ -	\$ 7,383
Student Council	2,260	594	210	-	2,644
Industrial Arts Club	870	1,789	1,602	-	1,057
Spanish Club	3,352	59	-	-	3,411
Senior Class	825	-	2,426	2,597	996
Junior Class	3,423	2,178	1,755	793	4,639
Sophomore Class	4,215	16	-	-2,538	1,693
Freshman Class	1,679	110	-	-479	1,310
8 <sup>th</sup> Grade	1,198	94	-	-156	1,136
7 <sup>th</sup> Grade	1,041	204	-	-632	613
6 <sup>th</sup> Grade	409	833	-	-409	833
Dramatics	706	1,837	850	-	1,693
Vocal Music	6,157	8,486	10,146	-	4,497
Instrumental Music	1,082	8,984	8,420	-	1,646
Athletics/Cheerleaders	6,460	24,945	26,148	-	5,257
Musical/Concert	3,387	1,579	1,713	-	3,253
Resale	15	6,020	5,148	-	887
Student Sales	-	3,649	3,649	-	-
School Store	2,925	3,121	2,871	-	3,175
Nice	14,453	5,806	3,034	-	17,225
Volleyball	2,016	1,068	1,186	-	1,898
Administrative	132	334	967	824	323
Golf	576	-	-	-	576
Boys Basketball	1,647	3,174	1,429	-	3,392
Football	3,585	5,768	6,156	-	3,197
Girls Basketball	341	1,937	942	-	1,336
Softball	430	1,643	1,704	-	369
FCS Bakery	270	-	-	-	270
Track	651	1,239	1,878	-	12
Employability	1,483	-	-	-	1,483
<b>Total</b>	<b>\$ 72,324</b>	<b>\$ 90,375</b>	<b>\$ 86,495</b>	<b>\$ -</b>	<b>\$ 76,204</b>

See accompanying independent auditor's report.

## West Central Community School District

**Combining Balance Sheet  
Private Purpose Trusts  
Scholarships**

**June 30, 2015**

	Foundation Trust	At Risk	Scholarship	Totals
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 2,985	\$ 1,957	\$ 1,500	\$ 6,442
Investments	-	-	16,000	16,000
Accrued interest receivable	-	-	201	201
<b>Total assets</b>	<b>\$ 2,985</b>	<b>\$ 1,957</b>	<b>\$ 17,701</b>	<b>\$ 22,643</b>
<b>Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund Balances</b>				
Reserved for scholarships	\$ 2,985	\$ 1,957	\$ 17,701	\$ 22,643
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,985</b>	<b>\$ 1,957</b>	<b>\$ 17,701</b>	<b>\$ 22,643</b>

See accompanying independent auditor's report.

## West Central Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Private Purpose Trusts  
Scholarships

Year Ended June 30, 2015

	Foundation Trust	At Risk	Scholarship	Total
Revenues:				
Local Sources:				
Interest on investments	\$ 7	\$ -	\$ 102	\$ 109
Contributions/Other	360	1,248	4,000	5,608
Total Revenues	\$ 367	\$ 1,248	\$ 4,102	\$ 5,717
Expenditures:				
Instruction:				
Regular Instruction:				
Supplies/Scholarships	\$ -	\$ 458	\$ 8,500	\$ 8,958
Total Expenditures	\$ -	\$ 458	\$ 8,500	\$ 8,958
Excess (deficiency) of revenues over (under) expenditures	\$ 367	\$ 790	\$ -4,398	\$ -3,241
Fund balances beginning of year	2,618	1,167	22,099	25,884
Fund Balances End of Year	\$ 2,985	\$ 1,957	\$ 17,701	\$ 22,643

See accompanying independent auditor's report.

West Central Community School District

Schedule of Changes in Fiduciary Assets and Liabilities –  
Agency Fund

June 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 290	\$ 380	\$ 417	\$ 253
<b>Total assets</b>	\$ 290	\$ 380	\$ 417	\$ 253
<b>Liabilities</b>				
Accounts payable	\$ 290	\$ 380	\$ 417	\$ 253
<b>Total Liabilities</b>	\$ 290	\$ 380	\$ 417	\$ 253

See accompanying independent auditor's report.

