

BOYDEN-HULL
COMMUNITY SCHOOL DISTRICT

Hull, Iowa

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

June 30, 2015

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

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BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

OFFICIALS

JUNE 30, 2015

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>BOARD OF EDUCATION</u>		
Jake Ten Haken	President	2015
Mark Nilles	Vice President	2017
Aric Van Voorst	Board Member	2015
Jason Moser	Board Member	2015
Doug Reuvers	Board Member	2017

SCHOOL OFFICIALS

Steve Grond	Superintendent	Indefinite
Lori Hoven	District Secretary/Treasurer and Business Manager	Indefinite
John De Koster	Attorney	Indefinite
Jeffrey Krausman	Attorney	Indefinite



INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Boyden-Hull Community School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Boyden-Hull Community School District (the District), Hull, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Emphasis of Matter

As discussed in Note 12 to the financial statements, the District adopted new accounting guidance related to Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 5 through 13 and 45 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information included in Schedules 1 through 8, 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015, on our consideration of the 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 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 the District's internal control over financial reporting and compliance.

December 14, 2015
Sioux City, Iowa

King Reinsch Prieser & Co. LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Boyden-Hull Community School District (the 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 \$6,619,324 in fiscal year 2014 to \$6,540,950 in fiscal year 2015, and General Fund expenditures increased from \$6,371,410 in fiscal year 2014 to \$6,628,941 in fiscal year 2015. The District's General Fund balance decreased from \$1,591,990 in fiscal year 2014 to \$1,509,344 in fiscal year 2015, a 5.2 percent decrease.
- The decrease in General Fund revenues was primarily attributable to lower levy rates and a decrease in state source revenues from decreased enrollment and the state's allowable growth. The increase in General Fund expenditures was mainly due to expected inflationary increases in all costs including 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 the 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 the District's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which the District acts solely as an agent or custodian for the benefit of those outside of the District.

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

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

Supplementary Information provides detailed information about the nonmajor governmental funds, Capital Project Funds and Agency Funds.

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, the Special Revenue Funds, the Debt Service Fund and the Capital Project Funds.

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

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

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

3. Fiduciary Funds - The District is the trustee, or fiduciary, for assets that belong to others. These funds include the District's agency funds.

Agency Funds - These are funds through which the District acts as a fiscal agent. The District's agency funds include the employee flex cafeteria plan and the employee pop money.

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

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

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-1 below provides a summary of the District's net position at June 30, 2015 compared to June 30, 2014.

Figure A-1 (In Thousands)
Condensed Statement of Net Position

	Governmental Activities		Business Type Activities		Total District		Total Percentage Change
	June 30,		June 30,		June 30,		June 30,
	2015	2014	2015	2014	2015	2014	2014-2015
		(Not Restated)		(Not Restated)		(Not Restated)	
Current and other assets	\$ 5,894	\$ 5,859	\$ 71	\$ 50	\$ 5,965	\$ 5,909	0.9%
Capital assets, net	6,466	6,011	18	19	6,484	6,030	7.5%
Total assets	\$ 12,360	\$ 11,870	\$ 89	\$ 69	\$ 12,449	\$ 11,939	4.3%
Deferred outflows of resources	\$ 524	\$ -	\$ 1	\$ -	\$ 525	\$ -	100.0%
Long-term liabilities	\$ 3,632	\$ 1,554	\$ 9	\$ -	\$ 3,641	\$ 1,554	134.3%
Other liabilities	182	170	39	40	221	210	5.2%
Total liabilities	\$ 3,814	\$ 1,724	\$ 48	\$ 40	\$ 3,862	\$ 1,764	118.9%
Deferred inflows of resources	\$ 3,813	\$ 2,874	\$ 4	\$ -	\$ 3,817	\$ 2,874	32.8%
Net position:							
Net investment in capital assets	\$ 5,586	\$ 4,823	\$ 18	\$ 19	\$ 5,604	\$ 4,842	15.7%
Restricted	1,454	1,268	-	-	1,454	1,268	14.7%
Unrestricted	(1,783)	1,181	20	10	(1,763)	1,191	(248.0%)
Total net position	\$ 5,257	\$ 7,272	\$ 38	\$ 29	\$ 5,295	\$ 7,301	(27.5%)

The District's total net position decreased 27.5 percent, or approximately \$2.0 million from the prior year. The largest 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 approximately \$186,000, or 14.7 percent, over the prior year due to increased local revenues from changes in levy rates while at the same time decreasing expenditures.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased approximately \$2.9 million, or 248.0 percent from the prior year. This reduction 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 \$2,865,819 and \$13,050, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Figure A-2 shows the changes in net position for the year ended June 30, 2015 compared to the year ended June 30, 2014.

