

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
OXFORD, IOWA

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

JUNE 30, 2016

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CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
(Before September 2015 election)		
Steve Swenka	President	2015
Bob Broghammer	Vice President	2015
Terry Davis	Board Member	2015
Rick Hergert	Board Member	2015
Matt McAreavy	Board Member	2015
Eileen Schmidt	Board Member	2017
Jim Seelman	Board Member	2017
(After September 2015 election)		
Steve Swenka	President	2019
Bob Broghammer	Vice President	2017
Eileen Schmidt	Board Member	2017
Jim Seelman	Board Member	2017
Terry Davis	Board Member	2019
Matt McAreavy	Board Member	2019
Jennifer Mooney	Board Member	2019
<u>School Officials</u>		
Tim Kuehl	Superintendent	2016
Lori Robertson	District Secretary/Treasurer and Business Manager	2016
Ahlers and Cooney	Attorney	Indefinite

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Clear Creek Amana Community School District, Oxford, Iowa, as of and for the year ended June 30, 2016 and the related notes to financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Clear Creek Amana Community School District as of June 30, 2016, 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.

Other*Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 17 and 62 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clear Creek Amana Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the seven years ended June 30, 2015 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the two years ended June 30, 2008 (which are not presented herein) were audited by other auditors who expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 1, 2017 on our consideration of Clear Creek Amana Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Clear Creek Amana Community School District's internal control over financial reporting and compliance.

*Hunt & Associates, P.C.*

Oskaloosa, Iowa  
March 1, 2017

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Clear Creek Amana Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2016. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

### 2016 FINANCIAL HIGHLIGHTS

- The District decreased the general fund balance from a beginning balance of \$1,935,870 to an ending balance of \$340,748.
  - This represents a decrease of \$1,595,122 and results in a general fund balance of 1.44% of general fund expenditures.
  - Fund balance trends in the district
    - 1.44% of general fund expenditures in FY16
    - 9.00% of general fund expenditures in FY15
    - 15.49% of general fund expenditures in FY14
    - 27.56% of general fund expenditures in FY13
    - 33.60% of general fund expenditures in FY12
  - The general fund balance did not meet board policy parameters which set a minimum ending balance not to fall below a range of 6% to 10% of general fund expenditures (\$1,419,356 to \$2,365,594). The District was able to utilize the cash reserve levy in FY16 and will continue to use the cash reserve levy in succeeding years to establish an adequate general fund balance.
- Total general fund revenues continue to reflect a growth rate in excess of state funded growth primarily as a result of increased student enrollment.

	<u>General Fund Revenue</u>	<u>Dollar and Percent Change</u>
FY16	\$22,060,816	(\$ 1,596,383 change or 7.8%)
FY15	\$20,464,433	(\$ 2,986,400 change or 17.1%)
FY14	\$17,478,033	(\$ 416,614 change or 2.44%)
FY13	\$17,061,419	(\$ 370,745 change or 2.22%)
FY12	\$16,690,674	(\$ 1,324,032 change or 8.62%)

- CCA increased resident students (1839.6 to 1895.10) a change of 55.5 students. The increase in resident students results in an increase in revenue in the general fund.
- In addition to increasing resident student enrollment, the District continued to have a net gain of students attending CCA schools as a result of the open enrollment law. The Clear Creek Amana schools have a greater number of students choosing to attend in the district under the open enrollment law than the number of students that choose to attend neighboring districts. For FY 2016, open enrollment brought a net gain of 204.4 students at a state cost per pupil of \$6,482 or \$1,324,920 dollars.
- The District continues to benefit from growth in the taxable valuation; averaging \$70.6 million per year or 8.62% over the past 10 years.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

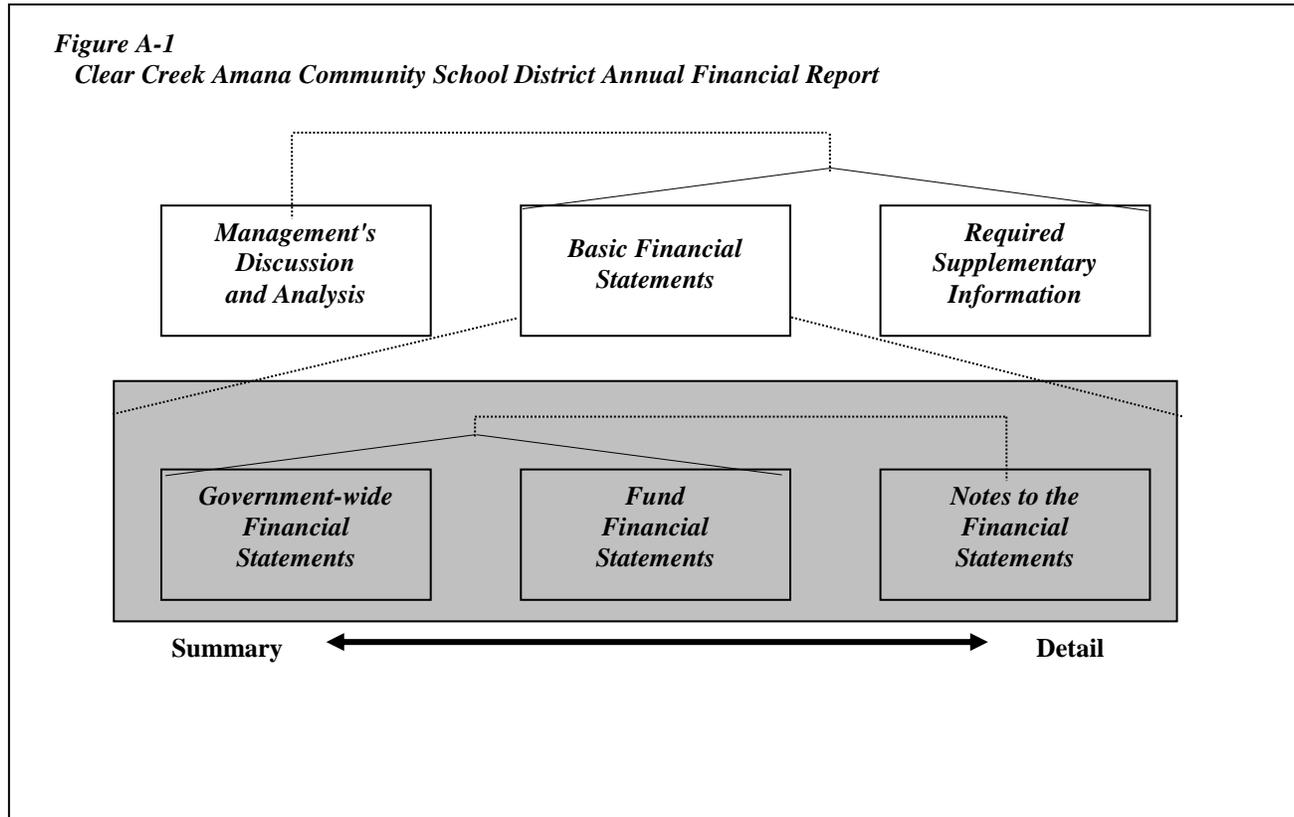


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

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

## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### *Government-wide Financial Statements*

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

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

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

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

### *Fund Financial Statements*

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

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

- 1) *Governmental funds*: Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. The District’s governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund. The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.
- 2) *Proprietary funds*: Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The districts’ Enterprise Funds, one type of proprietary fund, are the same as its business type activities, but provide more detail and additional information, such as cash flows. The district currently has several Enterprise Funds, the School Nutrition Fund, Day Care Fund and Public Pool Fund. The required financial statements for proprietary funds include a statement of fund net position, a statement of revenues, expenses and changes in fund net position and a statement of cash flows.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District’s net position at June 30, 2016 compared to June 30, 2015.

Figure A-3

	Condensed Statement of Net Position						Percentage Change 2015-16
	Governmental Activities		Business-type Activities		Total School District		
	2016	2015	2016	2015	2016	2015	
Current assets	33,270,421	38,853,474	456,104	694,195	33,726,525	39,547,669	-14.7%
Capital assets	88,348,464	78,615,546	624,659	342,303	88,973,123	78,957,849	12.7%
<b>Total assets</b>	<b>121,618,885</b>	<b>117,469,020</b>	<b>1,080,763</b>	<b>1,036,498</b>	<b>122,699,648</b>	<b>118,505,518</b>	<b>3.5%</b>
<b>Deferred Outflows of Resources</b>	<b>2,691,494</b>	<b>1,813,604</b>	<b>118,929</b>	<b>84,672</b>	<b>2,810,423</b>	<b>1,898,276</b>	<b>48.1%</b>
Long-term liabilities	83,198,238	77,718,048	424,894	318,359	83,623,132	78,036,407	7.2%
Other liabilities	3,776,580	4,983,340	139,606	133,349	3,916,186	5,116,689	-23.5%
<b>Total liabilities</b>	<b>86,974,818</b>	<b>82,701,388</b>	<b>564,500</b>	<b>451,708</b>	<b>87,539,318</b>	<b>83,153,096</b>	<b>5.3%</b>
<b>Deferred Inflows of Resources</b>	<b>13,927,984</b>	<b>14,018,592</b>	<b>34,170</b>	<b>121,413</b>	<b>13,962,154</b>	<b>14,140,005</b>	<b>-1.3%</b>
Net Position:							
Net investment in capital assets	24,570,106	22,538,137	624,659	342,303	25,194,765	22,880,440	10.1%
Restricted	6,191,687	6,662,071	-	-	6,191,687	6,662,071	-7.1%
Unrestricted	(7,354,216)	(6,637,564)	(23,637)	205,746	(7,377,853)	(6,431,818)	-14.7%
<b>TOTAL NET POSITION</b>	<b>\$23,407,577</b>	<b>\$22,562,644</b>	<b>\$601,022</b>	<b>\$548,049</b>	<b>\$24,008,599</b>	<b>\$23,110,693</b>	<b>3.9%</b>

- The District’s total net position increased 3.9%, or \$897,906, from the prior year. The largest portion of the District’s total net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt.
- 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 \$470,384, or 7.1%, over the prior year.
- Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased \$946,035, or 14.7%. This reduction in unrestricted net position was primarily a result of the decrease in the district’s General Fund unassigned fund balance.
- District long-term liabilities reflect the bonds payable for the construction of a middle school addition and renovation projects.

Figure A-4 compares the change in net position for the years ended June 30, 2015 and June 30, 2016.

