

BELLE PLAINE COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2015

Table of Contents

	<u>Page</u>
Officials	3
Independent Auditor's Report	4-6
Management's Discussion and Analysis	7-16
Basic Financial Statements:	<u>Exhibit</u>
Government-wide Financial Statements:	
Statement of Net Position	A 18
Statement of Activities	B 19
Governmental Fund Financial Statements:	
Balance Sheet	C 20
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D 21
Statement of Revenues, Expenditures and Changes in Fund Balances	E 22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F 23
Proprietary Fund Financial Statements:	
Statement of Net Position	G 24
Statement of Revenues, Expenses and Changes in Fund Net Position	H 25
Statement of Cash Flows	I 26
Fiduciary Fund Financial Statements:	
Statement of Changes in Fiduciary Net Position	J 27
Notes to Financial Statements	29-44
Required Supplementary Information:	
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund	46
Notes to Required Supplementary Information - Budgetary Reporting	47
Schedule of the District's Proportionate Share of the Net Pension Liability	48
Schedule of District Contributions	49
Notes to Required Supplementary Information - Pension Liability	50
Schedule of Funding Progress for the Retiree Health Plan	51
Schedule of Funding Progress for the Supplemental Pension Plan	52
Supplementary Information:	<u>Schedule</u>
Capital Projects Accounts:	
Combining Balance Sheet	1 54
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2 55
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	3 56
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	4 57
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	58-59
Schedule of Findings	60-63

Belle Plaine Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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Board of Education

Marie Stratford	President	2015
Brad Cook	Vice President	2015
Mike Bachelder	Board Member	2015
Jon Garling	Board Member	2017
Rima Johnson	Board Member	2017

School Officials

Chad Straight	Superintendent	2015
Stacey Kolars	Board Secretary/Treasurer	2015
Lynch Dallas PC	Attorney	2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of Belle Plaine 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 Belle Plaine Community School District, Belle Plaine, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Belle Plaine Community School District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note 17 to the financial statements, Belle Plaine Community School District adopted new accounting guidance related to Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions, the Schedule of Funding Progress for the Retiree Health Plan and the Schedule of Funding Progress for the Supplemental Pension Plan on pages 7 through 16 and 46 through 52 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 Belle Plaine Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 4, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2016, on our consideration of Belle Plaine Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Belle Plaine Community School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Nolte, Cornman & Johnson PC". The signature is written in a cursive, flowing style.

NOLTE, CORNMAN & JOHNSON, P.C.

March 15, 2016
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2015 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$5,547,270 in fiscal year 2014 to \$5,441,731 in fiscal year 2015 and General Fund expenditures increased from \$5,693,784 in fiscal year 2014 to \$5,971,413 in fiscal year 2015. Due to total expenditures exceeding total revenues resulting in a decrease in the District's General Fund balance from \$1,421,383 at June 30, 2014 to \$891,701 at June 30, 2015, a 37.27% decrease from the prior year.
- The decrease in General Fund revenues was attributable to decreases in local tax and federal source revenues received during fiscal year 2015. The increase in General Fund expenditures was due primarily to the increase in negotiated salaries and benefits.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

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

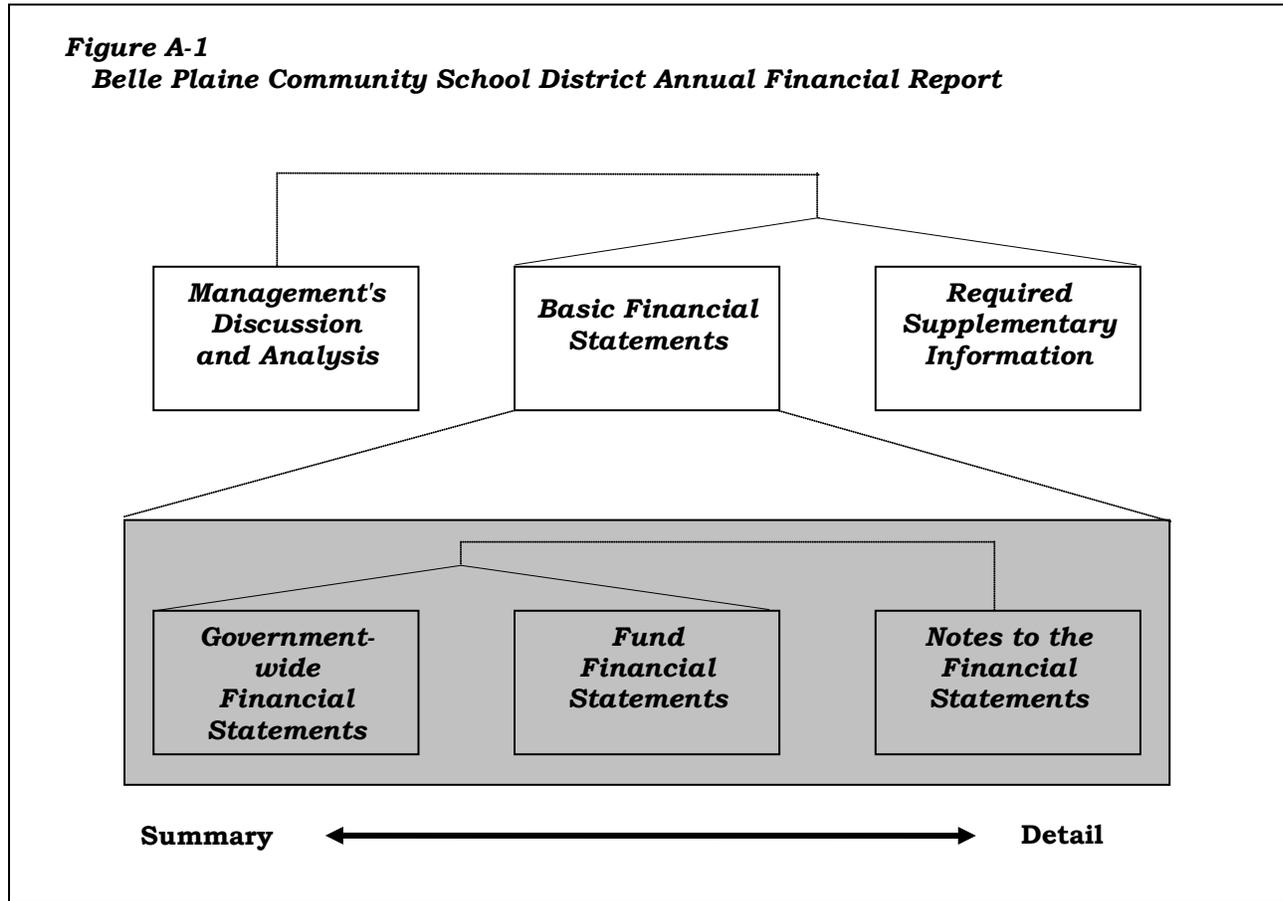


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

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

REPORTING THE DISTRICT’S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

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

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

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

- Private Purpose Trust Fund - The District accounts for the outside donations for scholarships for individual students in this fund.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Figure A-3 Condensed Statement of Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30, 2014		June 30, 2014		June 30, 2014		June 30, 2014-15
	2015	(Not Restated)	2015	(Not Restated)	2015	(Not Restated)	2014-15
Current and other assets	\$ 7,302,898	7,310,779	45,469	100,569	7,348,367	7,411,348	-0.85%
Capital assets	9,993,513	10,147,900	44,636	51,767	10,038,149	10,199,667	-1.58%
Total assets	17,296,411	17,458,679	90,105	152,336	17,386,516	17,611,015	-1.27%
Deferred inflows of resources	506,030	-	15,796	-	521,826	-	100.00%
Long-term liabilities	9,372,599	7,411,949	72,382	1,837	9,444,981	7,413,786	27.40%
Other liabilities	881,767	818,816	21,520	72,992	903,287	891,808	1.29%
Total liabilities	10,254,366	8,230,765	93,902	74,829	10,348,268	8,305,594	24.59%
Deferred outflows of resources	3,134,258	2,031,356	26,904	-	3,161,162	2,031,356	55.62%
Net position:							
Net investment in capital assets	3,188,513	2,982,900	44,636	51,767	3,233,149	3,034,667	6.54%
Restricted	3,325,264	3,198,742	-	-	3,325,264	3,198,742	3.96%
Unrestricted	(2,099,960)	1,014,916	(59,541)	25,740	(2,159,501)	1,040,656	-307.51%
Total net position	\$ 4,413,817	7,196,558	(14,905)	77,507	4,398,912	7,274,065	-39.53%

The District's combined net position decreased by 39.53%, or \$2,875,153 from the prior year. A large portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased 3.96%, or \$126,522, from the prior year. The increase in restricted net position can be mainly attributable to the increase in fund balance of the Capital Projects Fund.