Figure A-2 (In Thousands)
Change in Net Position

	Governmental Activities		Business Type Activities		Total District		Total Percentage Change
	2014		2014		2014		
	2015	(Not Restated)	2015	(Not Restated)	2015	(Not Restated)	
Revenues:							
Program revenues:							
Charges for services	\$ 731	\$ 556	\$ 203	\$ 185	\$ 934	\$ 741	26.0%
Operating grants, contributions and restricted interest	1,020	1,080	155	139	1,175	1,219	(3.6%)
Capital grants, contributions and restricted interest	69	25	-	-	69	25	176.0%
General revenues:							
Property tax	2,911	2,614	-	-	2,911	2,614	11.4%
Local surtax	193	437	-	-	193	437	(55.8%)
Statewide sales, services and use tax	579	547	-	-	579	547	5.9%
Unrestricted state grants	2,713	2,778	-	-	2,713	2,778	(2.3%)
Unrestricted investment earnings	17	19	-	-	17	19	(10.5%)
Other	5	1	-	-	5	1	400.0%
Total revenues	<u>\$ 8,238</u>	<u>\$ 8,057</u>	<u>\$ 358</u>	<u>\$ 324</u>	<u>\$ 8,596</u>	<u>\$ 8,381</u>	<u>2.6%</u>
Program expenses:							
Instruction	\$ 5,207	\$ 4,964	\$ -	\$ -	\$ 5,207	\$ 4,964	4.9%
Support services	1,830	1,879	-	-	1,830	1,879	(2.6%)
Non-instructional programs	-	-	336	318	336	318	5.7%
Other expenses	351	374	-	-	351	374	(6.1%)
Total expenses	<u>\$ 7,388</u>	<u>\$ 7,217</u>	<u>\$ 336</u>	<u>\$ 318</u>	<u>\$ 7,724</u>	<u>\$ 7,535</u>	<u>2.5%</u>
Change in net position	\$ 850	\$ 840	\$ 22	\$ 6	\$ 872	\$ 846	3.1%
Net position beginning of year, as restated	4,407	6,432	16	23	4,423	6,455	(31.5%)
Net position end of year	<u>\$ 5,257</u>	<u>\$ 7,272</u>	<u>\$ 38</u>	<u>\$ 29</u>	<u>\$ 5,295</u>	<u>\$ 7,301</u>	<u>(27.5%)</u>

In fiscal year 2015, property tax and unrestricted state grants accounted for 68.3 percent of the governmental activities revenue (66.9 percent in 2014) while charges for service and operating grants, contributions and restricted interest accounted for 99.9 percent of business type activities revenue (99.9 percent in 2014). The District's total revenues were approximately \$8.6 million, of which approximately \$8.2 million was for governmental activities and less than \$1 million was for business type activities. The District's expenses primarily relate to instruction and support services, which account for 91.1 percent of the total expenses (90.8 percent in 2014).

As shown in Figure A-2, the District experienced a 2.6 percent increase in revenues and a 2.5 percent increase in expenses. Property taxes and charges for services increased approximately \$490,000 to fund the increase in expenses. The increase in expenses is primarily due to expected inflationary increase in all costs including salary and benefits.

Governmental Activities - Revenues for governmental activities were \$8,237,608 and expenses were \$7,387,987. The District was able to keep expenses at a level less than revenues.

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.

Figure A-3 (In Thousands)
Total and Net Cost of Governmental Activities

	Total Cost of Services		Percent	Net Cost of Services		Percent
	2014		Change	2014		Change
	2015	(Not Restated)	2014-2015	2015	(Not Restated)	2014-2015
Instruction	\$ 5,207	\$ 4,964	4.9%	\$ 3,745	\$ 3,667	2.1%
Support services	1,830	1,879	(2.6%)	1,758	1,820	(3.4%)
Other expenses	351	374	(6.1%)	65	69	(5.8%)
Totals	\$ 7,388	\$ 7,217	2.4%	\$ 5,568	\$ 5,556	0.2%

For the year ended June 30, 2015:

- The cost financed by users of the District's programs was \$731,388 (\$556,245 in 2014).
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,019,715 (\$1,080,173 in 2014).
- The net cost of governmental activities was financed with \$3,682,896 in property and other taxes (\$3,598,419 in 2014) and \$2,712,517 in unrestricted state grants (\$2,777,796 in 2014).