**Figure A-4**

	Change in Net Position						Percentage Change 2015-16
	Governmental Activities		Business-type Activities		Total School District		
	2016	2015	2016	2015	2016	2015	
Revenues							
Program Revenues:							
Charges for services	3,040,074	3,216,755	927,023	1,033,777	3,967,097	4,250,532	-6.7%
Operating grants, contributions and restricted interest	3,217,055	2,949,903	398,509	394,066	3,615,564	3,343,969	8.1%
Capital grants, contributions and restricted interest	580,562	-	371,433	2,650	951,995	2,650	35,824.3%
General Revenues:							
Property taxes	12,318,054	11,812,539	-	-	12,318,054	11,812,539	4.3%
Income Surtax	1,607,522	522,762	-	-	1,607,522	522,762	207.5%
Statewide sales tax	1,754,148	1,697,169	-	-	1,754,148	1,697,169	3.4%
Unrestricted state grants	8,338,287	8,237,281	-	-	8,338,287	8,237,281	1.2%
Unrestricted investment earnings	30,480	67,059	301	318	30,781	67,377	-54.3%
Other revenue	283,953	315,342	-	-	283,953	315,342	-10.0%
<b>Total revenues</b>	<b>31,170,135</b>	<b>28,818,810</b>	<b>1,697,266</b>	<b>1,430,811</b>	<b>32,867,401</b>	<b>30,249,621</b>	<b>8.7%</b>
Expenses:							
Instruction	16,130,161	15,084,097	-	-	16,130,161	15,084,097	6.9%
Support services	8,647,642	7,428,757	12,663	8,664	8,660,305	7,437,421	16.4%
Non-instructional programs	6,532	5,826	1,631,630	1,377,967	1,638,162	1,383,793	18.4%
Other expenditures	5,540,867	4,269,531	-	-	5,540,867	4,269,531	29.8%
<b>Total expenses</b>	<b>30,325,202</b>	<b>26,788,211</b>	<b>1,644,293</b>	<b>1,386,631</b>	<b>31,969,459</b>	<b>28,174,842</b>	<b>13.5%</b>
<b>CHANGE IN NET POSITION</b>	<b>844,933</b>	<b>2,030,599</b>	<b>52,973</b>	<b>44,180</b>	<b>897,906</b>	<b>2,074,779</b>	<b>-56.7%</b>
Net position beginning of year	22,562,644	20,532,045	548,049	503,869	23,110,693	21,635,914	6.8%
Net position end of year	<b>\$23,407,577</b>	<b>\$22,562,644</b>	<b>\$601,022</b>	<b>\$548,049</b>	<b>\$24,008,599</b>	<b>\$23,110,693</b>	<b>3.9%</b>

The changes in Net Position in Figure A-4 show that the District experienced an 8.7% increase in revenues. An increase in educational services, property tax and income surtax collections and capital grants and contributions were the primary sources of revenue increases.

During the same period, the District increased expenses at the rate of 3.9%. An increase in negotiated salaries and benefits and increased staff due to increased enrollment were the primary expense increases.

### **Governmental Activities**

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

### **Business Type Activities**

The District's business type activities include the School Food Nutrition, Day Care and Public Pool. Revenues of these activities were comprised of charges for service such as the increased price of school lunches and federal and state reimbursements. Revenues for business type activities were \$1,697,266 and expenses were \$1,644,293. It is the district intent that these activities are self supporting and maintain minimal fund balances.

## **INDIVIDUAL FUND ANALYSIS**

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$15,028,608 a decrease over last year's ending fund balances of \$22,540,225. This is largely due to an increase in capital assets from increased expenditures due to capital improvement projects of a middle school addition and renovation.

### **Governmental Fund Highlights**

- The General Fund balance decreased from \$1,935,870 to \$340,748 on June 30, 2016. This represents a balance of 1.44% of general fund expenditures, which is not within board policy minimum fund balance guidelines of maintaining a balance of six to ten percent of expenditures. The district was able to utilize the cash reserve levy in FY16 and will continue to use the cash reserve levy in succeeding years to establish an adequate general fund balance, as well as manage expenditures within enrollment growth limits.
- The Capital Projects Fund balance decreased from \$17,746,846 to \$12,221,792 on June 30, 2016. These funds remain available for future capital improvements and major equipment purchases.

- The Debt Service Fund balance increased from \$1,134,632 to \$1,256,722 on June 30, 2016. The District maintains a balance in this fund to make bond payments when they come due.

### Proprietary Fund Highlights

School Nutrition Fund net position increased from \$392,538 to \$527,795 on June 30, 2016, primarily as a result of capital contributions.

### BUDGETARY HIGHLIGHTS

Total expenditures were \$1,100,586 less than the final budget, due primarily to the District’s budget in Instruction and Other Expenditures areas. It is the District’s practice to certify expenditures for authorized spending authority based on reasonable projections for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District’s certified budget should always exceed actual expenditures for the year. This year, however, the budget was exceeded in the support service area by \$346,573 due to a change in coding expenditures for teacher staff development support.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At June 30, 2016 the District had invested \$89.0 million, net of accumulated depreciation, in a broad range of capital assets. These assets include: land, buildings, athletic facilities, technology and transportation equipment. (See Figure A-6) This represents an increase from last year due to construction projects, specifically a middle school addition and renovation project. Depreciation expense for the year was \$2,209,686.

**Figure A-6**  
**Capital Assets (net of depreciation)**

	Governmental		Business type		Total		Percentage Change 2015-16
	Activities		Activities		School District		
	2016	2015	2016	2015	2016	2015	
Land	\$3,605,100	\$3,607,286	-	-	\$3,605,100	\$3,607,286	-1%
Construction in progress	18,521,602	25,268,029	-	-	18,521,602	25,268,029	-26.7%
Buildings	61,439,518	45,444,852	-	-	61,439,518	45,444,852	35.2%
Improvements	2,938,701	2,296,218	-	-	2,938,701	2,296,218	28.0%
Equipment & Furniture	1,843,543	1,999,161	624,659	342,303	2,468,202	2,341,464	5.4%
<b>TOTAL</b>	<b>88,348,464</b>	<b>78,615,546</b>	<b>624,659</b>	<b>342,303</b>	<b>88,973,123</b>	<b>78,957,849</b>	<b>12.7%</b>

## Long-Term Debt

At June 30, 2016, the District had \$83,623,132 in general obligation and revenue bonds and other long-term debt. This is an increase of \$5,586,725 from the prior year, due primarily to the issuance of GO bonds. Termination benefits and compensated absences increased by \$69,269 due to an increase in District obligations.

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

	Total School District		Percentage
	2016	2015	Change
			2015-16
General Obligation Bonds	\$61,465,000	\$58,100,000	5.8%
Termination Benefits	407,976	376,561	8.3%
Compensated Absences	164,326	126,472	29.9%
Revenue Bonds	11,350,000	11,910,000	-4.7%
Net Pension Liability	9,701,830	7,137,374	35.9%
Net OPEB Liability	534,000	386,000	38.3%
	\$83,623,132	\$78,036,407	7.2%

## ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- A decrease in the amount of \$1,050,929 in the general fund balance reflects changes in the cash reserve levy and the impact on the District's cash flow. Beginning FY16, the District may use the cash reserve levy to increase the general fund balance to adequate levels.
- Clear Creek Amana has benefitted from an increase in total valuation, averaging \$70.6 million or 8.62% per year over the past ten years.
- School financing is highly dependent upon the student enrollment from the prior year. Enrollment has increased in the past five years for an average rate of 2.56 % per year. Looking ahead to FY17, the District will again benefit from an increase in student enrollment to 1895.1 students. The interest in students from other districts requesting open enrollment also continues to increase which will likely result in increased numbers of students attending the district in future years.
- The statewide sales tax generated \$1,754,148 of revenue in FY16. It is anticipated sales tax revenues will gradually increase as the average per pupil amount is adjusted according to retail sales across the state for future years.

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

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

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## Basic Financial Statements

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2016

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 17,742,895	\$ 348,395	\$ 18,091,290
Receivables:			
Property tax:			
Current year	81,870	-	81,870
Succeeding year	13,154,708	-	13,154,708
Income surtax	1,540,373	-	1,540,373
Accounts	31,285	10,596	41,881
Due from other governments	681,919	72,705	754,624
Inventories	-	16,110	16,110
Prepaid expenses	37,371	8,298	45,669
Capital assets, net of accumulated depreciation (note 4)	88,348,464	624,659	88,973,123
<b>Total assets</b>	<b>121,618,885</b>	<b>1,080,763</b>	<b>122,699,648</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	2,691,494	118,929	2,810,423
<b>Liabilities</b>			
Accounts payable	1,052,384	5,011	1,057,395
Salaries and benefits payable	2,311,477	113,488	2,424,965
Unearned revenue	-	21,107	21,107
Accrued interest payable	412,719	-	412,719
Long-term liabilities (note 5):			
Portion due within one year:			
Termination benefits	154,657	-	154,657
Bonds payable	3,250,000	-	3,250,000
Compensated absences	164,326	-	164,326
Portion due after one year:			
Termination benefits	253,319	-	253,319
Bonds payable	69,565,000	-	69,565,000
Net pension liability	9,291,275	410,555	9,701,830
Net OPEB liability	519,661	14,339	534,000
<b>Total liabilities</b>	<b>86,974,818</b>	<b>564,500</b>	<b>87,539,318</b>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2016

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Deferred Inflows of Resources			
Unavailable property tax revenue	\$ 13,154,708	\$ -	\$ 13,154,708
Pension related deferred inflows	773,276	34,170	807,446
Total deferred inflows of resources	<u>13,927,984</u>	<u>34,170</u>	<u>13,962,154</u>
Net Position			
Net investment in capital assets	24,570,106	624,659	25,194,765
Restricted for:			
Categorical funding	650,223	-	650,223
Debt service	2,292,518	-	2,292,518
Capital projects	1,712,352	-	1,712,352
Physical plant and equipment levy purposes	735,224	-	735,224
Management levy purposes	509,552	-	509,552
Student activities	209,816	-	209,816
Library levy purposes	82,002	-	82,002
Unrestricted	<u>(7,354,216)</u>	<u>(23,637)</u>	<u>(7,377,853)</u>
Total net position	<u>\$ 23,407,577</u>	<u>\$ 601,022</u>	<u>\$ 24,008,599</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction	\$ 16,130,161	\$ 2,436,972	\$ 2,368,262	\$ 414,299
Support services:				
Student	574,431	473,531	223	-
Instructional staff	1,415,290	4,493	46,379	-
Administration	2,901,966	-	-	-
Operation and maintenance of plant	2,630,605	29,332	-	-
Transportation	1,125,350	-	5,694	-
	<u>8,647,642</u>	<u>507,356</u>	<u>52,296</u>	<u>-</u>
Non-instructional programs	6,532	-	-	-
Other expenditures:				
Facilities acquisition	902,472	95,746	-	166,263
Long-term debt interest and fiscal charges	2,316,037	-	-	-
AEA flowthrough	796,497	-	796,497	-
Depreciation (unallocated) *	1,525,861	-	-	-
	<u>5,540,867</u>	<u>95,746</u>	<u>796,497</u>	<u>166,263</u>
Total governmental activities	<u>30,325,202</u>	<u>3,040,074</u>	<u>3,217,055</u>	<u>580,562</u>