Unrestricted net position - the part of net position that can be used to finance day-by-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased 307.51%, or \$3,200,157, from the prior year. This decrease in unrestricted net position was primarily a result of the District's net pension liability net pension expense recorded in the current year.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities and business type activities were restated by \$2,809,794 and \$87,498, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

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

	Figure A-4 Changes in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change	
	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2014-15	
Revenues:								
Program revenues:								
Charges for service	\$ 371,323	391,597	124,997	138,204	496,320	529,801		-6.32%
Operating grants, contributions and restricted interest	503,080	520,977	151,687	145,520	654,767	666,497		-1.76%
Capital grants, contributions and restricted interest	35,000	12,725	-	-	35,000	12,725		100.00%
General revenues:								
Property tax	2,027,836	2,259,036	-	-	2,027,836	2,259,036		-10.23%
Income surtax	282,639	284,037	-	-	282,639	284,037		-0.49%
Statewide sales, services and use tax	521,900	506,079	-	-	521,900	506,079		3.13%
Unrestricted state grants	3,081,577	3,017,678	-	-	3,081,577	3,017,678		2.12%
Unrestricted investment earnings	10,603	11,850	59	219	10,662	12,069		-11.66%
Other	63,007	81,565	3	531	63,010	82,096		-23.25%
Gain on sale of real property(Note 12)	13,800	-	-	-	13,800	-		100.00%
Total revenues	<u>6,910,765</u>	<u>7,085,544</u>	<u>276,746</u>	<u>284,474</u>	<u>7,187,511</u>	<u>7,370,018</u>		<u>-2.48%</u>
Program expenses:								
Instructional	4,223,334	4,029,122	-	-	4,223,334	4,029,122		4.82%
Support services	1,855,739	1,846,406	-	-	1,855,739	1,846,406		0.51%
Non-instructional programs	-	-	281,660	285,168	281,660	285,168		-1.23%
Other expenses	804,639	872,002	-	-	804,639	872,002		-7.73%
Total expenses	<u>6,883,712</u>	<u>6,747,530</u>	<u>281,660</u>	<u>285,168</u>	<u>7,165,372</u>	<u>7,032,698</u>		<u>1.89%</u>
Change in net position	27,053	338,014	(4,914)	(694)	22,139	337,320		-93.44%
Net position beginning of year, as restated	<u>4,386,764</u>	<u>6,858,544</u>	<u>(9,991)</u>	<u>78,201</u>	<u>4,376,773</u>	<u>6,936,745</u>		<u>-36.90%</u>
Net position end of year	<u>\$ 4,413,817</u>	<u>7,196,558</u>	<u>(14,905)</u>	<u>77,507</u>	<u>4,398,912</u>	<u>7,274,065</u>		<u>-39.53%</u>

In fiscal year 2015, property tax, income surtax, statewide sales, services and use tax and unrestricted state grants account for 85.58% of the revenue from governmental activities while charges for service and operating grants and contributions account for 99.98% of the revenue from business type activities.

The District's total revenues were \$7,187,511. \$6,910,765 was for governmental activities and \$276,746 was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 2.48% decrease in revenues and a 1.89% increase in expenses.

Governmental Activities

Revenues for governmental activities were \$6,910,765 and expenses were \$6,883,712 for the year ended June 30, 2015.

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

	Total Cost of Services			Net Cost of Services		
	2015	2014	Change 2014-15	2015	2014	Change 2014-15
Instruction	\$ 4,223,334	4,029,122	4.82%	3,617,277	3,373,069	7.24%
Support services	1,855,739	1,846,406	0.51%	1,771,462	1,795,876	-1.36%
Other expenses	804,639	872,002	-7.73%	585,570	653,286	-10.37%
Totals	\$ 6,883,712	6,747,530	2.02%	5,974,309	5,822,231	2.61%

For the year ended June 30, 2015:

- The cost financed by users of the District's programs was \$371,323.
- Federal and state governments along with local sources subsidized certain programs with grants and contributions totaling \$538,080.
- The net cost of governmental activities was financed with \$2,027,836 in property tax, \$282,639 in income surtax, \$521,900 in statewide sales, services and use tax, \$3,081,577 in unrestricted state grants, \$10,603 in interest income, \$63,007 in other general revenues and \$13,800 in gain on sale of real property.

Business Type Activities

Revenues from the District's business type activities were \$276,746 and expenses were \$281,660 for the year ended June 30, 2015. The District's business type activities include the School Nutrition Fund. Revenues of this activity were comprised of charges for service, federal and state reimbursements, investment income, and other general revenues.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balances of \$4,002,679, below last year's ending combined fund balances of \$4,325,565. The primary reason for the decrease in the combined fund balances was due to the decrease in fund balance of the General Fund.

Governmental Fund Highlights

- The General Fund balance decreased from \$1,421,383 at June 30, 2014 to \$891,701 at June 30, 2015. A decrease in revenues received compared to the prior year primarily due to a decrease in local tax and federal sources received along with an increase in expenditures from increased instruction costs incurred were the primary factors in the decrease in fund balance of the General Fund.
- The Management Levy Fund balance decreased from \$757,627 at June 30, 2014 to \$732,117 at June 30, 2015. The decrease in fund balance was primarily due to a decrease in local tax revenues received as compared to the prior year.
- The Capital Projects Fund balance increased from \$1,596,550 at June 30, 2014 to \$1,835,755 at June 30, 2015. This increase in fund balance was primarily due to an increase in state source revenues received along with a decrease in amounts required for payments on the District's revenue bond indebtedness.
- The Debt Service Fund balance decreased from \$421,246 at June 30, 2014 to \$420,173 at June 30, 2015.

Proprietary Fund Highlights

The School Nutrition Fund net position decreased from a restated deficit of \$9,991 at July 1, 2014 to deficit \$14,905 at June 30, 2015, representing a decrease of 49.18%. The primary reason for this decrease in net position is due to a decrease in charges for service revenues received as compared to the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the Belle Plaine Community School District amended its budget one time to reflect additional expenditures associated with increased instructional and support service program costs.

The District's revenues were \$233,778 more than budgeted revenues, a variance of 3.37%. The most significant variance resulted from the District receiving more from state sources than originally anticipated.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had invested \$10,038,149, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net decrease of 1.58% from the previous year. More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation expense for the year was \$355,975.

The original cost of the District's capital assets was \$14,055,104. Governmental funds accounted for \$13,910,128 with the remainder of \$144,976 accounted for in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the machinery and equipment category. The District's machinery and equipment totaled \$266,662 at June 30, 2014, compared to \$350,793 reported at June 30, 2015. This increase is due in part to the purchase of a new school bus and school vehicle during the year.