Business Type Activities - Revenues for business type activities during the year ended June 30, 2015 were \$358,192 (\$323,758 in 2014), a 10.6 percent increase, while expenses totaled \$336,300 (\$317,993 in 2014), a 5.8 percent increase. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

During the year ended June 30, 2015, the District entered into a contract with a new food service company, increasing student participation and allowing the overall increase in net position.

Individual Fund Analysis

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$2,596,092, above last year's ending fund balances of \$2,524,437. However, the primary reason for the increase in combined fund balance at the end of the fiscal year 2015 is due to increases in local revenues while expenses remained consistent.

Governmental Fund Highlights

The District's General Fund maintains a strong financial position with \$1,509,344 in its fund balance at June 30, 2015. The General Fund decreased by \$82,646 during fiscal year 2015 due to expected inflationary increases in all costs including salary and benefits while tax levies were decreased.

The District's Capital Projects Fund balance increased \$62,953 during fiscal year 2015. This was due to increasing tax levies and not commencing any large construction projects in fiscal year 2015.

The District's Management Levy Fund balance increased \$75,316 during fiscal year 2015. This was due to the District's preference to increase the fund balance in anticipation of future retirements.

Proprietary Fund Highlights

School Nutrition Fund net position increased from \$15,903 at June 30, 2014 to \$37,795 at June 30, 2015, representing a 137.7 percent increase. This was due to a new contract with a new food service company that resulted in increased student participation and sales.

Budgetary Highlights

The District's total revenues were \$425,341 more than total budgeted revenues, a variance of 5.1 percent due to uncertainty and a conservative approach by the District regarding state revenues.

The District's total expenditures were \$642,378 less than budgeted, a variance of 6.9 percent due to the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

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

Capital Assets and Debt Administration

Capital Assets - At June 30, 2015, the District had invested \$6,483,614, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment, transportation equipment and intangible assets. (See Figure A-4) This represents a 7.5 percent increase from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation/amortization expense for the year was \$344,707.

The original cost of the District's capital assets was \$11,185,126. Governmental funds account for \$11,091,268, with the remainder of \$93,858 accounted for in the Proprietary, School Nutrition Fund. The largest changes in capital asset activity during the year occurred in the building improvements category. The significant increase is due to completed construction projects associated with Hesla Field.

Figure A-4 (In Thousands)
Capital Assets, Net of Depreciation/Amortization

	Governmental Activities		Business Type Activities		Total District		Percent Change 2014-2015
	2015	2014	2015	2014	2015	2014	
Land	\$ 603	\$ 398	\$ -	\$ -	\$ 603	\$ 398	51.5%
Construction in progress	48	820	-	-	48	820	(94.1%)
Land improvements	436	100	-	-	436	100	336.0%
Buildings	1,237	1,285	-	-	1,237	1,285	(3.7%)
Building improvements	3,387	2,667	-	-	3,387	2,667	27.0%
Furniture and equipment	560	588	18	19	578	607	(4.8%)
Vehicles	187	153	-	-	187	153	22.2%
Intangibles	8	-	-	-	8	-	100.0%
Totals	\$ 6,466	\$ 6,011	\$ 18	\$ 19	\$ 6,484	\$ 6,030	7.5%

Long-Term Debt - At June 30, 2015, the District had \$880,000 in long-term debt outstanding. This represents a 25.9 percent decrease from last year. (See Figure A-5) Additional information about the District's long-term liabilities is presented in Note 6 to the financial statements.

Figure A-5 (In Thousands)
Outstanding Long-Term Debt

	June 30,		Percent Change 2014-2015
	2015	2014	
General obligation bonds	\$ 880	\$ 1,085	(18.9%)
Capital lease obligation	-	102	(100.0%)
	\$ 880	\$ 1,187	(25.9%)

Economic Factors Bearing on the District's Future

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

- Total taxable valuation is to increase for property tax collected in fiscal year 2016 due to a consistent trend in past fiscal years.
- Necessary infrastructure and technology equipment improvements during fiscal year 2016 will be paid for using resources from the Capital Projects Fund.
- Anticipated increases in state source revenue through enrollment and allowable growth.