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (10,910,628)	\$ -	\$ (10,910,628)
(100,677)	-	(100,677)
(1,364,418)	-	(1,364,418)
(2,901,966)	-	(2,901,966)
(2,601,273)	-	(2,601,273)
(1,119,656)	-	(1,119,656)
(8,087,990)	-	(8,087,990)
(6,532)	-	(6,532)
(640,463)	-	(640,463)
(2,316,037)	-	(2,316,037)
-	-	-
(1,525,861)	-	(1,525,861)
(4,482,361)	-	(4,482,361)
(23,487,511)	-	(23,487,511)

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Business-Type Activities:</b>				
Support services:				
Administration	\$ 2,861	\$ -	\$ -	\$ -
Operation and maintenance of plant	9,802	-	-	-
	<u>12,663</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-instructional programs:				
Food service operations	1,273,582	666,845	381,247	371,433
Daycare operations	331,143	240,774	15,262	-
Public pool operations	26,905	19,404	2,000	-
	<u>1,631,630</u>	<u>927,023</u>	<u>398,509</u>	<u>371,433</u>
Total business-type activities	<u>1,644,293</u>	<u>927,023</u>	<u>398,509</u>	<u>371,433</u>
Total	<u>\$ 31,969,495</u>	<u>\$ 3,967,097</u>	<u>\$ 3,615,564</u>	<u>\$ 951,995</u>

General revenues:

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

Total general revenues

Change in net position

Net position beginning of year

Net position end of year

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

See notes to financial statements.

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ -	\$ (2,861)	\$ (2,861)
-	(9,802)	(9,802)
-	(12,663)	(12,663)
-	145,943	145,943
-	(75,107)	(75,107)
-	(5,501)	(5,501)
-	65,335	65,335
-	52,672	52,672
(23,487,511)	52,672	(23,434,839)
\$ 7,528,420	\$ -	\$ 7,528,420
4,402,344	-	4,402,344
361,268	-	361,268
26,022	-	26,022
1,607,522	-	1,607,522
1,754,148	-	1,754,148
8,338,287	-	8,338,287
30,480	301	30,781
283,953	-	283,953
24,332,444	301	24,332,745
844,933	52,973	897,906
22,562,644	548,049	23,110,693
\$ 23,407,577	\$ 601,022	\$ 24,008,599

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 2,654,387	\$ 1,223,600	\$ 12,518,329	\$ 1,163,708	\$ 17,560,024
Receivables:					
Property tax:					
Current year	45,747	33,122	2,718	283	81,870
Succeeding year	8,282,210	4,411,125	435,119	26,254	13,154,708
Income surtax	829,432	-	710,941	-	1,540,373
Accounts	13,410	-	1,762	16,113	31,285
Due from other governments	328,221	-	343,698	10,000	681,919
Prepaid expenses	8,993	-	-	28,378	37,371
	<hr/>				
Total assets	<u>\$ 12,162,400</u>	<u>\$ 5,667,847</u>	<u>\$ 14,012,567</u>	<u>\$ 1,244,736</u>	<u>\$ 33,087,550</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016

	General	Debt Service	Capital Projects	Nonmajor	Total
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 403,998	\$ -	\$ 644,715	\$ 3,671	\$ 1,052,384
Salaries and benefits payable	2,306,012	-	-	5,465	2,311,477
Total liabilities	<u>2,710,010</u>	<u>-</u>	<u>644,715</u>	<u>9,136</u>	<u>3,363,861</u>
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	8,282,210	4,411,125	435,119	26,254	13,154,708
Other	829,432	-	710,941	-	1,540,373
Total deferred inflows of resources	<u>9,111,642</u>	<u>4,411,125</u>	<u>1,146,060</u>	<u>26,254</u>	<u>14,695,081</u>
Fund balances:					
Nonspendable:					
Prepaid expenses	8,993	-	-	28,378	37,371
Restricted for:					
Categorical funding (note 11)	650,223	-	-	-	650,223
Revenue bonds	-	-	1,448,515	-	1,448,515
Revenue bonds sinking fund	-	841,555	-	-	841,555
Debt service	-	415,167	-	-	415,167
School infrastructure	-	-	10,748,994	-	10,748,994
Physical plant and equipment	-	-	24,283	-	24,283
Management levy purposes	-	-	-	889,150	889,150
Student activities	-	-	-	209,816	209,816
Library purposes	-	-	-	82,002	82,002
Unassigned	(318,468)	-	-	-	(318,468)
Total fund balances	<u>340,748</u>	<u>1,256,722</u>	<u>12,221,792</u>	<u>1,209,346</u>	<u>15,028,608</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,162,400</u>	<u>\$ 5,667,847</u>	<u>\$ 14,012,567</u>	<u>\$ 1,244,736</u>	<u>\$ 33,087,550</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2016

Total fund balances of governmental funds		\$ 15,028,608
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		88,348,464
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.		1,540,373
The Internal Service Fund is used by the District to charge the costs of the partial self-funding of the District's health insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included in the governmental activities in the Statement of Net Position.		182,871
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.		(412,719)
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	\$ 2,691,494
	Deferred inflows of resources	<u>(773,276)</u>
		1,918,218
Long-term liabilities, including termination benefits, bonds payable, compensated absences, net pension liability and net OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(83,198,238)</u>
Net position of governmental activities		<u>\$ 23,407,577</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2016

	General	Debt Service	Capital Projects	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 7,288,675	\$ 4,171,519	\$ 476,772	\$ 35,294	\$ 11,972,260
Tuition	2,068,366	-	-	-	2,068,366
Other	291,362	149	286,140	333,242	910,893
State sources	11,420,016	230,824	1,773,090	1,551	13,425,481
Federal sources	992,397	-	-	-	992,397
Total revenues	<u>22,060,816</u>	<u>4,402,492</u>	<u>2,536,002</u>	<u>370,087</u>	<u>29,369,397</u>
Expenditures:					
Current:					
Instruction	<u>15,155,647</u>	-	403,010	326,591	15,885,248
Support services:					
Student	582,982	-	-	-	582,982
Instructional staff	1,227,959	-	170,969	15,328	1,414,256
Administration	2,703,463	-	24,428	323,689	3,051,580
Operation and maintenance of plant	2,347,111	-	149,569	168,073	2,664,753
Transportation	842,279	-	219,205	43,405	1,104,889
	<u>7,703,794</u>	-	<u>564,171</u>	<u>550,495</u>	<u>8,818,460</u>
Non-instructional programs	-	-	-	6,532	6,532
Other expenditures:					
Facilities acquisition	-	-	12,036,104	-	12,036,104
Long term debt:					
Principal	-	3,140,000	-	-	3,140,000
Interest and fiscal charges	-	2,248,749	78,976	-	2,327,725
AEA flowthrough	796,497	-	-	-	796,497
	<u>796,497</u>	<u>5,388,749</u>	<u>12,115,080</u>	-	<u>18,300,326</u>
Total expenditures	<u>23,655,938</u>	<u>5,388,749</u>	<u>13,082,261</u>	<u>883,618</u>	<u>43,010,566</u>
Deficiency of revenues under expenditures	<u>(1,595,122)</u>	<u>(986,257)</u>	<u>(10,546,259)</u>	<u>(513,531)</u>	<u>(13,641,169)</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2016

	General	Debt Service	Capital Projects	Nonmajor	Total
Other financing sources (uses):					
Compensation for loss of capital assets	\$ -	\$ -	\$ 14,154	\$ -	\$ 14,154
General obligation bonds issued	-	-	5,945,000	-	5,945,000
Premium on bonds issued	-	-	170,398	-	170,398
Interfund transfers in (note 3)	-	1,108,347	-	-	1,108,347
Interfund transfers out (note 3)	-	-	(1,108,347)	-	(1,108,347)
Total other financing sources (uses)	-	1,108,347	5,021,205	-	6,129,552
Change in fund balances	(1,595,122)	122,090	(5,525,054)	(513,531)	(7,511,617)
Fund balances beginning of year	1,935,870	1,134,632	17,746,846	1,722,877	22,540,225
Fund balances end of year	\$ <u>340,748</u>	\$ <u>1,256,722</u>	\$ <u>12,221,792</u>	\$ <u>1,209,346</u>	\$ <u>15,028,608</u>

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2016

Change in fund balances - total governmental funds \$ (7,511,617)

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. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciation expense in the Statement of Activities. The amounts of capital outlay expenditures, contributed capital assets, and depreciation expense in the current year are as follows:

Expenditures for capital assets	\$ 11,439,228	
Capital assets contributed by others	414,299	
Depreciation expense	<u>(2,120,609)</u>	9,732,918

Income surtax revenue not received until several months after the District's fiscal year end is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds. 1,204,073

The change in fund net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities due to the integral nature of the fund to the governmental funds. 182,871

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. (5,945,000)

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position. 3,140,000

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. 11,688

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position. 139,228

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2016

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:

	Termination benefits \$	(31,415)	
	Compensated absences	(37,854)	
	Pension expense	93,702	
	Net OPEB liability	<u>(133,661)</u>	\$ <u>(109,228)</u>
Change in net position of governmental activities			\$ <u><u>842,747</u></u>

See notes to financial statements.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION  
PROPRIETARY FUNDS

June 30, 2016

	Enterprise			Internal Service
	School Nutrition	Nonmajor	Total	Partial Self-Funded Insurance
<b>Assets</b>				
Cash and cash equivalents	\$ 179,424	\$ 168,971	\$ 348,395	\$ 182,871
Accounts receivable	1,986	8,610	10,596	-
Due from other governments	72,705	-	72,705	-
Inventories	16,110	-	16,110	-
Prepaid expenses	8,298	-	8,298	-
Capital assets, net of accumulated depreciation (note 4)	587,220	37,439	624,659	-
Total assets	<u>865,743</u>	<u>215,020</u>	<u>1,080,763</u>	<u>182,871</u>
<b>Deferred Outflows of Resources</b>				
Pension related deferred outflows	<u>81,319</u>	<u>37,610</u>	<u>118,929</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	238	4,773	5,011	-
Salaries and benefits payable	79,496	33,992	113,488	-
Unearned revenue	21,107	-	21,107	-
Net pension liability	280,723	129,832	410,555	-
Net OPEB liability	14,339	-	14,339	-
Total liabilities	<u>395,903</u>	<u>168,597</u>	<u>564,500</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Pension related deferred inflows	<u>23,364</u>	<u>10,806</u>	<u>34,170</u>	<u>-</u>
<b>Fund Net Position</b>				
Net investment in capital assets	587,220	37,439	624,659	-
Unrestricted	<u>(59,425)</u>	<u>35,788</u>	<u>(23,637)</u>	<u>182,871</u>
Total fund net position	<u>\$ 527,795</u>	<u>\$ 73,227</u>	<u>\$ 601,022</u>	<u>\$ 182,871</u>