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2015	2014	2015	2014	2015	2014	2014-15
Land	\$ 58,410	59,610	-	-	58,410	59,610	-2.01%
Buildings	9,409,183	9,656,634	-	-	9,409,183	9,656,634	-2.56%
Land improvements	219,763	216,761	-	-	219,763	216,761	1.38%
Machinery and equipment	306,157	214,895	44,636	51,767	350,793	266,662	31.55%
Total	\$ 9,993,513	10,147,900	44,636	51,767	10,038,149	10,199,667	-1.58%

Long-Term Debt

At June 30, 2015, the District had \$9,444,981 in long-term debt outstanding. This represents an increase of 27.40% from the prior year. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The District had outstanding general obligation bonds payable of \$3,350,000 at June 30, 2015 payable from the Debt Service Fund.

The District had outstanding revenue bonds payable from the Capital Projects: Statewide Sales, Services and Use Tax Fund of \$3,455,000 at June 30, 2015.

The District had termination benefits payable of \$53,825 at June 30, 2015 payable from the Management Levy Fund.

The District had outstanding compensated absences payable from the General Fund of \$84,702 at June 30, 2015.

The District had a net pension liability (IPERS) of \$2,335,934 at June 30, 2015. \$2,265,389 is attributed to the District's governmental activities, with the remaining \$70,545 attributed to the District's business type activities.

The District had a net OPEB liability of \$165,520 at June 30, 2015. \$163,683 is attributed to the District's governmental activities, with the remaining \$1,837 attributed to the District's business type activities.

Figure A-7
Outstanding Long-Term Obligations

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2014		2014		2014		2014-15
	2015	(Not Restated)	2015	(Not Restated)	2015	(Not Restated)	
General obligation bonds	\$ 3,350,000	3,525,000	-	-	3,350,000	3,525,000	-4.96%
Revenue bonds	3,455,000	3,640,000	-	-	3,455,000	3,640,000	-5.08%
Termination benefits	53,825	-	-	-	53,825	-	100.00%
Compensated absences	84,702	76,017	-	-	84,702	76,017	11.43%
Net pension liability - IPERS	2,265,389	-	70,545	-	2,335,934	-	100.00%
Net pension liability - early retirement	-	7,249	-	-	-	7,249	-100.00%
Net OPEB liability	163,683	163,683	1,837	1,837	165,520	165,520	0.00%
Total	\$ 9,372,599	7,411,949	72,382	1,837	9,444,981	7,413,786	27.40%

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:

- The District continues to experience the effects of declining enrollment coupled with insufficient state supplemental state aid. These two factors adversely affect the District's revenue and as a result impact the District's budget.

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 Stacey Kolars, Board Secretary, Belle Plaine Community School District, 707 7th Street, Belle Plaine, Iowa, 52208.

BASIC FINANCIAL STATEMENTS

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and pooled investments	\$ 4,512,819	50,990	4,563,809
Receivables:			
Property tax:			
Delinquent	31,844	-	31,844
Succeeding year	2,270,304	-	2,270,304
Income surtax	256,012	-	256,012
Accounts	1,204	-	1,204
Due from other funds	11,781	(11,781)	-
Due from other governments	218,934	-	218,934
Inventories	-	6,260	6,260
Capital assets, net of accumulated depreciation	9,993,513	44,636	10,038,149
TOTAL ASSETS	17,296,411	90,105	17,386,516
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	506,030	15,796	521,826
LIABILITIES			
Accounts payable	100,210	-	100,210
Salaries and benefits payable	629,901	16,949	646,850
Advances from grantors	43,792	-	43,792
Accrued interest payable	107,864	-	107,864
Unearned revenue	-	4,571	4,571
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	180,000	-	180,000
Revenue bonds	185,000	-	185,000
Termination benefits	26,913	-	26,913
Compensated absences	84,702	-	84,702
Portion due after one year:			
General obligation bonds	3,170,000	-	3,170,000
Revenue bonds	3,270,000	-	3,270,000
Termination benefits	26,912	-	26,912
Net pension liability - IPERS	2,265,389	70,545	2,335,934
Net OPEB liability	163,683	1,837	165,520
TOTAL LIABILITIES	10,254,366	93,902	10,348,268
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	2,270,304	-	2,270,304
Pension related deferred inflows	863,954	26,904	890,858
TOTAL DEFERRED INFLOWS OF RESOURCES	3,134,258	26,904	3,161,162
NET POSITION			
Net investment in capital assets	3,188,513	44,636	3,233,149
Restricted for:			
Categorical funding	375,975	-	375,975
Management levy purposes	678,292	-	678,292
Debt service	671,193	-	671,193
School infrastructure	866,087	-	866,087
Physical plant and equipment	610,784	-	610,784
Student activities	122,933	-	122,933
Unrestricted	(2,099,960)	(59,541)	(2,159,501)
TOTAL NET POSITION	\$ 4,413,817	(14,905)	4,398,912

SEE NOTES TO FINANCIAL STATEMENTS.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2015

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges	Operating Grants,	Capital Grants,	Governmental Activities	Business	Total
		for Service	and Restricted Interest	and Restricted Interest		Type Activities	
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	\$ 2,836,277	93,633	34,672	-	(2,707,972)	-	(2,707,972)
Special	665,622	25,019	26,544	-	(614,059)	-	(614,059)
Other	721,435	204,166	222,023	-	(295,246)	-	(295,246)
	4,223,334	322,818	283,239	-	(3,617,277)	-	(3,617,277)
Support services:							
Student	148,843	10,000	542	-	(138,301)	-	(138,301)
Instructional staff	88,443	-	-	-	(88,443)	-	(88,443)
Administration	812,322	-	-	-	(812,322)	-	(812,322)
Operation and maintenance of plant	527,206	-	-	35,000	(492,206)	-	(492,206)
Transportation	278,925	38,505	230	-	(240,190)	-	(240,190)
	1,855,739	48,505	772	35,000	(1,771,462)	-	(1,771,462)
Long-term debt interest	321,434	-	-	-	(321,434)	-	(321,434)
Other expenditures:							
AEA flowthrough	219,069	-	219,069	-	-	-	-
Depreciation(unallocated)*	264,136	-	-	-	(264,136)	-	(264,136)
	483,205	-	219,069	-	(264,136)	-	(264,136)
Total governmental activities	6,883,712	371,323	503,080	35,000	(5,974,309)	-	(5,974,309)
Business type activities:							
Non-instructional programs:							
Food service operations	281,660	124,997	151,687	-	-	(4,976)	(4,976)
Total	\$ 7,165,372	496,320	654,767	35,000	(5,974,309)	(4,976)	(5,979,285)
General Revenues:							
Property tax levied for:							
General purposes					\$ 1,481,120	-	1,481,120
Capital outlay					217,928	-	217,928
Debt service					328,788	-	328,788
Income surtax					282,639	-	282,639
Statewide sales, services and use tax					521,900	-	521,900
Unrestricted state grants					3,081,577	-	3,081,577
Unrestricted investment earnings					10,603	59	10,662
Other					63,007	3	63,010
Gain on sale of real property(Note 12)					13,800	-	13,800
Total general revenues					6,001,362	62	6,001,424
Change in net position					27,053	(4,914)	22,139
Net position beginning of year, as restated					4,386,764	(9,991)	4,376,773
Net position end of year					\$ 4,413,817	(14,905)	4,398,912

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

SEE NOTES TO FINANCIAL STATEMENTS.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2015