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 Lori Hoven, District Secretary/Treasurer and Business Manager, Boyden-Hull Community School District, 801 1st Street, Hull, Iowa 51239.

BASIC FINANCIAL STATEMENTS

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental Activities	Business Type Activities	Total	Component Unit Foundation
ASSETS:				
Cash, cash equivalents and pooled investments	\$ 2,457,632	\$ 65,758	\$ 2,523,390	\$ 309,757
Receivables:				
Property tax:				
Delinquent	35,360	-	35,360	-
Succeeding year	2,927,611	-	2,927,611	-
Accounts	14,800	-	14,800	-
Due from other governments	413,270	-	413,270	-
Prepaid expenses	45,294	-	45,294	-
Inventories	-	6,178	6,178	-
Capital assets, net of accumulated depreciation/amortization	6,465,938	17,676	6,483,614	-
Total assets	<u>\$ 12,359,905</u>	<u>\$ 89,612</u>	<u>\$ 12,449,517</u>	<u>\$ 309,757</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Pension related deferred outflows	<u>\$ 523,744</u>	<u>\$ 804</u>	<u>\$ 524,548</u>	<u>\$ -</u>
LIABILITIES:				
Accounts payable	\$ 178,113	\$ 30,737	\$ 208,850	\$ -
Unearned revenues	388	7,992	8,380	-
Accrued compensated absences	2,083	-	2,083	-
Accrued interest payable	1,687	-	1,687	-
Long-term liabilities:				
Portion due within one year:				
General obligation bonds	210,000	-	210,000	-
Portion due after one year:				
General obligation bonds	670,000	-	670,000	-
Net pension liability	2,322,868	9,445	2,332,313	-
Net OPEB liability	429,238	-	429,238	-
Total liabilities	<u>\$ 3,814,377</u>	<u>\$ 48,174</u>	<u>\$ 3,862,551</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable property tax revenue	\$ 2,927,611	\$ -	\$ 2,927,611	\$ -
Pension related deferred inflows	885,030	4,447	889,477	-
Total deferred inflows of resources	<u>\$ 3,812,641</u>	<u>\$ 4,447</u>	<u>\$ 3,817,088</u>	<u>\$ -</u>
NET POSITION:				
Net investment in capital assets	\$ 5,585,938	\$ 17,676	\$ 5,603,614	\$ -
Restricted for:				
Categorical funding	369,029	-	369,029	-
Debt service	12,138	-	12,138	-
Management levy purposes	255,040	-	255,040	-
Student activities	92,152	-	92,152	-
School infrastructure	400,785	-	400,785	-
Physical plant and equipment	324,946	-	324,946	-
Unrestricted	(1,783,397)	20,119	(1,763,278)	309,757
Total net position	<u>\$ 5,256,631</u>	<u>\$ 37,795</u>	<u>\$ 5,294,426</u>	<u>\$ 309,757</u>

See notes to financial statements.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>
FUNCTIONS/PROGRAMS:				
Governmental activities:				
Instruction:				
Regular	\$ 3,356,687	\$ 360,966	\$ 621,681	\$ 58,680
Special	1,095,940	24,100	45,225	-
Other	<u>754,282</u>	<u>340,549</u>	<u>1,140</u>	<u>10,000</u>
	<u>\$ 5,206,909</u>	<u>\$ 725,615</u>	<u>\$ 668,046</u>	<u>\$ 68,680</u>
Support services:				
Student	\$ 101,598	\$ -	\$ -	\$ -
Instructional staff	67,972	-	-	-
Administration	905,949	5,773	-	-
Operation and maintenance of plant	427,220	-	-	-
Transportation	<u>327,399</u>	<u>-</u>	<u>66,219</u>	<u>-</u>
	<u>\$ 1,830,138</u>	<u>\$ 5,773</u>	<u>\$ 66,219</u>	<u>\$ -</u>
Other expenditures:				
Facilities acquisition	\$ 26,098	\$ -	\$ -	\$ -
Long-term debt interest	39,392	-	-	-
AEA flow through	<u>285,450</u>	<u>-</u>	<u>285,450</u>	<u>-</u>
	<u>\$ 350,940</u>	<u>\$ -</u>	<u>\$ 285,450</u>	<u>\$ -</u>
Total governmental activities	<u>\$ 7,387,987</u>	<u>\$ 731,388</u>	<u>\$ 1,019,715</u>	<u>\$ 68,680</u>
Business type activities:				
Support Services:				
Operation and maintenance of plant	\$ 612	\$ -	\$ -	\$ -
Non-instructional programs:				
Food service operations	\$ 335,688	\$ 203,267	\$ 154,520	\$ -
Total business type activities	<u>\$ 336,300</u>	<u>\$ 203,267</u>	<u>\$ 154,520</u>	<u>\$ -</u>
Total	<u>\$ 7,724,287</u>	<u>\$ 934,655</u>	<u>\$ 1,174,235</u>	<u>\$ 68,680</u>
Component unit:				
Foundation	\$ 82,024	\$ -	\$ 143,963	\$ -
GENERAL REVENUES:				
Property tax levied for:				
General purposes				
Management levy purposes				
Physical plant and equipment levy				
Debt service				
Local surtax				
Statewide sales, services and use tax				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
Total general revenues				
Change in net position				
Net position beginning of year, as restated				
Net position end of year				
See notes to financial statements.				