See notes to financial statements.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2016

	Enterprise		Total	Internal Service
	School Nutrition	Nonmajor		Partial Self-Funded Insurance
Operating revenues:				
Local sources:				
Charges for services	\$ 666,845	\$ 260,178	\$ 927,023	\$ 466,494
Operating expenses:				
Support services:				
Administration:				
Purchased services	2,336	525	2,861	283,623
Operation and maintenance of plant:				
Purchased services	8,607	1,195	9,802	-
Non-instructional programs:				
Salaries	435,218	221,992	657,210	-
Benefits	165,300	5,463	170,763	-
Purchased services	701	21,879	22,580	-
Supplies	585,626	105,497	691,123	-
Depreciation	86,737	2,340	89,077	-
Other	-	877	877	-
Total operating expenses	1,284,525	359,768	1,644,293	283,623
Operating income (loss)	(617,680)	(99,590)	(717,270)	182,871
Non-operating revenues:				
Interest on investments	257	44	301	-
Contributions	400	2,610	3,010	-
Capital contributions	371,433	-	371,433	-
State sources	5,287	1,200	6,487	-
Federal sources	375,560	13,452	389,012	-
Total non-operating revenues	752,937	17,306	770,243	-
Change in fund net position	135,257	(82,284)	52,973	182,871
Fund net position beginning of year	392,538	155,511	548,049	-
Fund net position end of year	\$ 527,795	\$ 73,227	\$ 601,022	\$ 182,871

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2016

	Enterprise			Internal Service
	School Nutrition	Nonmajor	Total	Partial Self-Funded Insurance
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 642,641	\$ -	\$ 642,641	\$ -
Cash received from miscellaneous operating activities	20,979	256,777	277,756	466,494
Cash paid to employees for services	(550,142)	(285,979)	(836,121)	-
Cash paid to suppliers for goods or services	(535,202)	(128,786)	(663,988)	(283,623)
Net cash provided by (used by) operating activities	(421,724)	(157,988)	(579,712)	182,871
Cash flows from non-capital financing activities:				
Contributions received	400	2,610	3,010	-
State grants received	5,287	1,200	6,487	-
Federal grants received	231,786	13,881	245,667	-
Net cash provided by non-capital financing activities	237,473	17,691	255,164	-
Cash flows from investing activities:				
Interest on investments	257	44	301	-
Net increase (decrease) in cash and cash equivalents	(183,994)	(140,253)	(324,247)	182,871
Cash and cash equivalents beginning of year	363,418	309,224	672,642	-
Cash and cash equivalents end of year	\$ 179,424	\$ 168,971	\$ 348,395	\$ 182,871

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2016

	Enterprise			Internal Service
	School Nutrition	Nonmajor	Total	Partial Self-Funded Insurance
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:				
Operating income (loss)	\$ (617,680)	\$ (99,590)	\$ (717,270)	\$ 182,871
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Depreciation	86,737	2,340	89,077	-
Commodities used	71,069	-	71,069	-
(Increase) in accounts receivable	(1,986)	(3,401)	(5,387)	-
(Increase) in inventories	(195)	-	(195)	-
(Increase) in prepaid expenses	(8,298)	-	(8,298)	-
Increase (decrease) in accounts payable	(508)	1,187	679	-
Increase (decrease) in salaries and benefits payable	11,401	(4,584)	6,817	-
(Decrease) in unearned revenue	(1,239)	-	(1,239)	-
Increase (decrease) in net pension liability	103,091	(10,895)	92,196	-
(Increase) in deferred outflows of resources	(34,075)	(182)	(34,257)	-
(Decrease) in deferred inflows of resources	(44,380)	(42,863)	(87,243)	-
Increase in net OPEB liability	14,339	-	14,339	-
Net cash provided by (used by) operating activities	\$ <u>(421,724)</u>	\$ <u>(157,988)</u>	\$ <u>(579,712)</u>	\$ <u>182,871</u>

Non-cash financing activities:

During the year ended June 30, 2016, the District received \$71,069 of federal commodities. In addition, the Enterprise, School Nutrition Fund received \$371,433 of equipment which was purchased and contributed by the Capital Projects Fund.

See notes to financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

B. Basis of Presentation

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

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

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

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

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

The District reports the following major governmental funds:

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

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

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

The District reports the following major proprietary fund:

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2014 assessed property valuations; is for the tax accrual period July 1, 2015 through June 30, 2016 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2015.

Income Surtax Receivable – Income surtax budgeted for the fiscal year ended June 30, 2016 will not be received by the District until several months after the fiscal year end. Accordingly, income surtax is recorded as a receivable and included in deferred inflows of resources on the modified accrual basis for the governmental funds. For the government-wide statements, on the Statement of Activities the income surtax revenue is recognized.

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

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	100,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) which 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 District after the measurement date but before the end of the District’s reporting period.

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2016. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end.

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

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

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

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

Unassigned – All amounts not included in the preceding classifications.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2016, expenditures/expenses exceeded the amount budgeted in the support services function.

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2016 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2016, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) as follows:

	Amortized Cost
Diversified Portfolio	\$ <u>201,887</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2016 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects	\$ <u>1,108,347</u>

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2016 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,607,286	\$ -	\$ 2,186	\$ 3,605,100
Construction in progress	25,268,029	10,941,540	17,687,967	18,521,602
Total capital assets not being depreciated	<u>28,875,315</u>	<u>10,941,540</u>	<u>17,690,153</u>	<u>22,126,702</u>
Capital assets being depreciated:				
Buildings	54,866,703	17,434,826	-	72,301,529
Improvements other than buildings	3,626,806	846,675	-	4,473,481
Furniture and equipment	4,888,962	320,639	349,002	4,860,599
Total capital assets being depreciated	<u>63,382,471</u>	<u>18,602,140</u>	<u>349,002</u>	<u>81,635,609</u>
Less accumulated depreciation for:				
Buildings	9,421,851	1,440,160	-	10,862,011
Improvements other than buildings	1,330,588	204,192	-	1,534,780
Furniture and equipment	2,889,801	476,257	349,002	3,017,056
Total accumulated depreciation	<u>13,642,240</u>	<u>2,120,609</u>	<u>349,002</u>	<u>15,413,847</u>
Total capital assets being depreciated, net	<u>49,740,231</u>	<u>16,481,531</u>	<u>-</u>	<u>66,221,762</u>
Governmental activities capital assets, net	<u>\$ 78,615,546</u>	<u>\$ 27,423,071</u>	<u>\$ 17,690,153</u>	<u>\$ 88,348,464</u>
	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Business-type activities:</b>				
Furniture and equipment	\$ 750,210	\$ 371,433	\$ 50,035	\$ 1,071,608
Less accumulated depreciation	407,907	89,077	50,035	446,949
Business-type activities capital assets, net	<u>\$ 342,303</u>	<u>\$ 282,356</u>	<u>\$ -</u>	<u>\$ 624,659</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 4. Capital Assets (continued)

Depreciation expense was charged to the following functions:

Governmental activities:

Instruction	\$ 283,076
Support services:	
Administration	16,983
Operation and maintenance of plant	69,122
Transportation	225,567
	<u>594,748</u>
Unallocated depreciation	<u>1,525,861</u>

Total depreciation expense - governmental activities \$ 2,120,609

Business-type activities:

Food service operations	\$ 86,737
Daycare operations	<u>2,340</u>

Total depreciation expense - business-type activities \$ 89,077

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2016 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Termination benefits	\$ 376,561	\$ 179,392	\$ 147,977	\$ 407,976	\$ 154,657
General obligation bonds	58,100,000	5,945,000	2,580,000	61,465,000	2,670,000
Revenue bonds	11,910,000	-	560,000	11,350,000	580,000
Compensated absences	126,472	164,326	126,472	164,326	164,326
Net pension liability	6,819,015	2,472,260	-	9,291,275	-
Net OPEB liability	386,000	133,661	-	519,661	-
<b>Total</b>	<b>\$ 77,718,048</b>	<b>\$ 8,894,639</b>	<b>\$ 3,414,449</b>	<b>\$ 83,198,238</b>	<b>\$ 3,568,983</b>
	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Business-type activities:					
Net pension liability	\$ 318,359	\$ 92,196	\$ -	\$ 410,555	\$ -
Net OPEB liability	-	14,339	-	14,339	-
<b>Total</b>	<b>\$ 318,359</b>	<b>\$ 106,535</b>	<b>\$ -</b>	<b>\$ 424,894</b>	<b>\$ -</b>

Termination Benefits

The District offers a voluntary early retirement plan to its employees. Eligible licensed employees must be at least age fifty-five and must have completed at least twelve years of full-time service to the District.

Eligible classified employees must be at least age fifty-five and must have completed at least thirty years of full-time service to the District. Employees must complete an application which is required to be approved by the Board of Education.