**West Central 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
<b>Revenues:</b>				
<b>Local Sources:</b>				
Local tax	\$ 2,118,733	\$ 2,234,627	\$ 1,535,309	\$ 1,825,938
Tuition	253,545	154,591	229,338	168,112
Other	184,874	187,012	63,976	169,891
Intermediate sources	-	-	-	-
State sources	1,666,754	1,474,951	1,368,469	1,341,296
Federal sources	120,802	94,575	94,503	160,832
<b>Total</b>	<b>\$ 4,344,708</b>	<b>\$ 4,145,756</b>	<b>\$ 3,291,595</b>	<b>\$ 3,666,069</b>
<b>Expenditures:</b>				
<b>Instruction:</b>				
Regular instruction	\$ 1,512,830	\$ 1,583,151	\$ 1,492,263	\$ 1,414,503
Special instruction	319,979	315,603	348,695	322,741
Other instruction	521,580	518,132	497,235	489,759
<b>Support services:</b>				
Student services	26,861	8,683	56,849	94,334
Instructional staff services	165,714	176,086	116,630	147,656
Administrative services	464,907	473,208	450,557	417,335
Operation and maintenance of plant services	255,680	288,933	237,666	235,868
Transportation services	209,726	198,748	138,694	135,225
<b>Other expenditures:</b>				
Facilities acquisition	6,513,598	1,666,051	210,291	67,251
<b>Long-term debt:</b>				
Principal	315,000	305,000	-	34,214
Interest and other charges	188,980	165,893	172,631	858
AEA flow-through	122,581	123,321	117,318	118,144
Other	-	-	-	-
<b>Total</b>	<b>\$ 10,617,436</b>	<b>\$ 5,822,809</b>	<b>\$ 3,838,829</b>	<b>\$ 3,477,888</b>

See accompanying independent auditor's report.

Modified Accrual Basis						
2011	2010	2009	2008	2007	2006	
\$ 1,742,516	\$ 1,750,964	\$ 1,700,374	\$ 1,664,476	\$ 1,682,478	\$ 1,603,994	
179,107	121,704	169,811	143,381	151,282	105,135	
166,160	192,718	193,387	216,854	196,830	173,203	
-	-	-	-	-	-	
1,287,703	1,069,884	1,487,707	1,453,179	1,357,074	1,262,051	
158,204	285,147	119,538	88,053	266,627	347,091	
<u>\$ 3,533,690</u>	<u>\$ 3,420,417</u>	<u>\$ 3,670,817</u>	<u>\$ 3,565,943</u>	<u>\$ 3,654,291</u>	<u>\$ 3,491,474</u>	
\$ 1,318,774	\$ 1,350,636	\$ 1,340,501	\$ 1,406,353	\$ 1,413,620	\$ 1,325,824	
311,002	292,440	340,509	355,209	315,070	287,561	
517,362	567,564	471,921	346,482	378,970	371,405	
39,702	60,575	56,209	86,167	97,900	85,290	
171,536	106,542	82,881	66,455	68,587	81,900	
410,255	368,357	344,019	390,760	381,383	463,644	
229,439	240,092	234,354	259,656	240,501	252,904	
158,798	243,560	123,852	184,763	118,284	214,689	
145,234	171,249	166,047	126,035	56,902	243,209	
33,802	32,054	30,890	27,556	26,571	-	
1,272	1,237	2,367	1,036	2,024	-	
131,821	130,188	122,544	121,513	113,415	105,970	
-	-	-	-	-	-	
<u>\$ 3,468,997</u>	<u>\$ 3,564,494</u>	<u>\$ 3,316,094</u>	<u>\$ 3,371,985</u>	<u>\$ 3,213,227</u>	<u>\$ 3,432,396</u>	

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

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

To the Board of Education of  
West Central Community School District:

I have audited in accordance with U.S. generally accepted auditing standards 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 West Central Community School District as of and for the year ended June 30, 2015, and the related Notes to Financial Statements which collectively comprise the District's basic financial statements, and have issued my report thereon dated February 9, 2016.

Internal Control Over Financial Reporting

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

My 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings, I identified certain deficiencies in internal control I consider to be material weaknesses and significant deficiencies.

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Central Community School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of non-compliance that are required to be reported under Government Auditing Standards. They are described as items I-F-15 and I-G-15 in the accompanying Schedule of Findings. I also noted certain immaterial instances of noncompliance or other matters that are described in Part II of the accompanying Schedule of Findings.

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 my audit of the financial statements of the District. Since my 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.

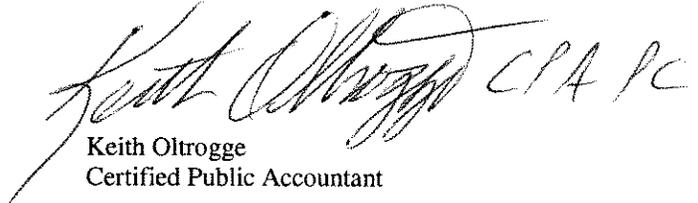
### West Central Community School District's Responses to the Findings

West Central Community School District's responses to the findings identified in my audit are described in the accompanying Schedule of Findings. West Central Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

### Purpose of this Report

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

I would like to acknowledge the many courtesies and assistance extended to me by personnel of West Central Community School District during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.