Net (Expense) Revenue and Changes in Net Position				
<u>Governmental</u> <u>Activities</u>	<u>Business</u> <u>Type</u> <u>Activities</u>	<u>Total</u>	<u>Component Unit</u> <u>Foundation</u>	
\$ (2,315,360)	\$ -	\$ (2,315,360)		
(1,026,615)	-	(1,026,615)		
<u>(402,593)</u>	<u>-</u>	<u>(402,593)</u>		
\$ <u>(3,744,568)</u>	\$ -	\$ <u>(3,744,568)</u>		
\$ (101,598)	\$ -	\$ (101,598)		
(67,972)	-	(67,972)		
(900,176)	-	(900,176)		
(427,220)	-	(427,220)		
<u>(261,180)</u>	<u>-</u>	<u>(261,180)</u>		
\$ <u>(1,758,146)</u>	\$ -	\$ <u>(1,758,146)</u>		
\$ (26,098)	\$ -	\$ (26,098)		
(39,392)	-	(39,392)		
-	-	-		
\$ <u>(65,490)</u>	\$ -	\$ <u>(65,490)</u>		
\$ <u>(5,568,204)</u>	\$ -	\$ <u>(5,568,204)</u>		
\$ -	\$ (612)	\$ (612)		
\$ -	\$ 22,099	\$ 22,099		
\$ -	\$ 21,487	\$ 21,487		
\$ <u>(5,568,204)</u>	\$ 21,487	\$ <u>(5,546,717)</u>		
			\$ 61,939	
\$ 2,088,495	\$ -	\$ 2,088,495	\$ -	
187,402	-	187,402	-	
389,584	-	389,584	-	
245,052	-	245,052	-	
193,117	-	193,117	-	
579,246	-	579,246	-	
2,712,517	-	2,712,517	-	
17,267	405	17,672	57	
<u>5,145</u>	<u>-</u>	<u>5,145</u>	<u>-</u>	
\$ <u>6,417,825</u>	\$ 405	\$ <u>6,418,230</u>	\$ 57	
\$ 849,621	\$ 21,892	\$ 871,513	\$ 61,996	
<u>4,407,010</u>	<u>15,903</u>	<u>4,422,913</u>	<u>247,761</u>	
\$ <u>5,256,631</u>	\$ <u>37,795</u>	\$ <u>5,294,426</u>	\$ <u>309,757</u>	