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5. Long-Term Liabilities (continued)

Termination Benefits (continued)

At June 30, 2016, the District has obligations to sixteen participants with a total liability of \$407,976. Actual early retirement expenditures for the year ended June 30, 2016 totaled \$147,977. The cost of early retirement payments is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

General Obligation Bonds Payable

Details of the District's June 30, 2016 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Refunding Bond Issue December 12, 2012			
	Interest Rates	Principal	Interest	Total
2017	0.650 %	\$ 250,000	\$ 78,134	\$ 328,134
2018	0.800	250,000	76,507	326,507
2019	1.000	250,000	74,509	324,509
2020	1.125	255,000	72,008	327,008
2021	1.250	260,000	69,140	329,140
2022-2025	1.400-1.800	4,010,000	197,140	4,207,140
		<u>\$ 5,275,000</u>	<u>\$ 567,438</u>	<u>\$ 5,842,438</u>

Year Ending June 30,	Refunding Bond Issue May 1, 2014			
	Interest Rates	Principal	Interest	Total
2017	2.00 %	\$ 175,000	\$ 175,637	\$ 350,637
2018	2.00	175,000	172,138	347,138
2019	2.00	1,380,000	168,637	1,548,637
2020	2.25	1,535,000	141,038	1,676,038
2021	2.50	1,500,000	106,500	1,606,500
2022-2023	3.00	2,300,000	93,000	2,393,000
		<u>\$ 7,065,000</u>	<u>\$ 856,950</u>	<u>\$ 7,921,950</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable (continued)

Year Ending June 30,	Bond Issue June 11, 2014			
	Interest Rates	Principal	Interest	Total
2017	3.00 %	\$ 120,000	\$ 1,033,256	\$ 1,153,256
2018	3.00	125,000	1,029,656	1,154,656
2019	3.00	195,000	1,025,906	1,220,906
2020	3.00	460,000	1,020,056	1,480,056
2021	3.00	500,000	1,006,256	1,506,256
2022-2026	3.00	5,805,000	4,746,882	10,551,882
2027-2031	3.00-3.375	13,960,000	3,247,332	17,207,332
2032-2034	3.375-4.000	9,725,000	768,300	10,493,300
		<u>\$ 30,890,000</u>	<u>\$ 13,877,644</u>	<u>\$ 44,767,644</u>

Year Ending June 30,	Refunding Bond Issue May 5, 2015			
	Interest Rates	Principal	Interest	Total
2017	3.00 %	\$ 1,450,000	\$ 96,900	\$ 1,546,900
2018	3.00	1,480,000	53,400	1,533,400
2019	3.00	300,000	9,000	309,000
		<u>\$ 3,230,000</u>	<u>\$ 159,300</u>	<u>\$ 3,389,300</u>

Year Ending June 30,	Bond Issue June 3, 2015			
	Interest Rates	Principal	Interest	Total
2017	2.00 %	\$ 260,000	\$ 251,775	\$ 511,775
2018	2.00	275,000	246,575	521,575
2019	2.00	210,000	241,075	451,075
2020	2.00	225,000	236,875	461,875
2021	2.00	275,000	232,375	507,375
2022-2026	2.00-2.75	1,550,000	1,064,450	2,614,450
2027-2031	3.00	1,755,000	833,850	2,588,850
2032-2035	3.00	4,510,000	478,650	4,988,650
		<u>\$ 9,060,000</u>	<u>\$ 3,585,625</u>	<u>\$ 12,645,625</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5. Long-Term Liabilities (continued)

General Obligation Bonds Payable (continued)

Year Ending June 30,	Bond Issue June 1, 2016			
	Interest Rates	Principal	Interest	Total
2017	3.00 %	\$ 415,000	\$ 178,350	\$ 593,350
2018	3.00	435,000	165,900	600,900
2019	3.00	130,000	152,850	282,850
2020	3.00	40,000	148,950	188,950
2021	3.00	40,000	147,750	187,750
2022-2026	3.00	190,000	721,200	911,200
2027-2031	3.00	195,000	692,250	887,250
2032-2036	3.00	4,500,000	652,950	5,152,950
		<u>\$ 5,945,000</u>	<u>\$ 2,860,200</u>	<u>\$ 8,805,200</u>

Year Ending June 30,	Total		
	Principal	Interest	Total
2017	\$ 2,670,000	\$ 1,814,052	\$ 4,484,052
2018	2,740,000	1,744,176	4,484,176
2019	2,465,000	1,671,977	4,136,977
2020	2,515,000	1,618,927	4,133,927
2021	2,575,000	1,562,021	4,137,021
2022-2026	13,855,000	6,822,672	20,677,672
2027-2031	15,910,000	4,773,432	20,683,432
2032-2036	18,735,000	1,899,900	20,634,900
	<u>\$ 61,465,000</u>	<u>\$ 21,907,157</u>	<u>\$ 83,372,157</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5. Long-Term Liabilities (continued)

Revenue Bonds

Details of the District's June 30, 2016 school infrastructure sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue June 1, 2009			
	Interest Rates	Principal	Interest	Total
2017	4.250 %	\$ 440,000	\$ 461,131	\$ 901,131
2018	4.000	465,000	442,481	907,481
2019	4.714	475,000	421,984	896,984
2020	5.000	510,000	398,038	908,038
2021	5.000	535,000	371,912	906,912
2022-2026	5.000-5.375	3,105,000	1,413,714	4,518,714
2027-2030	5.375-5.625	3,590,000	463,035	4,053,035
		<u>\$ 9,120,000</u>	<u>\$ 3,972,295</u>	<u>\$ 13,092,295</u>

Year Ending June 30,	Bond Issue October 1, 2012			
	Interest Rates	Principal	Interest	Total
2017	2.00 %	\$ 140,000	\$ 51,215	\$ 191,215
2018	2.00	135,000	48,465	183,465
2019	2.00	145,000	45,665	190,665
2020	2.00	140,000	42,815	182,815
2021	2.00	145,000	39,965	184,965
2022-2026	2.00-2.55	750,000	153,100	903,100
2027-2030	2.55-3.00	775,000	51,540	826,540
		<u>\$ 2,230,000</u>	<u>\$ 432,765</u>	<u>\$ 2,662,765</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5. Long-Term Liabilities (continued)

Revenue Bonds (continued)

Year Ending June 30,	Total		
	Principal	Interest	Total
2017	\$ 580,000	\$ 512,346	\$ 1,092,346
2018	600,000	490,946	1,090,946
2019	620,000	467,649	1,087,649
2020	650,000	440,853	1,090,853
2021	680,000	411,877	1,091,877
2022-2026	3,855,000	1,566,814	5,421,814
2027-2030	4,365,000	514,575	4,879,575
	<u>\$ 11,350,000</u>	<u>\$ 4,405,060</u>	<u>\$ 15,755,060</u>

The District pledged future statewide sales, services and use tax revenues to repay the \$12,505,000 and \$2,625,000 bonds issued in June 2009 and October 2012, respectively. The bonds were issued for the purpose of financing a portion of the costs of a new high school athletic complex and auditorium and an elementary school addition. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 62 to 94 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$15,755,060. For the current year, principal of \$560,000 and interest of \$533,534 was paid on the bonds and total statewide sales, services and use tax revenues were \$1,754,148.

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 6. Pension Plan

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

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

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement 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, except members with service before June 30, 2012 will use the highest three-year average salary as of that date 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 on or after 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 – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires 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.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 6. Pension Plan (continued)

In fiscal year 2016, pursuant to the required rate, Regular members contributed 5.95% of covered pay and the District contributed 8.93% of covered payroll, for a total rate of 14.88%.

The District's contributions to IPERS for the year ended June 30, 2016 were \$1,343,870.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2016, the District reported a liability of \$9,701,830 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2015, the District's proportion was 0.196374 percent, which was an increase of 0.016406 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$1,081,667. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 146,582	\$ -
Changes of assumptions	267,116	-
Net difference between projected and actual earnings on pension plan investments	-	807,446
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	1,052,855	-
District contributions subsequent to the measurement date	<u>1,343,870</u>	<u>-</u>
Total	<u>\$ 2,810,423</u>	<u>\$ 807,446</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 6. Pension Plan (continued)

\$1,343,870 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2017	\$ (6,146)
2018	(6,146)
2019	(6,146)
2020	622,591
2021	<u>54,954</u>
Total	<u>\$ 659,107</u>

Actuarial Assumptions – The total pension liability in the June 30, 2015 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% per annum
Rates of salary increase (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 1990)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation.

The actuarial assumptions used in the June 30, 2015 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 IPERS investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 6. Pension Plan (continued)

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Core Plus Fixed Income	28%	2.04%
Domestic Equity	24%	6.29
International Equity	16%	6.75
Private Equity/Debt	11%	11.32
Real Estate	8%	3.48
Credit Opportunities	5%	3.63
U.S. TIPS	5%	1.91
Other Real Assets	2%	6.24
Cash	1%	(0.71)
 Total	 <u>100%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, long-term expected rate of return on IPERS’ 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%) or 1-percentage-point higher (8.5%) 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	\$ 16,986,160	\$ 9,701,830	\$ 3,553,334

IPERS’ Fiduciary Net Position – Detailed information about IPERS’ fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at [www.ipers.org](http://www.ipers.org).

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 7. Other Postemployment Benefits (OPEB)

Plan Description – The District operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 278 active and 13 retired members in the plan. Retired participants must be age 55 or older at retirement.

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

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

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

The following table shows the components of the District’s annual OPEB cost for the year ended June 30, 2016, the amount actually contributed to the plan and changes in the District’s net OPEB obligation:

Annual required contribution	\$ 179,000
Interest on net OPEB obligation	10,000
Adjustment to annual required contribution	<u>(25,000)</u>
Annual OPEB cost	164,000
Contributions made	<u>(16,000)</u>
Increase in net OPEB obligation	148,000
Net OPEB obligation beginning of year	<u>386,000</u>
Net OPEB obligation end of year	<u><u>\$ 534,000</u></u>

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2016.

For the year ended June 30, 2016, the District contributed \$16,000 to the medical plan.

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 105,000	21.9%	\$ 325,000
2015	105,000	41.9%	386,000
2016	164,000	9.8%	534,000

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

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

Funded Status and Funding Progress – As of July 1, 2015, the most recent actuarial valuation date for the period July 1, 2015 through June 30, 2016, the actuarial accrued liability was \$916,000, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$916,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$15,316,000, and the ratio of the UAAL to covered payroll was 6.0%. As of June 30, 2016, there were no trust fund assets.

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

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

As of the July 1, 2015 actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%.

Mortality rates are from the RP 2000 Annuity Mortality Table projected to 2015, applied on a 2/3 female, 1/3 male basis. The UAAL is being amortized as a level dollar cost over service of the group on a closed basis over 30 years.

Note 8. Operating Leases

The District is obligated under three copier equipment leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, are not reflected on the District's Statement of Net Position. The agreements provide for monthly lease payments of \$8,410.75 with possible annual increases during the terms of the leases.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 8. Operating Leases (continued)

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 97,302
2018	100,929
2019	100,929
2020	100,929
2021	<u>76,543</u>
Total	<u>\$ 476,632</u>

Total payments under the lease agreements for the year ended June 30, 2016 were \$51,499.

Note 9. Risk Management

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

Partial Self-Funded Health Insurance

The District has a partially self-funded health insurance plan. The District purchases a base plan from Wellmark with a \$6,000 single and \$12,000 family deductible and \$6,350 single and \$12,700 family out of pocket maximums. The District self-funds down to a \$1,000 single and \$2,000 family deductible plan with a maximum out of pocket of \$2,000 for single and \$4,000 for family. Payments to Wellmark are made for the premiums and deposits into the Internal Service Fund are made monthly for the self-funded portion. The plan is administered through a service agreement with Auxiant.