	General	Management Levy	Capital Projects	Debt Service	Nonmajor: Student Activity	Total
ASSETS						
Cash and pooled investments	\$ 1,485,381	730,557	1,758,873	415,075	122,933	4,512,819
Receivables:						
Property tax:						
Delinquent	21,807	1,560	3,379	5,098	-	31,844
Succeeding year	1,618,849	100,000	223,054	328,401	-	2,270,304
Income surtax	227,566	-	28,446	-	-	256,012
Accounts	1,204	-	-	-	-	1,204
Due from other funds	11,781	-	18,303	-	-	30,084
Due from other governments	136,914	-	82,020	-	-	218,934
TOTAL ASSETS	\$ 3,503,502	832,117	2,114,075	748,574	122,933	7,321,201
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Due to other funds	\$ 18,303	-	-	-	-	18,303
Accounts payable	73,390	-	26,820	-	-	100,210
Salaries and benefits payable	629,901	-	-	-	-	629,901
Advances from grantors	43,792	-	-	-	-	43,792
Total liabilities	765,386	-	26,820	-	-	792,206
Deferred inflows of resources:						
Unavailable revenues:						
Succeeding year property tax	1,618,849	100,000	223,054	328,401	-	2,270,304
Income surtax	227,566	-	28,446	-	-	256,012
Total deferred inflows of resources	1,846,415	100,000	251,500	328,401	-	2,526,316
Fund balances:						
Restricted for:						
Categorical funding	375,975	-	-	-	-	375,975
Management levy purposes	-	732,117	-	-	-	732,117
Debt service	-	-	358,884	420,173	-	779,057
School infrastructure	-	-	866,087	-	-	866,087
Physical plant and equipment levy	-	-	610,784	-	-	610,784
Student activities	-	-	-	-	122,933	122,933
Unassigned	515,726	-	-	-	-	515,726
Total fund balances	891,701	732,117	1,835,755	420,173	122,933	4,002,679
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,503,502	832,117	2,114,075	748,574	122,933	7,321,201

SEE NOTES TO FINANCIAL STATEMENTS.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2015

Total fund balances of governmental funds(page 20)	\$	4,002,679
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		9,993,513
Accounts receivable income surtax, are not yet available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.		256,012
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.		(107,864)
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	\$ 506,030	
Deferred inflows of resources	<u>(863,954)</u>	(357,924)
Long-term liabilities, including general obligation bonds payable, revenue bonds payable, compensated absences payable, termination benefits payable, net pension liability and other postemployment benefits payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		<u>(9,372,599)</u>
Net position of governmental activities(page 18)	\$	<u><u>4,413,817</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

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

	General	Management Levy	Capital Projects	Debt Service	Nonmajor: Student Activity	Total
Revenues:						
Local sources:						
Local tax	\$ 1,627,617	99,832	245,298	328,788	-	2,301,535
Tuition	113,752	-	-	-	-	113,752
Other	168,813	5,448	40,002	7	196,442	410,712
State sources	3,386,938	1,273	524,812	4,392	-	3,917,415
Federal sources	144,611	-	-	-	-	144,611
Total revenues	5,441,731	106,553	810,112	333,187	196,442	6,888,025
Expenditures:						
Current:						
Instruction:						
Regular	2,927,699	-	-	-	-	2,927,699
Special	673,665	-	-	-	-	673,665
Other	536,351	-	-	-	202,268	738,619
	4,137,715	-	-	-	202,268	4,339,983
Support services:						
Student	150,580	-	-	-	-	150,580
Instructional staff	111,001	-	-	-	-	111,001
Administration	661,016	132,063	-	-	-	793,079
Operation and maintenance of plant	443,416	-	108,534	-	-	551,950
Transportation	248,616	-	96,406	-	-	345,022
	1,614,629	132,063	204,940	-	-	1,951,632
Capital outlay	-	-	29,627	-	-	29,627
Long-term debt:						
Principal	-	-	-	360,000	-	360,000
Interest and fiscal charges	-	-	-	325,600	-	325,600
	-	-	-	685,600	-	685,600
Other expenditures:						
AEA flowthrough	219,069	-	-	-	-	219,069
Total expenditures	5,971,413	132,063	234,567	685,600	202,268	7,225,911
Excess(Deficiency) of revenues over(under) expenditures	(529,682)	(25,510)	575,545	(352,413)	(5,826)	(337,886)
Other financing sources(uses):						
Transfer in	-	-	-	351,340	-	351,340
Transfer out	-	-	(351,340)	-	-	(351,340)
Total other financing sources(uses)	-	-	(351,340)	351,340	-	-
Change in fund balances before special item:	(529,682)	(25,510)	224,205	(1,073)	(5,826)	(337,886)
Special item:						
Proceeds from sale of real property(Note 12)	-	-	15,000	-	-	15,000
Change in fund balances	(529,682)	(25,510)	239,205	(1,073)	(5,826)	(322,886)
Fund balances beginning of year	1,421,383	757,627	1,596,550	421,246	128,759	4,325,565
Fund balances end of year	\$ 891,701	732,117	1,835,755	420,173	122,933	4,002,679

SEE NOTES TO FINANCIAL STATEMENTS.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2015

Change in fund balances - total governmental funds(page 22) \$ (322,886)

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

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

Capital outlay	\$ 195,657	
Depreciation expense	<u>(348,844)</u>	(153,187)

The proceeds from the sale of real property \$15,000 are reported as revenue in the governmental funds. However, the cost of the real property \$1,200 is removed from the capital assets account in the Statement of Net Position and offset against the sale proceeds resulting in a "gain on the sale of real property" which is reported in the government-wide revenues. Thus, more revenue is reported in the governmental funds than on the Statement of Activities. (1,200)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 360,000

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 funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 4,166

Income surtax accounts receivable is not available to finance expenditures of the current year and, therefore, is recognized as deferred inflows of resources in the governmental funds. 8,940

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 360,850

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:

Compensated absences	(8,685)	
Termination benefits	(53,825)	
Pension expense - IPERS	(174,369)	
Pension expense - early retirement	<u>7,249</u>	<u>(229,630)</u>

Change in net position of governmental activities(page 19) \$ 27,053

SEE NOTES TO FINANCIAL STATEMENTS.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

	Enterprise School Nutrition
ASSETS	
Current assets:	
Cash and pooled investments	\$ 50,990
Inventories	6,260
Total current assets	57,250
Noncurrent assets:	
Capital assets, net of accumulated depreciation	44,636
TOTAL ASSETS	101,886
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows	15,796
 LIABILITIES	
Current liabilities:	
Due to other funds	11,781
Salaries and benefits payable	16,949
Unearned revenue	4,571
Total current liabilities	33,301
Noncurrent liabilities:	
Net OPEB liability	1,837
Net pension liability	70,545
Total noncurrent liabilities	72,382
TOTAL LIABILITIES	105,683
 DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows	26,904
 NET POSITION	
Net investment in capital assets	44,636
Unrestricted	(59,541)
TOTAL NET POSITION	\$ (14,905)

SEE NOTES TO FINANCIAL STATEMENTS.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2015

	Enterprise School Nutrition
Operating revenues:	
Local sources:	
Charges for service	\$ 124,997
Miscellaneous	3
Total operating revenues	125,000
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	112,564
Benefits	21,067
Services	427
Supplies	140,471
Depreciation	7,131
Total operating expenses	281,660
Operating loss	(156,660)
Non-operating revenues:	
State sources	2,130
Federal sources	149,557
Interest income	59
Total non-operating revenues	151,746
Change in net position	(4,914)
Net position beginning of year, as restated	(9,991)
Net position end of year	\$ (14,905)

SEE NOTES TO FINANCIAL STATEMENTS.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2015

	Enterprise School Nutrition
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 125,660
Cash received from miscellaneous	3
Cash payments to employees for services	(142,474)
Cash payments to suppliers for goods or services	(111,439)
Net cash used in operating activities	(128,250)
Cash flows from non-capital financing activities:	
Repayments to the General Fund	(36,658)
State grants received	2,130
Federal grants received	120,074
Net cash provided by non-capital financing activities	85,546
Cash flows from investing activities:	
Interest on investments	59
Net decrease in cash and pooled investments	(42,645)
Cash and pooled investments beginning of year	93,635
Cash and pooled investments end of year	\$ 50,990
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (156,660)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities consumed	29,483
Depreciation	7,131
Decrease in inventories	81
Decrease in accounts receivable	593
Decrease in accounts payable	(105)
Decrease in salaries and benefits payable	(2,998)
Decrease in net pension liability	(27,347)
Increase in pension related deferred outflows	(5,402)
Increase in pension related deferred inflows	26,904
Increase in unearned revenue	70
Net cash used in operating activities	\$ (128,250)

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2015, the District received \$29,483 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2015

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
ADDITIONS:	
Local sources:	
Gifts and contributions	\$ 600
DEDUCTIONS:	
Instruction:	
Regular:	
Scholarships awarded	600
Change in net position	-
Net position beginning of year	-
Net position end of year	\$ -

SEE NOTES TO FINANCIAL STATEMENTS.