  
Keith Oltrogge  
Certified Public Accountant

February 9, 2016

West Central Community School District

Schedule of Findings

Year Ended June 30, 2015

**Part I – Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

I-A-15 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Cash receipts are issued and bank deposits are prepared by the same person. An independent person does not open the mail and prepare an initial listing of the checks received and later compare the listing to the receipts issued. Also, vouchers are processed, disbursements are recorded, and checks are prepared by the same person.

Recommendation – I realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances.

Response – We will continue to review our procedures and implement additional controls where possible. We have added a person to open the mail and prepare an internal listing of the checks received for this coming fiscal year.

Conclusion – Response accepted.

I-B-15 Supporting Documentation – I noted three instances of checks being written to a vendor without an invoice or supporting documentation in the activity fund and one from the general fund.

Recommendation – The District should review their procedures that are in place to ensure that all bills are supported, approved, and paid from an invoice. The District should adopt processes and procedures to use when an invoice may not be available, such as requiring additional approval or support documentation other than the invoice.

Response – The District will review its procedures to ensure invoices are provided for all payments.

Conclusion – Response accepted.

I-C-15 Disbursement Approval – For 3 of 17 general fund and 5 of 6 nutrition fund disbursements tested, there was no evidence to document the date the Superintendent approved the expenditures.

Recommendation – The District should ensure all expenditures are properly approved. The District should maintain documentation of the Superintendent's approval of claims for payment, such as the Superintendent's initials and date of approval.

Response – We will ensure all expenditures are properly approved and maintained documentation of the approval.

Conclusion – Response acknowledged.

West Central Community School District

Schedule of Findings

Year Ended June 30, 2015

Part I – Findings Related to the Financial Statements (continued):

**INTERNAL CONTROL DEFICIENCIES:**

I-D-15 Financial Reporting – During the audit, I identified material amounts of disbursements recorded in incorrect funds and identified several disbursements with the incorrect object code. Adjustments were made by the District to properly record the disbursements to the proper fund and account before year end.

Recommendation – The District should review the coding of all bills and receipts to ensure they are properly coded in accordance with the Uniform Financial Accounting for Iowa LEAs and AEAs. The purpose of governmental fund accounting is to facilitate that the District is demonstrating compliance with the use of designated or restricted revenue by segregating the revenue and related expenditures. In addition, timely and complete recording of all bills and receipts is essential for accurate financial statements. The general ledger is supposed to be an accurate history of the District's financial transactions.

Response – The District will review the coding of bills and receipts, to ensure they are all properly recorded.

Conclusion – Response acknowledged.

I-E-15 Annual Financial Statements – The ability to apply U.S. generally accepted accounting principles to the financial statements and determine the sufficiency of the footnote disclosure is a necessary aspect of internal control over the District's financial reporting process. The District does not possess an individual with the appropriate expertise to apply generally accepted accounting principles to the financial statements and to draft and determine the sufficiency of the necessary disclosures. The District has a limited number of employees and it is not cost beneficial to employ an individual with this type of expertise and knowledge. The internal financial statements prepared by the District are not prepared in accordance with generally accepted accounting principles and do not contain the required footnote disclosures.

Recommendation – This is common control deficiency of most small Districts and is often not corrected due to cost benefit considerations. I could assist you in gaining the necessary knowledge and skills if you determine this is a control deficiency the District would like to address.

Response – We will consult with you as needed on financial statement considerations.

Conclusion – Response accepted.

West Central Community School District

Schedule of Findings

Year Ended June 30, 2015

Part I – Findings Related to the Financial Statements (continued):

**INSTANCES OF NON-COMPLIANCE:**

I-F-15 Adult Meal Pricing – The USDA’s Food and Nutrition Service requires that adult meals must be priced high enough so they are not subsidized by the federal reimbursements and other income of the school nutrition program. I noted the adult lunch prices were five cents (\$0.05) below the required price.

Recommendation – The District should increase adult meal prices.

Response – Meal prices were increased.

Conclusion – Response accepted.

I-G-15 Paid Lunch Equity-Weighted Average Meal Price – School program regulations require schools to charge enough for “paid” meals to ensure sufficient funds are provided to account for meals served to students not eligible for free or reduced price meals.

Recommendation – The District should increase student meal prices.

Response – Meal prices were increased.

Conclusion – Response accepted.

West Central Community School District

Schedule of Findings

Year Ended June 30, 2015

**Part II - Other Findings Related to Required Statutory Reporting:**

II-A-15 Certified Budget – Expenditures for the year ended June 30, 2015 exceed the certified budget amount in the other expenditures functions. The District amended the certified budget but did not follow the requirements for public hearing as required by the Code of Iowa.

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

Response – Future budgets will be amended properly by the Code of Iowa and in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion – Response accepted.

II-B-15 Questionable Expenditures – Certain disbursements were noted I believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 since the public benefits to be derived have not been clearly documented.