At June 30, 2016, the District had accumulated \$182,871 in its Internal Service Fund to cover future employee health care claims. Actual claims paid for the year ended June 30, 2016 were \$283,623.

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media, and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$796,497 for the year ended June 30, 2016 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 11. Categorical Funding

The District's fund balance restricted for categorical funding at June 30, 2016 is comprised of the following programs:

Program	Amount
Home school assistance program	\$ 8,992
Gifted and talented programs	129,196
Four year old preschool state aid	273,689
Teacher salary supplement	16,707
Successful progression for early readers	59,499
Professional development for model core curriculum	62,452
Professional development	11,229
Teacher leadership grants	<u>88,459</u>
Total	<u>\$ 650,223</u>

Note 12. Construction Commitments

The District has entered into various contracts totaling \$25,480,120 for a middle school renovation project, a high school addition, and the Ireland Avenue project. As of June 30, 2016, costs of \$15,942,587 had been incurred against the contracts. The balance of \$9,537,533 remaining at June 30, 2016 will be paid as work on the projects progresses.

Note 13. Deficit Balance – The Enterprise, Public Pool Fund within the nonmajor enterprise funds had a deficit unrestricted net position of \$14,594 at June 30, 2016.

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Required Supplementary Information

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

Required Supplementary Information

Year Ended June 30, 2016

	Governmental Funds - Actual	Proprietary Funds - Enterprise - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
<b>REVENUES:</b>						
Local sources	\$ 14,951,519	\$ 1,301,767	\$ 16,253,286	\$ 16,703,780	\$ 16,703,780	\$ (450,494)
State sources	13,425,481	6,487	13,431,968	12,913,082	12,913,082	518,886
Federal sources	992,397	389,012	1,381,409	1,058,000	1,058,000	323,409
<b>Total revenues</b>	<b>29,369,397</b>	<b>1,697,266</b>	<b>31,066,663</b>	<b>30,674,862</b>	<b>30,674,862</b>	<b>391,801</b>
<b>EXPENDITURES/EXPENSES:</b>						
Instruction	15,885,248	-	15,885,248	16,015,000	16,515,000	629,752
Support services	8,818,460	12,663	8,831,123	8,184,550	8,484,550	(346,573)
Non-instructional programs	6,532	1,631,630	1,638,162	1,407,500	1,807,500	169,338
Other expenditures	18,300,326	-	18,300,326	13,948,395	18,948,395	648,069
<b>Total expenditures/ expenses</b>	<b>43,010,566</b>	<b>1,644,293</b>	<b>44,654,859</b>	<b>39,555,445</b>	<b>45,755,445</b>	<b>1,100,586</b>
Excess (deficiency) of revenues over (under) expenditures/ expenses	(13,641,169)	52,973	(13,588,196)	(8,880,583)	(15,080,583)	1,492,387
Other financing sources, net	6,129,552	-	6,129,552	5,665,000	5,665,000	464,552
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	(7,511,617)	52,973	(7,458,644)	(3,215,583)	(9,415,583)	1,956,939
Balance beginning of year	22,540,225	548,049	23,088,274	12,451,456	12,451,456	10,636,818
Balance end of year	<u>\$ 15,028,608</u>	<u>\$ 601,022</u>	<u>\$ 15,629,630</u>	<u>\$ 9,235,873</u>	<u>\$ 3,035,873</u>	<u>\$ 12,593,757</u>

See accompanying independent auditor's report.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING  
Year Ended June 30, 2016

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year the District adopted one budget amendment increasing budgeted expenditures/expenses by \$6,200,000.

During the year ended June 30, 2016, expenditures/expenses in the support services function exceeded the amount budgeted.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

Iowa Public Employees' Retirement System  
For the Last Two Years\*  
(In Thousands)

Required Supplementary Information

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.196374	0.179968
District's proportionate share of the net pension liability	\$ 9,702	\$ 7,137
District's covered-employee payroll	\$ 13,453	\$ 11,790
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	72.12%	60.53%
Plan fiduciary net position as a percentage of the total pension liability	85.19%	87.61%

\* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

See accompanying independent auditor's report.

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

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CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

Schedule of the District's Contributions

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

Required Supplementary Information

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contributions	\$ 1,344	\$ 1,201	\$ 1,051	\$ 952
Contributions in relation to the statutorily required contribution	<u>(1,344)</u>	<u>(1,201)</u>	<u>(1,051)</u>	<u>(952)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 15,049	\$ 13,453	\$ 11,790	\$ 10,976
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.93%	8.67%

See accompanying independent auditor's report.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 714	\$ 655	\$ 606	\$ 575	\$ 497	432
<u>(714)</u>	<u>(655)</u>	<u>(606)</u>	<u>(575)</u>	<u>(497)</u>	<u>(432)</u>
<u>\$ -</u>	<u>-</u>				
\$ 8,846	\$ 9,422	\$ 9,106	\$ 9,061	\$ 8,215	7,504
8.07%	6.95%	6.65%	6.35%	6.05%	5.75%

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY  
Year Ended June 30, 2016

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for 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% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Legislative action in 2008 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.

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% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- 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 future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

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

Required Supplementary Information  
Year Ended June 30, 2016

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll ( ( b-a)/c )
2010	July 1, 2009	\$ -	\$ 479	\$ 479	0.0%	\$ 9,177	5.2%
2011	July 1, 2009	-	475	475	0.0%	9,423	5.0%
2012	July 1, 2009	-	459	459	0.0%	10,105	4.5%
2013	July 1, 2012	-	690	690	0.0%	10,966	6.3%
2014	July 1, 2012	-	665	665	0.0%	11,935	5.6%
2015	July 1, 2012	-	626	626	0.0%	13,735	4.6%
2016	July 1, 2015	-	916	916	0.0%	15,316	6.0%

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.

See accompanying independent auditor's report.

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Supplementary Information

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2016

	Special Revenue			Total
	Management Levy	Student Activity	Library	
<b>Assets</b>				
Cash and pooled investments	\$ 876,827	\$ 209,701	\$ 77,180	\$ 1,163,708
Receivables:				
Property tax:				
Current year	67	-	216	283
Succeeding year	973	-	25,281	26,254
Accounts	13,756	2,286	71	16,113
Due from other governments	-	-	10,000	10,000
Prepaid expenses	28,378	-	-	28,378
Total assets	\$ 920,001	\$ 211,987	\$ 112,748	\$ 1,244,736
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,500	\$ 2,171	\$ -	\$ 3,671
Salaries and benefits payable	-	-	5,465	5,465
Total liabilities	1,500	2,171	5,465	9,136
<b>Deferred inflows of resources:</b>				
Unavailable revenues:				
Succeeding year property tax	973	-	25,281	26,254
<b>Fund balances:</b>				
Nonspendable:				
Prepaid expenses	28,378	-	-	28,378
Restricted for:				
Management levy purposes	889,150	-	-	889,150
Student activities	-	209,816	-	209,816
Library purposes	-	-	82,002	82,002
Total fund balances	917,528	209,816	82,002	1,209,346
Total liabilities, deferred inflows of resources and fund balances	\$ 920,001	\$ 211,987	\$ 112,748	\$ 1,244,736

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2016

	Special Revenue			Total
	Management Levy	Student Activity	Library	
Revenues:				
Local sources:				
Local tax	\$ 10,035	\$ -	\$ 25,259	\$ 35,294
Other	33,839	249,836	49,567	333,242
State sources	714	-	837	1,551
Total revenues	<u>44,588</u>	<u>249,836</u>	<u>75,663</u>	<u>370,087</u>
Expenditures:				
Current:				
Instruction	71,850	254,741	-	326,591
Support services:				
Instructional staff	-	120	15,208	15,328
Administration	260,155	-	63,534	323,689
Operation and maintenance of plant	167,613	460	-	168,073
Transportation	43,405	-	-	43,405
Non-instructional programs	6,532	-	-	6,532
Total expenditures	<u>549,555</u>	<u>255,321</u>	<u>78,742</u>	<u>883,618</u>
Deficiency of revenues under expenditures	(504,967)	(5,485)	(3,079)	(513,531)
Fund balances beginning of year	<u>1,422,495</u>	<u>215,301</u>	<u>85,081</u>	<u>1,722,877</u>
Fund balances end of year	<u>\$ 917,528</u>	<u>\$ 209,816</u>	<u>\$ 82,002</u>	<u>\$ 1,209,346</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
CAPITAL PROJECTS ACCOUNTS  
June 30, 2016

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Assets				
Cash and pooled investments	\$ 1,995,337	\$ 37,729	\$ 10,485,263	\$ 12,518,329
Receivables:				
Property tax:				
Current year	-	2,718	-	2,718
Succeeding year	-	435,119	-	435,119
Income surtax	-	710,941	-	710,941
Accounts	-	1,762	-	1,762
Due from other governments	343,698	-	-	343,698
 Total assets	 \$ 2,339,035	\$ 1,188,269	\$ 10,485,263	\$ 14,012,567
 Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,975	\$ 17,926	\$ 623,814	\$ 644,715
 Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	435,119	-	435,119
Other	-	710,941	-	710,941
	-	1,146,060	-	1,146,060
 Fund balances:				
Restricted for:				
Revenue bonds	1,448,515	-	-	1,448,515
School infrastructure	887,545	-	9,861,449	10,748,994
Physical plant and equipment	-	24,283	-	24,283
Total fund balances	2,336,060	24,283	9,861,449	12,221,792
 Total liabilities, deferred inflows of resources and fund balances	 \$ 2,339,035	\$ 1,188,269	\$ 10,485,263	\$ 14,012,567