Belle Plaine Community School District

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The Belle Plaine Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades preschool through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Belle Plaine, Iowa, and the predominate agricultural territory in Poweshiek, Benton, Iowa and Tama 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, Belle Plaine 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. The Belle Plaine 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 do 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 Benton and Iowa County Assessors' Conference Board.

B. Basis of Presentation

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

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

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

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

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

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

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the 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 other nonmajor governmental funds. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are 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 expenses, including instructional, support and other costs.

The Management Fund is utilized to account for the District's revenues from tax levied for termination benefits, workmen's comprehensive claims, and payments for the District's property insurance and other insurance expenses.

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

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

The District reports the following nonmajor proprietary fund:

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

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

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

C. Measurement Focus and Basis of Accounting

The government-wide and 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 government considers revenues to be available if they are collected within 60 days after year end.

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

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

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

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

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

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

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

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

Cash, Pooled Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for non-negotiable certificates of deposit which are stated at cost.

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the

following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the Government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

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

Due To and Due From Other Funds - During the course of its operations, the District has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as June 30, 2015, balances of interfund accounts receivable or payable between the governmental and business type activities have been recorded.

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

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

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

Asset Class	Amount
Land	\$ 2,500
Buildings	2,500
Improvements other than buildings	2,500
Intangibles	35,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	2,500

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	20 years
Intangibles	2 or more years
Machinery and equipment	5-12 years

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

Salaries and benefits payable - Payroll and related expenditures for annual contracts corresponding to the current school year, which is payable in July and August, have been accrued as liabilities.

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

Unearned Revenue - Unearned revenues in the School Nutrition Fund are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches.

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 that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the 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 future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources consist of property tax receivables and other receivables not collected within sixty days after year end.

Deferred inflows of resources on the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unamortized portion of the net difference between projected and actual earnings on pension plan investments.

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

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

Unassigned - All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

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

Note 2. Cash and Pooled Investments

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

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. At June 30, 2015, the District had no investments.

Note 3. Due To and Due From Other Funds

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects: Physical Plant and Equipment Levy	General	\$ 18,303
General	School Nutrition	11,781
Total		<u>\$ 30,084</u>

The Capital Projects: Physical Plant and Equipment Levy Fund is repaying the General Fund for income surtax revenues received into the incorrect fund.

The Nutrition Fund is repaying the General Fund for salaries and benefits paid by the General Fund which were not repaid by the end of the year.

Note 4. Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects: Statewide Sales, Service and Use Tax	<u>\$ 351,340</u>

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was needed to pay principal and interest payments on the District's revenue bond indebtedness.

Note 5. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 59,610	-	1,200	58,410
Capital assets being depreciated:				
Buildings	12,183,365	946	-	12,184,311
Land improvements	366,869	18,741	-	385,610
Machinery and equipment	1,105,827	175,970	-	1,281,797
Total capital assets being depreciated	13,656,061	195,657	-	13,851,718
Less accumulated depreciation for:				
Buildings	2,526,731	248,397	-	2,775,128
Land improvements	150,108	15,739	-	165,847
Machinery and equipment	890,932	84,708	-	975,640
Total accumulated depreciation	3,567,771	348,844	-	3,916,615
Total capital assets being depreciated, net	10,088,290	(153,187)	-	9,935,103
Governmental activities capital assets, net	\$ 10,147,900	(153,187)	1,200	9,993,513
Business Type Activities:				
Machinery and equipment	\$ 144,976	-	-	144,976
Less accumulated depreciation	93,209	7,131	-	100,340
Business type activities capital assets, net	\$ 51,767	(7,131)	-	44,636

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 4,270
Special	2,740
Other	7,775
Support services:	
Student	3,324
Instructional staff	8,679
Administration	1,787
Operation and maintenance of plant	10,183
Transportation	45,950
	84,708
Unallocated depreciation	264,136
	\$ 348,844
Total governmental activities depreciation expense	
Business type activities:	
Food service operations	\$ 7,131

Note 6. Long-Term Liabilities

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

	Balance Beginning of Year Restated	Additions	Deletions	Balance End of Year	Within One Year
Governmental Activities:					
General obligation bonds	\$ 3,525,000	-	175,000	3,350,000	180,000
Revenue bonds	3,640,000	-	185,000	3,455,000	185,000
Termination benefits	-	53,825	-	53,825	26,913
Compensated absences	76,017	84,702	76,017	84,702	84,702
Net pension liability - IPERS	3,143,579	-	878,190	2,265,389	-
Net pension liability - early retirement*	7,249	-	7,249	-	-
Net OPEB liability	163,683	-	-	163,683	-
Total	<u>\$ 10,555,528</u>	<u>138,527</u>	<u>1,321,456</u>	<u>9,372,599</u>	<u>476,615</u>
Business Type Activities:					
Net pension liability - IPERS	\$ 97,892	-	27,347	70,545	-
Net OPEB liability	1,837	-	-	1,837	-
Total	<u>\$ 99,729</u>	<u>-</u>	<u>27,347</u>	<u>72,382</u>	<u>-</u>

*The District no longer a supplemental pension plan as an early retirement incentive, therefore, it has been removed as a liability from the financial statements. Future early retirement offerings will be accounted for as a termination benefit in accordance with GASB Statement No. 47 as they are offered by the District.

General Obligation Bonds Payable

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

Year Ending June 30,	Interest Rate	Bond issue May 1, 2009		
		Principal	Interest	Total
2016	3.75 %	\$ 180,000	147,902	327,902
2017	4.00	185,000	141,152	326,152
2018	4.25	195,000	133,753	328,753
2019	4.25	205,000	125,465	330,465
2020	4.25	210,000	116,753	326,753
2021-2025	4.25-4.50	1,200,000	437,838	1,637,838
2026-2029	4.55-4.70	1,175,000	139,802	1,314,802
Total		<u>\$ 3,350,000</u>	<u>1,242,665</u>	<u>4,592,665</u>

Revenue Bonds Payable

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

Year Ending June 30,	Interest Rate	Bond issue May 1, 2009		
		Principal	Interest	Total
2016	3.60	% \$ 185,000	163,097	348,097
2017	3.80	195,000	156,062	351,062
2018	4.00	195,000	148,458	343,458
2019	4.20	200,000	140,358	340,358
2020	4.40	205,000	131,648	336,648
2021-2025	4.60-5.10	1,130,000	503,755	1,633,755
2026-2030	5.20-5.50	1,345,000	188,222	1,533,222
Total		\$ 3,455,000	1,431,600	4,886,600

The District has pledged future statewide sales, services and use tax revenues to repay the \$4,150,000 bonds issued in May 2009. The bonds were issued for the purpose of financing a portion of the cost of school infrastructure. 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. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 67% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$4,886,600. For the current year, \$185,000 in principal \$168,573 interest was paid on the bonds and the total statewide sales, services and use tax revenues were \$521,900.

The resolution providing for the issuance of the statewide Sales, services and use tax revenue bonds includes the following provisions:

- a) \$358,884 of the proceeds from the issuance of the revenue bonds shall be deposited to the Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Project Account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a Revenue Account.
- c) Monies in the Revenue Account shall be disbursed to make deposits into a Sinking Account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

Termination Benefits

During fiscal year 2015, the District offered a voluntary early retirement plan for employees. The plan was offered for only one year. Eligible employees must be at least age fifty-five on or before June 30, 2015 and must have completed at least fifteen years of service to the Belle Plaine Community School District. The application for early retirement was subject to approval by the Board of Education.