Vendor	Description	Amount
Activity Fund:		
Casey’s	Donuts and juice	\$10.43
Bill Moore	Homecoming fireworks	1,035.00
Fareway	Donuts and juice	75.47
Rivals Custom	Retirement blankets	56.36
Ronda R.	50 year graduation cake	24.00
Mary R.	Pigskin Flowers	52.00

Recommendation – The District should review Chapter 298A.8 of the Code of Iowa and Iowa Administrative Code 281-12.6(1) for the allowability of expenditures. When the District purchases items such as food for teacher appreciation, these purchases would be more appropriate from the General Fund as long as public purpose is documented and the items are de minimis according to Internal Revenue Service Publication 15-B. Additionally, the Board of Directors should approve the purchase of such items prior to the expenditure and document the public purpose derived.

Gift cards are not appropriate district purchases since Iowa Code Section 279.29 requires districts to “audit and allow” all bills and the gift card does not provide the Board with the ability to perform the required function of approval of the final purchase. Also, some of the gift cards are for establishments which may have items which are not an allowable purchase with public funds. Without knowing the ultimate purchase, I do not believe that the District can comply with Chapter 279.29.

Response – Beginning in fiscal 2016, the District will not make any purchases for retirement gifts, teacher appreciation supplies or other items that are not appropriate.

Conclusion – Response acknowledged.

West Central Community School District

Schedule of Findings

Year Ended June 30, 2015

**Part II - Other Findings Related to Required Statutory Reporting (continued):**

- II-C-15 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- II-D-15 Business Transactions – No business transactions between the District and District officials or employees were noted.
- II-E-15 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.
- II-F-15 Board Minutes – The minute's record was examined and appeared to give a condensed account of business transactions by the Board. No transactions requiring Board approval, which had not been approved by the Board, were noted.
- II-G-15 Certified Enrollment – No variances in the basic enrollment data certified to the Iowa Department of Education.
- II-H-15 Supplementary Weighting – I noted variances in the supplementary weighting data certified to the Iowa Department of Education. Supplementary weighting was overstated by 0.65.

Recommendation – The Iowa Department of Education and the Department of Management should be contacted to resolve this matter.

Response – The District's auditors will contact the Iowa Department of Education and Department of Management on our behalf to resolve this matter.

Conclusion – Response accepted.

- II-I-15 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- II-J-15 Certified Annual Report – The Certified Annual Report was filed with the Iowa Department of Education timely.
- II-K-15 Categorical Funding – Except as noted, no instances were noted of categorical funding being used to supplant rather than supplement other funds. I noted two expenditures for toner cartridges and a projector lamp for a total cost of \$640.91, which may not be allowable costs for special education expenditures.

Recommendation – The District should contact the Iowa Department of Education as to whether these expenditures are allowable expenditures for the special education program.

Response – We will contact the Iowa Department of Education to determine if these expenditures are allowable and will take the appropriate action.

Conclusion – Response accepted.

**West Central Community School District**

**Schedule of Findings**

**Year Ended June 30, 2015**

**Part II - Other Findings Related to Required Statutory Reporting (continued):**

II-L-15 Statewide Sales, Services and Use Tax – No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in of Chapter 423F.3 of the Code of Iowa were noted.

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

Beginning balance (adjusted)	\$		651,383
Revenues/transfers in:			
Sales tax revenues	\$	263,742	
Other local revenues		2,728	
Federal revenue		25,000	291,470
		\$	942,853
Expenditures/transfers out:			
School infrastructure construction	\$	10,616	
Equipment		30,458	
Transfers to other funds:			
Other capital projects		200,000	241,074
		\$	701,779

For the year ended June 30, 2015, the District reduced the following levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa:

	Per \$1,000 of Taxable Valuation	Property Tax Dollars	
Debt service levy	\$ 3.86888	\$ 263,742	
Physical plant and equipment levy (PPEL)	-	69,269	
Public educational and recreational levy (PERL)	-	-	

West Central Community School District

Schedule of Findings

Year Ended June 30, 2015

**Part II - Other Findings Related to Required Statutory Reporting (continued):**

II-M-15 Sales Tax – Sales tax was paid by the District on one disbursement tested.

Recommendation – Supporting documentation should be reviewed carefully before disbursements are made.

Response – We will review all invoices for sales tax before payments are made.

Conclusion – Response acknowledged.

II-N-15 Deficit Balances – The following accounts have deficit balances:

General Fund	\$	64,853
Proprietary Fund – School Nutrition	\$	11,885
Proprietary Fund - Preschool	\$	8,264

Recommendation – The District should continue to monitor this situation and investigate alternatives to eliminate these deficits in order to return these funds to sound financial conditions.

Response – We are working on this.

Conclusion – Response accepted.