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS ACCOUNTS

June 30, 2016

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 476,772	\$ -	\$ 476,772
Other	70,760	34,358	181,022	286,140
State sources	1,754,148	18,942	-	1,773,090
Total revenues	<u>1,824,908</u>	<u>530,072</u>	<u>181,022</u>	<u>2,536,002</u>
Expenditures:				
Current:				
Instruction	-	403,010	-	403,010
Support services:				
Instructional staff	-	170,969	-	170,969
Administration	-	-	24,428	24,428
Operation and maintenance of plant	32,193	117,376	-	149,569
Transportation	-	219,205	-	219,205
Other expenditures:				
Facilities acquisition	1,207,133	91,425	10,737,546	12,036,104
Long-term debt:				
Interest and fiscal charges	-	-	78,976	78,976
Total expenditures	<u>1,239,326</u>	<u>1,001,985</u>	<u>10,840,950</u>	<u>13,082,261</u>
Excess (deficiency) of revenues over (under) expenditures	585,582	(471,913)	(10,659,928)	(10,546,259)
Other financing sources (uses):				
Compensation for loss of capital assets	-	14,154	-	14,154
General obligation bonds issued	-	-	5,945,000	5,945,000
Premium on bonds issued	-	-	170,398	170,398
Interfund transfers out	(1,108,347)	-	-	(1,108,347)
Total other financing sources (uses)	<u>(1,108,347)</u>	<u>14,154</u>	<u>6,115,398</u>	<u>5,021,205</u>
Change in fund balances	(522,765)	(457,759)	(4,544,530)	(5,525,054)
Fund balances beginning of year	<u>2,858,825</u>	<u>482,042</u>	<u>14,405,979</u>	<u>17,746,846</u>
Fund balances end of year	<u>\$ 2,336,060</u>	<u>\$ 24,283</u>	<u>\$ 9,861,449</u>	<u>\$ 12,221,792</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS

June 30, 2016

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 168,536	\$ 435	\$ 168,971
Accounts receivable	7,856	754	8,610
Capital assets, net of accumulated depreciation	37,439	-	37,439
Total assets	<u>213,831</u>	<u>1,189</u>	<u>215,020</u>
Deferred Outflows of Resources			
Pension related deferred outflows	<u>35,341</u>	<u>2,269</u>	<u>37,610</u>
Liabilities			
Accounts payable	88	4,685	4,773
Salaries and benefits payable	29,110	4,882	33,992
Net pension liability	121,999	7,833	129,832
Total liabilities	<u>151,197</u>	<u>17,400</u>	<u>168,597</u>
Deferred Inflows of Resources			
Pension related deferred inflows	<u>10,154</u>	<u>652</u>	<u>10,806</u>
Fund Net Position			
Net investment in capital assets	37,439	-	37,439
Unrestricted	<u>50,382</u>	<u>(14,594)</u>	<u>35,788</u>
Total fund net position	<u>\$ 87,821</u>	<u>\$ (14,594)</u>	<u>\$ 73,227</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 NONMAJOR ENTERPRISE FUNDS  
 Year Ended June 30, 2016

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Operating revenues:			
Local sources:			
Charges for services	\$ 240,774	\$ 19,404	\$ 260,178
Operating expenses:			
Support services:			
Administration:			
Purchased services	525	-	525
Operation and maintenance of plant:			
Purchased services	-	1,195	1,195
Non-instructional programs:			
Salaries	201,354	20,638	221,992
Benefits	4,497	966	5,463
Purchased services	20,988	891	21,879
Supplies	101,087	4,410	105,497
Depreciation	2,340	-	2,340
Other	877	-	877
	<u>331,668</u>	<u>28,100</u>	<u>359,768</u>
Operating loss	(90,894)	(8,696)	(99,590)
Non-operating revenues:			
Interest on investments	30	14	44
Contributions	610	2,000	2,610
State sources	1,200	-	1,200
Federal sources	13,452	-	13,452
Total non-operating revenues	<u>15,292</u>	<u>2,014</u>	<u>17,306</u>
Change in fund net position	(75,602)	(6,682)	(82,284)
Fund net position beginning of year	<u>163,423</u>	<u>(7,912)</u>	<u>155,511</u>
Fund net position end of year	<u>\$ 87,821</u>	<u>\$ (14,594)</u>	<u>\$ 73,227</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
Year Ended June 30, 2016

	<u>Daycare</u>	<u>Public Pool</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ 238,127	\$ 18,650	\$ 256,777
Cash paid to employees for services	(263,861)	(22,118)	(285,979)
Cash paid to suppliers for goods or services	(126,469)	(2,317)	(128,786)
Net cash used by operating activities	<u>(152,203)</u>	<u>(5,785)</u>	<u>(157,988)</u>
Cash flows from non-capital financing activities:			
Contributions received	610	2,000	2,610
State grants received	1,200	-	1,200
Federal grants received	13,881	-	13,881
Net cash provided by non-capital financing activities	<u>15,691</u>	<u>2,000</u>	<u>17,691</u>
Cash flows from investing activities:			
Interest on investments	30	14	44
Net decrease in cash and cash equivalents	(136,482)	(3,771)	(140,253)
Cash and cash equivalents beginning of year	<u>305,018</u>	<u>4,206</u>	<u>309,224</u>
Cash and cash equivalents end of year	<u>\$ 168,536</u>	<u>\$ 435</u>	<u>\$ 168,971</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (90,894)	\$ (8,696)	\$ (99,590)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	2,340	-	2,340
(Increase) in accounts receivable	(2,647)	(754)	(3,401)
Increase (decrease) in accounts payable	(2,992)	4,179	1,187
Increase (decrease) in salaries and benefits payable	(5,767)	1,183	(4,584)
Increase (decrease) in net pension liability	(11,634)	739	(10,895)
(Increase) decrease in deferred outflows of resources	201	(383)	(182)
(Decrease) in deferred inflows of resources	(40,810)	(2,053)	(42,863)
Net cash used by operating activities	<u>\$ (152,203)</u>	<u>\$ (5,785)</u>	<u>\$ (157,988)</u>

See accompanying independent auditor's report.

## CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
Year Ended June 30, 2016

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Interest	\$ -	\$ 199	\$ 199	\$ -
HS Drama	3,691	6,006	1,406	8,291
MS Drama	1,192	287	589	890
HS Musical	4,353	462	4,084	731
HS Show Choir	-	125	125	-
HS Band	-	2,614	2,376	238
HS Color Guard	600	202	-	802
HS Athletics	107,840	137,762	137,033	108,569
HS Cheerleading	-	917	718	199
MS Athletics	1,003	9,436	8,730	1,709
MS Computer Club	-	3,263	-	3,263
MS STEM	-	3,880	3,880	-
HS Yearbook	28,470	14,790	23,957	19,303
MS Yearbook	-	2,381	2,177	204
HS Art Club	1,068	6,188	4,585	2,671
MS Art Club	-	3,263	-	3,263
Robotics Club	500	-	-	500
National Honor Society	696	3,348	3,396	648
HS Safe Club	109	362	328	143
HS Student Assistance Team	118	335	451	2
HS Spanish Club	294	-	-	294
HS Student Council	9,428	12,465	10,925	10,968
MS Student Council	5,210	12,005	12,720	4,495
Government Club	1,065	-	-	1,065
HS Weight Club	1,440	-	-	1,440
HS Pom Squad	4,001	6,165	4,121	6,045
HS Student Fundraiser	1,807	479	597	1,689
HS Transitions Students Fundraiser	456	96	86	466
Class of 2013	1,922	-	1,922	-
Class of 2014	7,630	-	7,630	-
Class of 2015	7,894	-	7,894	-
Class of 2016	8,621	1,714	5,339	4,996
HS Prom	-	5,350	350	5,000
HS Concessions	15,893	15,742	9,703	21,932
<b>Total</b>	<b>\$ 215,301</b>	<b>\$ 249,836</b>	<b>\$ 255,321</b>	<b>\$ 209,816</b>

See accompanying independent auditor's report.

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

ALL GOVERNMENTAL FUNDS  
FOR THE LAST TEN YEARS

	Modified Accrual Basis Years Ended June 30,			
	2016	2015	2014	2013
<b>Revenues:</b>				
Local sources:				
Local tax	\$ 11,972,260	\$ 12,513,604	\$ 11,214,429	\$ 12,175,812
Tuition	2,068,366	2,104,892	1,689,561	1,799,996
Other	910,893	692,914	792,596	591,051
State sources	13,425,481	12,115,084	10,475,726	7,916,632
Federal sources	992,397	1,353,224	968,544	923,838
<b>Total revenues</b>	<b><u>\$ 29,369,397</u></b>	<b><u>\$ 28,779,718</u></b>	<b><u>\$ 25,140,856</u></b>	<b><u>\$ 23,407,329</u></b>
<b>Expenditures:</b>				
Instruction	\$ 15,885,248	\$ 15,070,930	\$ 13,176,808	\$ 11,858,789
Support services:				
Student	582,982	406,949	370,306	341,656
Instructional staff	1,414,256	1,111,400	724,892	1,039,053
Administration	3,051,580	2,940,675	2,749,619	2,302,065
Operation and maintenance of plant	2,664,753	2,297,325	2,013,246	1,665,681
Transportation	1,104,889	1,239,409	1,136,988	1,097,624
Non-instructional programs	6,532	5,826	4,870	6,286
Other expenditures:				
Facilities acquisition	12,036,104	23,595,371	4,781,950	2,375,874
Long-term debt:				
Principal	3,140,000	7,995,000	17,910,597	2,538,851
Interest and fiscal charges	2,327,725	2,216,879	2,234,348	1,673,907
AEA flowthrough	796,497	771,323	682,767	614,099
<b>Total expenditures</b>	<b><u>\$ 43,010,566</u></b>	<b><u>\$ 57,651,087</u></b>	<b><u>\$ 45,786,391</u></b>	<b><u>\$ 25,513,885</u></b>

See accompanying independent auditor's report.