Each full-time participating employee shall receive an early retirement incentive benefit of twenty-five thousand dollars (\$25,000.00). Each part-time employee will receive a pro-rata share of the early retirement incentive benefit commensurate with the employee's full-time equivalency (i.e. if an employee is .5 FTE, the

employee's early retirement incentive benefit would be twelve thousand five hundred (\$12,500.00) dollars). Each retiree may elect to continue participation on the District's single or family health plan at the employees own expense. Early retirees will receive their benefits in two equal payments with the first being made on or after November 15, 2015, and the second on or after November 15, 2016. At June 30, 2015, the District had obligations to two participants with a total liability of \$53,825.

Note 7. Other Postemployment Benefits (OPEB)

Plan Description - The District operates a single-employer health plan which provides medical and prescription drug benefits for employees, retirees, and their spouses. There are 37 active and 5 retired members in the plan. Retired participants must be age 55 or older at time of retirement.

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

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

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

GASB Statement No. 45 allows Districts with fewer than 100 employees included on the District's health plan to use the Alternative Measurement Method to determine the net OPEB liability. Those Districts with fewer than 100 members are required to get new actuarial valuations every three years barring a substantial change in the plan. Under the Alternative Measurement Method, the net OPEB liability remains the same until the District is required to renew their actuarial valuation. The net OPEB liability as of the most recent valuation is \$165,520. The District is scheduled to need a new valuation dated July 1, 2015 for fiscal year 2016.

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

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 13,311	498.08%	\$ 165,520
2014	-	0.00	165,520
2015	-	0.00	165,520

Funded Status and Funding Progress - As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$147,016, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$147,016. The covered payroll (annual payroll of active employees covered by the plan) was \$1,836,423 and the ratio of the UAAL to covered payroll was 8.0%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the 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, 2012 actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 4.5% discount rate based on the District's funding policy. Life expectancy rates are from the Life Expectancy Table from National Center Health Statistics updated in 2008. The ultimate medical trend rate is 5%. The medical trend rate is reduced 1% each year until reaching the 5% ultimate trend rate.

The salary increase rate was assumed to be 3% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 8. Supplemental Pension Plan - Early Retirement

Plan Description - In prior fiscal years the District offered a supplemental pension (early retirement incentive) for all eligible employees who attain age 55 with 15 or more years of service, submit an application to the Board of Directors, receive Board approval, and retire by June 30 of the same year. This plan has been discontinued by the District and new early retirement incentives will be offered by the Board on an as needed basis. The early retirement obligations from these subsequent retirement liabilities will be accounted for as a termination benefit in accordance with GASB Statement No. 47. The net pension liability associated with this former early retirement offering has been removed from the District's financial statements.

Note 9. Pension Plan - IPERS

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.

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 information purposes only. Refer to the plan documents for more information.

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

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

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

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2015 were \$372,125.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the District reported a liability of \$2,335,934 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's collective proportion was 0.057719 percent, which was an increase of 0.000469 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$179,799. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,387	\$ -
Changes of assumptions	103,090	-
Net difference between projected and actual earnings on pension plan investments	-	890,858
Changes in proportion and differences between District contributions and proportionate share of contributions	21,224	-
District contributions subsequent to the measurement date	372,125	-
Total	\$ 521,826	\$ 890,858

\$375,125 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	\$ (187,738)
2017	(187,738)
2018	(187,738)
2019	(187,738)
2020	9,795
	<u>\$ (741,157)</u>

There were no non-employer contributing entities at IPERS.

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are

combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 4,413,681	\$ 2,335,934	\$ 582,100

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan - At June 30, 2015, the District reported payables to the defined benefit pension plan of \$48,395 for legally required employer contributions and \$32,245 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 10. Risk Management

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

Note 11. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$219,069 for the year ended June 30, 2015 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 12. Sale of Real Property

During the year ended June 30, 2015, the District received payment from the City of Belle Plaine of \$15,000 for the purchase of the lots adjacent to the old Lincoln middle school building. This land was valued on the District's books at \$1,200, resulting in a gain of \$13,800 to the District.

Note 13. Reconciliation of Governmental Fund Balances to Net Position

Reconciliation of certain governmental fund balances to net position are as follows:

	Net investment in Capital Assets	Management Levy	Debt Service	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	732,117	779,057	515,726
Capital assets, net of accumulated depreciation	9,993,513	-	-	-
General obligation bond capitalized indebtedness	(3,350,000)	-	-	-
Revenue bond capitalized indebtedness	(3,455,000)	-	-	-
Accrued interest payable	-	-	(107,864)	-
Income surtax receivable	-	-	-	256,012
Compensated absences payable	-	-	-	(84,702)
Termination benefits	-	(53,825)	-	-
Pension related deferred outflows	-	-	-	506,030
Net pension liability - IPERS	-	-	-	(2,265,389)
Pension related deferred inflows	-	-	-	(863,954)
Net OPEB liability	-	-	-	(163,683)
Net position (Exhibit A)	<u>\$ 3,188,513</u>	<u>678,292</u>	<u>671,193</u>	<u>(2,099,960)</u>

Note 14. Categorical Funding

The District's ending balances for categorical funding at June 30, 2015 is comprised of the following programs:

Program	Amount
Returning dropouts and dropout prevention programs	\$ 197,446
Teacher salary supplement	35,962
Four-year-old preschool state aid	142,567
Total	<u>\$ 375,975</u>

Note 15. 28E Lease Agreement

On September 17, 2008, the District entered into a 28E agreement with HLV Community School District, for the lease of a shared maintenance facility owned by John Grieder. Monthly payments of \$600 are split evenly between the two Districts, each paying \$300 per month until either the Districts or the landlord terminates this lease.

Note 16. Deficit Balances

At June 30, 2015, the District had deficit unrestricted net position of \$59,541 and deficit total net position of \$14,905 in the School Nutrition Fund. The District also had deficit unrestricted net position of \$2,099,960 in its governmental activities on its Statement of Net Position.

Note 17. Accounting Change/Restatement

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

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Net position June 30, 2014, as previously reported	\$ 7,196,558	\$ 77,507
Net pension liability at June 30, 2014	(3,143,579)	(97,892)
Deferred outflows of resources related to the contributions made after the June 30, 2013 measurement date	333,785	10,394
Net position July 1, 2014, as restated	<u>\$ 4,386,764</u>	<u>\$ (9,991)</u>

REQUIRED SUPPLEMENTARY INFORMATION

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND
 CHANGES IN BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
 AND PROPRIETARY FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 YEAR ENDED JUNE 30, 2015

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 2,825,999	125,059	2,951,058	3,143,027	3,143,027	(191,969)
State sources	3,917,415	2,130	3,919,545	3,514,966	3,514,966	404,579
Federal sources	144,611	149,557	294,168	273,000	273,000	21,168
Total revenues	<u>6,888,025</u>	<u>276,746</u>	<u>7,164,771</u>	<u>6,930,993</u>	<u>6,930,993</u>	<u>233,778</u>
Expenditures/Expenses:						
Instruction	4,339,983	-	4,339,983	4,317,908	4,550,000	210,017
Support services	1,951,632	-	1,951,632	2,362,500	2,550,000	598,368
Non-instructional programs	-	281,660	281,660	330,000	330,000	48,340
Other expenditures	934,296	-	934,296	1,173,048	1,173,048	238,752
Total expenditures/expenses	<u>7,225,911</u>	<u>281,660</u>	<u>7,507,571</u>	<u>8,183,456</u>	<u>8,603,048</u>	<u>1,095,477</u>
Excess(Deficiency) of revenues over(under) expenditures/expenses	(337,886)	(4,914)	(342,800)	(1,252,463)	(1,672,055)	1,329,255
Other financing sources, net	15,000	-	15,000	-	-	15,000
Excess(deficiency) of revenues and other financing sources over(under) expenditures/expenses	(322,886)	(4,914)	(327,800)	(1,252,463)	(1,672,055)	1,344,255
Balances beginning of year, as restated	<u>4,325,565</u>	<u>(9,991)</u>	<u>4,315,574</u>	<u>3,085,321</u>	<u>3,085,321</u>	<u>1,230,253</u>
Balances end of year	<u>\$ 4,002,679</u>	<u>(14,905)</u>	<u>3,987,774</u>	<u>1,832,858</u>	<u>1,413,266</u>	<u>2,574,508</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2015