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2015

	General	Capital Projects	Nonmajor	Total
ASSETS:				
Cash, cash equivalents and pooled investments	\$ 1,508,017	\$ 600,515	\$ 349,100	\$ 2,457,632
Receivables:				
Property tax:				
Delinquent	26,143	4,208	5,009	35,360
Succeeding year	1,979,282	397,334	550,995	2,927,611
Accounts	-	-	14,800	14,800
Due from other governments	323,763	89,507	-	413,270
Due from other funds	-	37,349	-	37,349
Prepaid expenses	45,294	-	-	45,294
	<u>\$ 3,882,499</u>	<u>\$ 1,128,913</u>	<u>\$ 919,904</u>	<u>\$ 5,931,316</u>
Total assets				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 164,373	\$ 5,848	\$ 7,892	\$ 178,113
Unearned revenues	388	-	-	388
Due to other funds	37,349	-	-	37,349
Total liabilities	<u>\$ 202,110</u>	<u>\$ 5,848</u>	<u>\$ 7,892</u>	<u>\$ 215,850</u>
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	\$ 1,979,282	\$ 397,334	\$ 550,995	\$ 2,927,611
Other	191,763	-	-	191,763
Total deferred inflows of resources	<u>\$ 2,171,045</u>	<u>\$ 397,334</u>	<u>\$ 550,995</u>	<u>\$ 3,119,374</u>
Fund balances:				
Nonspendable:				
Prepaid expenses	\$ 45,294	\$ -	\$ -	\$ 45,294
Restricted for:				
Categorical funding	369,029	-	-	369,029
Debt service	-	-	13,825	13,825
Management levy purposes	-	-	255,040	255,040
Student activities	-	-	92,152	92,152
School infrastructure	-	400,785	-	400,785
Physical plant and equipment	-	324,946	-	324,946
Unassigned	1,095,021	-	-	1,095,021
Total fund balances	<u>\$ 1,509,344</u>	<u>\$ 725,731</u>	<u>\$ 361,017</u>	<u>\$ 2,596,092</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,882,499</u>	<u>\$ 1,128,913</u>	<u>\$ 919,904</u>	<u>\$ 5,931,316</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICTRECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDSTO THE STATEMENT OF NET POSITIONJUNE 30, 2015

Total fund balances of governmental funds	\$ 2,596,092
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	6,465,938
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.	191,763
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.	(1,687)
Accrued compensated absences are not due and payable in the current year and, therefore, are not reported as a liability in the governmental funds.	(2,083)
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	\$ 523,744
Deferred inflows of resources	<u>(885,030)</u> (361,286)
Long-term liabilities, including bonds payable, other postemployment benefits payable and net pension liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.	<u>(3,632,106)</u>
Net position of governmental activities	<u>\$ 5,256,631</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Revenues:				
Local sources:				
Local tax	\$ 2,327,289	\$ 422,756	\$ 427,687	\$ 3,177,732
Tuition	286,828	-	-	286,828
Other	172,275	1,844	356,389	530,508
State sources	3,539,973	583,573	4,939	4,128,485
Federal sources	214,585	-	-	214,585
Total revenues	<u>\$ 6,540,950</u>	<u>\$ 1,008,173</u>	<u>\$ 789,015</u>	<u>\$ 8,338,138</u>
Expenditures:				
Current:				
Instruction:				
Regular	\$ 3,200,910	\$ 35,978	\$ 17,297	\$ 3,254,185
Special	1,062,139	-	-	1,062,139
Other	420,068	-	336,086	756,154
	<u>\$ 4,683,117</u>	<u>\$ 35,978</u>	<u>\$ 353,383</u>	<u>\$ 5,072,478</u>
Support services:				
Student	\$ 98,465	\$ -	\$ -	\$ 98,465
Instructional staff	65,877	-	-	65,877
Administration	768,897	59,404	100,639	928,940
Operation and maintenance of plant	412,833	24,570	-	437,403
Transportation	314,302	97,245	-	411,547
	<u>\$ 1,660,374</u>	<u>\$ 181,219</u>	<u>\$ 100,639</u>	<u>\$ 1,942,232</u>
Other expenditures:				
Facilities acquisition	\$ -	\$ 630,500	\$ -	\$ 630,500
Long-term debt:				
Principal	-	-	307,500	307,500
Interest and fiscal charges	-	-	40,918	40,918
AEA flow through	285,450	-	-	285,450
	<u>\$ 285,450</u>	<u>\$ 630,500</u>	<u>\$ 348,418</u>	<u>\$ 1,264,368</u>
Total expenditures	<u>\$ 6,628,941</u>	<u>\$ 847,697</u>	<u>\$ 802,440</u>	<u>\$ 8,279,078</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ (87,991)</u>	<u>\$ 160,476</u>	<u>\$ (13,425)</u>	<u>\$ 59,060</u>
Other financing sources (uses):				
Sale of capital assets	\$ 200	\$ 7,250	\$ -	\$ 7,450
Insurance recoveries	5,145	-	-	5,145
Transfers in	-	-	104,773	104,773
Transfers out	-	(104,773)	-	(104,773)
Total other financing sources (uses)	<u>\$ 5,345</u>	<u>\$ (97,523)</u>	<u>\$ 104,773</u>	<u>\$ 12,595</u>
Change in fund balances	\$ (82,646)	\$ 62,953	\$ 91,348	\$ 71,655
Fund balances beginning of year	1,591,990	662,778	269,669	2,524,437
Fund balances end of year	<u>\$ 1,509,344</u>	<u>\$ 725,731</u>	<u>\$ 361,017</u>	<u>\$ 2,596,092</u>