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	11,685,859	\$ 11,183,865	\$ 10,763,604	\$ 9,920,491	\$ 9,877,435	\$ 7,005,106
	1,649,034	1,539,521	1,357,176	1,130,035	894,697	843,785
	734,165	706,475	797,538	1,368,218	1,649,981	1,657,083
	7,818,771	6,932,174	5,506,741	6,502,677	6,481,142	5,726,397
	815,255	774,172	1,077,779	549,496	625,576	524,561
	<u>\$ 22,703,084</u>	<u>\$ 21,136,207</u>	<u>\$ 19,502,838</u>	<u>\$ 19,470,917</u>	<u>\$ 19,528,831</u>	<u>\$ 15,756,932</u>
\$	10,212,561	\$ 9,562,898	\$ 9,080,537	\$ 9,312,449	\$ 8,442,875	\$ 7,867,766
	325,023	307,927	379,260	315,732	253,504	238,943
	696,187	684,850	628,140	826,405	523,684	606,214
	2,145,647	1,970,156	1,767,268	1,544,313	1,483,939	1,545,928
	1,466,650	1,482,470	1,563,413	1,379,802	1,196,637	1,271,048
	866,450	752,961	755,626	850,761	836,655	745,477
	4,975	-	-	9,508	110,589	-
	610,937	1,260,829	10,520,006	14,300,272	16,440,617	2,365,508
	3,241,861	1,945,384	1,215,529	997,504	1,285,883	549,171
	1,645,376	1,713,750	1,502,835	1,345,110	1,225,102	816,347
	586,165	597,803	564,144	496,524	467,919	433,596
	<u>\$ 21,801,832</u>	<u>\$ 20,279,028</u>	<u>\$ 27,976,758</u>	<u>\$ 31,378,380</u>	<u>\$ 32,267,404</u>	<u>\$ 16,439,998</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2016

Grantor / Program	CFDA Number	Pass-through Grantor Number	Expenditures
Direct:			
U.S. Department of Education:			
Impact Aid	84.041	FY 16	\$ <u>65,019</u>
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster Programs:			
School Breakfast Program	10.553	1221-16	41,116
National School Lunch Program	10.555	1221-16	<u>334,444</u> *
			<u>375,560</u>
Child and Adult Care Food Program	10.558	1221-16	<u>8,437</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	1221GC-16	12,555
Title I Grants to Local Educational Agencies	84.010	1221G-16	130,939
Title I Grants to Local Educational Agencies	84.010	1221-16-SINA	<u>16,830</u>
			<u>160,324</u>
Special Education - Grants to States	84.027	1221-16	<u>206</u> **
Special Education - State Personnel Development	84.323	1221-16	<u>13,959</u>
Supporting Effective Instruction State Grant	84.367	1221-16	<u>29,483</u>
Grants for State Assessments and Related Activities	84.369	1221-16	<u>8,124</u>
Grant Wood Area Education Agency:			
Special Education - Grants to States	84.027	1221-16	<u>82,313</u> **
Career and Technical Education - Basic Grants to States	84.048	1221-16	<u>7,243</u>
Investing in Innovation Fund	84.411	1221-16	<u>134,548</u>

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2016

Grantor / Program	CFDA Number	Pass-through Grantor Number	Expenditures
Indirect (continued):			
U. S. Department of Health and Human Services:			
Iowa/Jefferson/Keokuk County Early Childhood Iowa Area Board:			
Temporary Assistance for Needy Families	93.558	1221-16	\$ <u>4,348</u>
Iowa Department of Education:			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	1221-16	<u>224</u>
Total			\$ <u><u>889,788</u></u>

\* = Includes \$71,069 of non-cash awards.

\*\* = Total for CFDA number 84.027 = \$82,519

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Clear Creek Amana Community School District under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Clear Creek Amana Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Clear Creek Amana Community School District.

Summary of Significant Accounting Policies – Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Clear Creek Amana Community School District has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.

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DONALD D. KAIN  
CHUCK C. CONVERSE, CPA  
RUSSELL S. TERPSTRA, CPA  
MICHAEL G. STANLEY, CPA  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

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

We have audited in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Clear Creek Amana Community School District as of and for the year ended June 30, 2016, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 1, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify deficiencies in internal control over financial reporting, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-16, II-B-16 and II-C-16, that we consider to be material weaknesses.

### Compliance

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2016 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

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

### Purpose of this Report

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

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

*Hunt & Associates, P.C.*

Oskaloosa, Iowa  
March 1, 2017

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for the Major Federal Program

We have audited Clear Creek Amana Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2016. Clear Creek Amana Community School District's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Clear Creek Amana Community School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Clear Creek Amana Community School District's compliance with those requirements and performing such other procedures we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, Clear Creek Amana Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control over compliance, described in Part III of the accompanying Schedule of Findings and Questioned Costs, that we consider to be a material weakness.

Clear Creek Amana Community School District's Response to the Finding

Clear Creek Amana Community School District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Clear Creek Amana Community School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

*Hunt & Associates, P.C.*

Oskaloosa, Iowa  
March 1, 2017

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

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

- (a) Unmodified opinions were issued on all opinion units.
- (b) Material weaknesses in internal control over financial reporting were reported.
- (c) The audit did not report any non-compliance which is material to the financial statements.
- (d) A material weakness in internal control over major programs was reported.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed audit findings which were required to be reported in accordance with the Uniform Guidance, Section 200.515
- (g) The major program was as follows:
  - Child Nutrition Cluster
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Clear Creek Amana Community School District did not qualify as a low-risk auditee.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

II-A-16 Bank Reconciliation – We noted that bank reconciliations were prepared for each bank account but the differences were not timely investigated and corrected. We noted that one side of interfund transfers totaling \$584,874 were shown as outstanding on the bank reconciliation but had cleared the bank and the other side of the transactions had been marked as cleared.

Recommendation – All accounts should be accurately reconciled and tied to the general ledger cash account each month. Any differences should be investigated and corrected timely. This would allow the District to timely detect and correct errors or omissions and would provide accurate and reliable financial information of the District throughout the year for the Board of Education’s management decisions.

Response – Bank reconciliations for all accounts will be properly completed and tied to the general ledger cash account in the future and any differences will be investigated and corrected timely.

Conclusion – Response accepted.

II-B-16 Financial Reporting – During the audit, we identified material amounts of receivables in the School Nutrition Fund not recorded in the District’s financial statements. Adjustments were subsequently made by the District to properly include these amounts in the financial statements. This appears to be due to employee oversight.

Recommendation – The District should implement procedures to ensure all receivables are identified and included in the District’s financial statements so that the financial statements are free of material misstatements.

Response – We will double check these in the future to avoid missing any receivables.

Conclusion – Response accepted.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

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

Internal Control Deficiencies (continued):

- II-C-16 Reporting and Record Keeping for the Child Nutrition Program – The corrective action response to the January 2016 administrative review of the District’s Child Nutrition Program by the Iowa Department of Education was not completed timely, which has resulted in a delay in the receipt of \$72,704.82 of federal reimbursements and a loss of \$854.59 in state reimbursements. The fiscal year 2017 Child Nutrition Program application was also not completed timely. No individual other than the person preparing the response and forms was assigned to review that the response and application had been completed.

Recommendation – The District needs to complete the corrective action response and the fiscal year 2017 Child Nutrition Program application as soon as possible to prevent the loss of or further delay of federal and state reimbursements. An individual should be assigned to review that Nutrition reports are filed timely.

Response – We are working on resolving these issues with the Iowa Department of Education and will make sure our corrective action, responses and applications are filed in a more timely fashion in the future.

Conclusion – Response accepted.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

III-A-16

(2016-001) Reporting and Record Keeping for the Child Nutrition Program – The corrective action response to the January 2016 administrative review of the District’s Child Nutrition Program by the Iowa Department of Education was not completed timely, which has resulted in a delay in the receipt of \$72,704.82 of federal reimbursements and a loss of \$854.59 in state reimbursements. The fiscal year 2017 Child Nutrition Program application was also not completed timely. No individual other than the person preparing the response and forms was assigned to review that the response and application had been completed.

Recommendation – The District needs to complete the corrective action response and the fiscal year 2017 Child Nutrition Program application as soon as possible to prevent the loss of or further delay of federal and state reimbursements. An individual should be assigned to review that Nutrition reports are filed timely.

Response – We are working on resolving these issues with the Iowa Department of Education and will make sure our corrective action, responses and applications are filed in a more timely fashion in the future.

Conclusion – Response accepted.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

Part IV: Other Findings Related to Statutory Reporting:

IV-A-16 Certified Budget – Expenditures/expenses for the year ended June 30, 2016, exceeded the amount budgeted in the support services function.

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

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

Conclusion – Response accepted.

IV-B-16 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-16 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-16 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Jennifer Mooney, Board Member	Substitute teacher	\$1,010 (a)
Don Schneider, Bus Driver Owner of Golden Touch Power Cleaning	Vehicle washes	\$7,354 (b)
Doneta Wilcox, Bus Driver Spouse owns Parkview Development LLC	Snow removal	\$2,685 (b)
Jim Seelman, Board Member Owner of MBA Concrete	Concrete work and materials	\$5,558 (c)

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

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

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

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

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

IV-D-16 Business Transactions (continued) –

Recommendation – The District should consult legal counsel to determine the disposition of this matter. The District should also monitor payments to Board Members and their businesses to ensure that they do not exceed \$2,500 per fiscal year unless the contract is competitively bid.

Response – We will consult our attorney about this. We will also monitor payments to Board Members and their businesses in the future.

Conclusion – Response accepted.

IV-E-16 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

IV-F-16 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-16 Certified Enrollment – No variances in the basic enrollment data certified to the Iowa Department of Education were noted.

IV-H-16 Supplementary Weighting – The District’s supplementary weighting certified to the Iowa Department of Education for fall of 2015 was overstated by 1.25 due to five courses that were claimed for concurrent enrollment but had already been included in career and technical education.

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

Response – We will contact the Iowa Department of Education and the Iowa Department of Management.

Conclusion – Response accepted.

IV-I-16 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.

IV-J-16 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and except as noted in item II-B-16, we noted no significant deficiencies in the amounts reported.

IV-K-16 Categorical Funding – No instances of categorical funding being used to supplant rather than supplement other funds were noted.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

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

IV-L-16 Statewide Sales, Services and Use Tax – No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2016, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$	2,858,825
Revenues:			
Interest	\$	5,366	
Other local revenues		65,394	
Statewide sales, services and use tax		<u>1,754,148</u>	1,824,908
Expenditures/transfers out:			
School infrastructure construction		536,694	
Equipment		702,632	
Transfers to other funds:			
Debt Service Fund		<u>1,108,347</u>	<u>2,347,673</u>
Ending balance		\$	<u><u>2,336,060</u></u>

For the year ended June 30, 2016, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

CLEAR CREEK AMANA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

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

IV-M-16 Financial Condition – At June 30, 2016, the governmental activities, business-type activities, Enterprise, School Nutrition Fund, and Enterprise, Public Pool Fund had deficit unrestricted net positions of \$7,354,216, \$23,637, \$59,425, and \$14,594 respectively. These deficit balances were caused by the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27, which requires the inclusion of the District’s proportionate share of the IPERS pension liability and the related deferred outflows of resources and deferred inflows of resources in the District’s financial statements. In addition, the General Fund had a deficit unassigned fund balance of \$318,468 at June 30, 2016.

Recommendation – Even though most of the deficits arose due to the net pension liability, deferred outflows of resources, and deferred inflows of resources, the District should investigate ways to return the governmental activities, business-type activities, General Fund, School Nutrition Fund, and Public Pool Fund to sound financial conditions.

Response – We are unsure of what steps can be taken at this time to alleviate the strain of the District’s proportionate share of the IPERS liability and the related deferred outflows of resources and deferred inflows of resources since actions related to this area are controlled by the Iowa Legislature. However, we will look into this situation and investigate ways to return the governmental activities, business-type activities, General Fund, School Nutrition Fund, and Public Pool Fund to sound financial conditions.

Conclusion – Response accepted.