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions not by fund 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 functional 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 by \$419,592.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST FISCAL YEAR *
 REQUIRED SUPPLEMENTARY INFORMATION

	2015
District's proportion of the net pension liability	0.057719%
District's proportionate share of the net pension liability	\$ 2,335,934
District's covered-employee payroll	\$ 4,167,134
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.06%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

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

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.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	\$ 372,125	344,179	321,024	295,186	243,852	237,798	215,674	178,182	216,331	211,175
Contributions in relation to the statutorily required contribution	<u>(372,125)</u>	<u>(344,179)</u>	<u>(321,024)</u>	<u>(295,186)</u>	<u>(243,852)</u>	<u>(237,798)</u>	<u>(215,674)</u>	<u>(178,182)</u>	<u>(216,331)</u>	<u>(211,175)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>								
District's covered-employee payroll	\$ 4,167,134	3,854,188	3,702,699	3,657,819	3,508,662	3,421,554	3,396,441	2,945,157	3,762,278	3,672,609
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%	6.95%	6.35%	6.05%	5.75%	5.75%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
YEAR ENDED JUNE 30, 2015

Changes of benefit terms:

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

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

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

Changes of assumptions:

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

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

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

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

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

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumption from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE
RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	-	\$ 1,532,000	1,532,000	0.0%	\$ 3,304,982	46.4%
2011	July 1, 2009	-	1,532,000	1,532,000	0.0	3,177,384	48.2
2012	July 1, 2009	-	1,532,000	1,532,000	0.0	3,657,823	41.9
2013	July 1, 2012	-	147,016	147,016	0.0	1,880,008	7.8
2014	July 1, 2012	-	147,016	147,016	0.0	1,622,805	9.1
2015	July 1, 2012	-	147,016	147,016	0.0	1,836,423	8.0

See Note 7 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE
SUPPLEMENTAL PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2014	July 1, 2013	-	\$ 217,463	217,463	0.0%	\$ 3,522,213	6.2%
2015	July 1, 2013	-	217,463	217,463	0.0%	4,232,893	5.1%

See Note 8 in the accompanying Notes to Financial Statements: this supplemental pension plan was discontinued by the District and as a result the liability associated with the supplemental pension plan has been removed from these financial statements. Any subsequent early retirement offerings offered by the District will not be accounted for as a termination benefit in accordance with GASB Statement No. 47 when such incentives are offered by the Board of Education.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SUPPLEMENTARY INFORMATION

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 CAPITAL PROJECT ACCOUNTS
 JUNE 30, 2015

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
ASSETS			
Cash and pooled investments	\$ 1,142,951	615,922	1,758,873
Receivables:			
Property tax:			
Delinquent	-	3,379	3,379
Succeeding year	-	223,054	223,054
Income surtax	-	28,446	28,446
Due from other funds	-	18,303	18,303
Due from other governments	82,020	-	82,020
TOTAL ASSETS	\$ 1,224,971	889,104	2,114,075
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	-	26,820	26,820
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	223,054	223,054
Income surtax	-	28,446	28,446
Total deferred inflows of resources	-	251,500	251,500
Fund balances:			
Restricted for:			
Debt service	358,884	-	358,884
School infrastructure	866,087	-	866,087
Physical plant and equipment levy	-	610,784	610,784
Total fund balances	1,224,971	610,784	1,835,755
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,224,971	889,104	2,114,075

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 CAPITAL PROJECT ACCOUNTS
 YEAR ENDED JUNE 30, 2015

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	245,298	245,298
Other	4,836	35,166	40,002
State sources	521,900	2,912	524,812
Total revenues	<u>526,736</u>	<u>283,376</u>	<u>810,112</u>
Expenditures:			
Current:			
Support services:			
Operation and maintenance of plant	-	108,534	108,534
Transportation	-	96,406	96,406
Capital outlay	-	29,627	29,627
Total expenditures	<u>-</u>	<u>234,567</u>	<u>234,567</u>
Excess of revenues over expenditures	526,736	48,809	575,545
Other financing uses:			
Transfer out	<u>(351,340)</u>	-	<u>(351,340)</u>
Change in fund balances before special item	175,396	48,809	224,205
Special item:			
Proceeds from the sale or real property(Note 12)	-	15,000	15,000
Change in fund balances	175,396	63,809	239,205
Fund balances beginning of year	<u>1,049,575</u>	<u>546,975</u>	<u>1,596,550</u>
Fund balances end of year	<u>\$ 1,224,971</u>	<u>610,784</u>	<u>1,835,755</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
 YEAR ENDED JUNE 30, 2015

Account	Balance Beginning of Year	Revenues	Expendi- tures	Intra- Fund Transfers	Balance End of Year
School Play	\$ -	500	472	-	28
Speech	164	36	54	-	146
Speech fundraiser	109	-	-	-	109
Vocal	200	-	-	-	200
Band	99	101	-	-	200
Boys Cross Country	-	200	200	-	-
Girls Cross Country	-	200	200	-	-
Boys Cross Country Fundraiser	256	1,172	1,047	-	381
Girls Cross Country Fundraiser	-	57	-	-	57
Boys/Girls Golf	450	300	657	-	93
Boys Basketball	48	702	621	-	129
Football	-	1,250	1,230	-	20
Football Fundraiser	1,254	4,476	4,656	-	1,074
Baseball	-	750	750	-	-
Baseball Fundraiser	952	4,465	4,263	-	1,154
Boys Track	-	375	375	-	-
Boys Track Fundraiser	82	692	468	-	306
Boys Golf Fundraiser	606	285	195	-	696
Wrestling	-	750	721	-	29
Wrestling Fundraiser	2	13	12	-	3
Girls Basketball	-	750	732	-	18
Girls Basketball Fundraiser	876	4,905	1,944	-	3,837
Volleyball	-	750	732	-	18
Volleyball Fundraiser	2,632	7,019	7,809	-	1,842
Softball	-	750	525	-	225
Softball Fundraiser	285	-	-	-	285
Girls Track	25	350	375	-	-
Girls Track Fundraiser	1,706	984	1,698	-	992
Activities	5,129	81,225	75,818	108	10,644
Cheerleading Fundraiser	2,075	3,757	4,996	-	836
Cheerleading	-	400	400	-	-
Dance/Drill Team	385	-	-	-	385
K-8 Art Club	75	263	224	-	114
Junior High/Elementary Drama	193	160	234	-	119
Science Club	1,378	-	49	-	1,329
Pep Club	499	48	149	-	398
High School Student Council	5,539	1,386	1,408	108	5,625
Annual	14,692	5,797	6,588	108	14,009
Close Up	892	8,180	4,332	-	4,740
Spanish club	187	-	-	-	187
FFA	48,501	39,627	52,223	-	35,905
Win With Wellness	774	48	246	-	576
Video Club	472	159	185	-	446
German Club	431	1,122	-	-	1,553
Prom	734	2,042	1,999	-	777
Lego Club	148	275	338	-	85
Junior High Student Council	2,280	-	407	-	1,873
Camp Courageous	1,024	1,023	461	-	1,586
Elementary Student Council	8,569	4,870	5,830	-	7,609
Student/Staff Pop fund	3,764	170	3,934	-	-
Student/Staff Pop fund	-	550	55	-	495
Field Trip	1,511	-	-	-	1,511
Class of 2014	1,140	-	-	(1,140)	-
Class of 2015	3,508	1,074	3,700	285	1,167
Class of 2016	3,123	344	3,088	285	664
Class of 2017	4,468	419	-	285	5,172
Class of 2018	3,553	270	-	285	4,108
Class of 2019	3,969	6,937	3,759	-	7,147
Class of 2020	-	4,140	2,109	-	2,031
Interest	-	324	-	(324)	-
Total	\$ 128,759	196,442	202,268	-	122,933

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Modified Accrual Basis									
	Years Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local sources:										
Local tax	\$ 2,301,535	2,543,625	2,996,345	3,156,043	3,085,771	2,878,235	2,650,971	2,488,684	2,311,470	2,187,039
Tuition	113,752	149,305	115,238	194,965	177,573	164,036	176,204	138,590	167,612	128,317
Other	410,712	370,790	446,877	403,119	451,601	508,547	613,970	420,898	357,117	319,339
State sources	3,917,415	3,830,472	3,372,603	3,313,223	3,283,645	2,984,563	3,205,102	3,190,242	3,114,097	2,986,849
Federal sources	144,611	191,904	176,396	319,593	175,498	578,831	112,634	127,976	120,028	129,567
Total	\$ 6,888,025	7,086,096	7,107,459	7,386,943	7,174,088	7,114,212	6,758,881	6,366,390	6,070,324	5,751,111
Expenditures:										
Instruction:										
Regular	\$ 2,927,699	2,683,366	2,729,474	2,831,661	2,836,335	2,619,266	2,392,766	2,450,902	2,534,811	2,546,399
Special	673,665	625,768	730,209	731,631	775,040	649,172	741,855	624,013	705,497	671,141
Other	738,619	749,169	762,789	628,846	633,044	686,781	799,478	558,205	512,360	498,777
Support services:										
Student	150,580	129,136	115,893	85,638	84,377	77,507	50,455	44,050	77,402	79,791
Instructional staff	111,001	145,953	129,172	108,546	141,436	79,796	76,334	79,943	150,924	170,979
Administration	793,079	703,927	632,184	614,326	553,608	683,918	1,095,919	618,806	724,720	693,490
Operation and maintenance of plant	551,950	559,972	529,144	489,315	524,192	468,412	447,593	453,011	460,129	472,027
Transportation	345,022	361,865	285,875	363,978	393,408	248,164	216,812	294,431	311,662	228,354
Capital outlay	29,627	42,469	272,092	66,963	1,902,308	7,128,710	152,655	16,188	59,558	139,931
Long Term Debt:										
Principal	360,000	320,000	320,000	285,000	215,000	145,000	-	-	-	-
Interest and fiscal charges	325,600	391,853	343,638	353,218	357,275	300,685	600	-	-	-
Other expenditures:										
AEA flow-through	219,069	218,716	211,358	209,569	237,896	236,563	216,427	211,997	208,301	201,163
Total	\$ 7,225,911	6,932,194	7,061,828	6,768,691	8,653,919	13,323,974	6,190,894	5,351,546	5,745,364	5,702,052

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3040
Telephone (641) 792-1910

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

To the Board of Education of the Belle Plaine Community School District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Belle Plaine Community School District as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Belle Plaine 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 Belle Plaine Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Belle Plaine Community School District's internal control.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Belle Plaine 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 or other matters which are described in Part II of the accompanying Schedule of Findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during 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.

Belle Plaine Community School District's Responses to Findings

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

Purpose of this Report

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Belle Plaine 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.



NOLTE, CORNMAN & JOHNSON, P.C.

March 15, 2016
Newton, Iowa

BELLE PLAINE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2015

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

I-A-15 Segregation of Duties - One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual has control over each of the following areas for the District:

- 1) Cash - initiating cash receipt and disbursement transactions and handling and recording cash.
- 2) Receipts - collecting, recording, depositing, journalizing, posting and reconciling.

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

Response - The District will look at its current internal control procedures and assign duties to additional employees as needed.

Conclusion - Response accepted.

I-B-15 Bank Reconciliations - We noted during our audit that bank reconciliations for the Bankers Trust statements were not being completed timely.

Recommendation - Although the Bankers Trust accounts of the District are held in trust by a fiscal agent they are still considered District funds, and as such should be reconciled monthly to ensure proper recording of any interest revenue, principal or interest expense associated with the indebtedness of the District.

Response - The District will record transactions with Bankers Trust on a monthly basis to reconcile the statements.

Conclusion - Response accepted.

I-C-15 Title I Reporting - We noted during our audit that Title I reports submitted to the Iowa Department of Education were not reconciled to actual expenses reported in the District's general ledger. As a result the District's carryover allocation of the Title I revenues exceed the 15% allowed.

Recommendation - The District needs to reconcile Title I reports submitted to the Iowa Department of Education to actual expenses reported in the District's general ledger. Once this reconciliation is completed, the District should amend the Title I budget to match revenues to actual general ledger expenditures. The District should also contact the Iowa Department of Education and develop a workout plan for the amount of Title I claimed in excess of actual expenses.

Response - The District has contacted the Iowa Department of Education and has adjusted/amended its budget for Title I to match its expenditures. The District has also adjusted/amended its carryover budget.

Conclusion - Response accepted.

OTHER MATTERS:

I-D-15 Board Policies - We noted during our audit the District's board policy book appears to have not been kept up to date. All board policies should be reviewed every five years and documented when approved and reviewed.

Recommendation - The District should review the board policy book and update all policies that have not been updated within the past five years. The District should take steps to review board policies in a more timely manner.

Response - The District will review/update its board policies that have not been updated for the past five years.

Conclusion - Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-15 Certified Budget - Expenditures for the year ended June 30, 2015 did not exceed the certified budgeted amounts.

II-B-15 Questionable Disbursements - We noted no disbursements that may not meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979.

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

II-D-15 Business Transactions - No business transactions between the District and District officials were noted.

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

II-F-15 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.

II-G-15 Certified Enrollment - No variances in the basic enrollment data certified to the Department of Education.

II-H-15 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

II-I-15 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

II-J-15 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely; and we noted no significant deficiencies in the amounts reported.

II-K-15 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.

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

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

Beginning Balance		\$	1,049,575
Revenues:			
Other	4,836		
Sales tax revenues	521,900		526,736
			<u>1,576,311</u>
Expenditures/transfers out:			
Transfers to other funds:			
Debt service fund			<u>351,340</u>
Ending Balance		\$	<u>1,224,971</u>

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

II-M-15 Financial Condition - The School Nutrition Fund had deficit unrestricted net position of \$59,541 and deficit total net position of \$14,905 at June 30, 2015. The District's governmental activities had deficit unrestricted net position of \$2,099,960 at June 30, 2015. The primary reason for these deficit net positions is due to the implementation of GASB Statements No. 68 and No. 71 during the year.

Recommendation - The District should take steps to ensure the District's administration and Board of Education understand this accounting change/restatement and how GASB Statements No. 68 and 71 will affect the District's financials moving forward.

Response - The District will take steps to inform the Board of Education of how GASB Statements No. 68 and 71 will affect the District's financials in the future.

Conclusion - Response accepted.

II-N-15 Contracts - We noted during our audit that a contract for disc jockey services was not signed by the Board President. According to Chapter 291.1 of the Code of Iowa, the Board President shall sign all contracts entered into by the District.

Recommendation - The District should have the Board President sign all contracts entered into by the District to comply with Chapter 291.1 of the Code of Iowa.

Response - The District will take steps to ensure the Board President signs all contracts.

Conclusion - Response accepted.

II-O-15 Checks Outstanding - We noted during our audit that the District had checks included in the activity, nutrition and general bank reconciliations that have been outstanding for over a year.

Recommendation - The District should determine if the checks need to be voided, reissued or submitted to the State Treasurer as unclaimed property. Per Chapter 556.1(10) and 556.11 of the Code of Iowa the District is required to report unclaimed property to the State Treasurer annually before November 1st.

Response - The District has determined these checks need to be voided.

Conclusion - Response accepted.