BOYDEN-HULL 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	\$	71,655
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation/amortization expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation/amortization expense in the current year, as follows:		
Expenditures for capital assets	\$ 827,838	
Depreciation/amortization expense	<u>(342,259)</u>	485,579
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.		307,500
Certain local taxes not collected for several months after year end are not considered available revenue and are recognized as deferred inflows of resources in the governmental funds.		(105,674)
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.		363,803
Cash received on the sale of capital assets is recognized as revenue in the governmental funds. In the Statement of Activities, a gain (loss) on disposal of capital assets is recognized based on the difference between the cash received and the net book value of the capital assets disposed.		(30,420)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		1,526
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	\$ 432	
Pension expense	(182,138)	
Other postemployment benefits	<u>(62,642)</u>	<u>(244,348)</u>
Change in net position of governmental activities	\$	<u>849,621</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICTSTATEMENT OF NET POSITION - PROPRIETARY FUNDJUNE 30, 2015

	<u>Enterprise, School Nutrition</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 65,758
Inventories	<u>6,178</u>
Total current assets	<u>\$ 71,936</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>\$ 17,676</u>
Total assets	<u>\$ 89,612</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Pension related deferred outflows	<u>\$ 804</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 30,737
Unearned revenues	<u>7,992</u>
Total current liabilities	<u>\$ 38,729</u>
Noncurrent liabilities:	
Net pension liability	<u>\$ 9,445</u>
Total liabilities	<u>\$ 48,174</u>
DEFERRED INFLOWS OF RESOURCES:	
Pension related deferred inflows	<u>\$ 4,447</u>
NET POSITION:	
Net investment in capital assets	\$ 17,676
Unrestricted	<u>20,119</u>
Total net position	<u><u>\$ 37,795</u></u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -PROPRIETARY FUNDYEAR ENDED JUNE 30, 2015

	<u>Enterprise, School Nutrition</u>
Operating revenues:	
Local sources:	
Charges for service	\$ <u>203,267</u>
Operating expenses:	
Support services:	
Operation and maintenance of plant	\$ <u>612</u>
Non-instructional programs:	
Food service operations:	
Purchased services	\$ 302,629
Supplies	30,611
Depreciation	<u>2,448</u>
	\$ <u>335,688</u>
Total operating expenses	\$ <u>336,300</u>
Operating loss	\$ <u>(133,033)</u>
Non-operating revenues:	
Interest income	\$ 405
State sources	2,771
Federal sources	<u>151,749</u>
Total non-operating revenues	\$ <u>154,925</u>
Increase in net position	\$ 21,892
Net position beginning of year, as restated	<u>15,903</u>
Net position end of year	<u>\$ 37,795</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
YEAR ENDED JUNE 30, 2015

	<u>Enterprise, School Nutrition</u>
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 204,167
Cash paid to suppliers for goods or services	<u>(307,764)</u>
Net cash used by operating activities	<u>\$ (103,597)</u>
Cash flows from non-capital financing activities:	
State grants received	\$ 2,771
Federal grants received	<u>123,718</u>
Net cash provided by non-capital financing activities	<u>\$ 126,489</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>\$ (1,078)</u>
Cash flows from investing activities:	
Interest on investments	<u>\$ 405</u>
Net increase in cash and cash equivalents	\$ 22,219
Cash and cash equivalents beginning of year	<u>43,539</u>
Cash and cash equivalents end of year	<u><u>\$ 65,758</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (133,033)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Commodities used	27,905
Depreciation	2,448
Increase in deferred inflows of resources	4,447
Increase in deferred outflows of resources	(804)
Decrease in net pension liability	(3,605)
Decrease in accounts payable	(1,855)
Increase in unearned revenues	<u>900</u>
Net cash used by operating activities	<u><u>\$ (103,597)</u></u>

Supplemental schedule of non-cash items; non-capital financing activities:

During the year ended June 30, 2015, the District received \$28,031 of federal commodities.

See notes to financial statements.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUND

JUNE 30, 2015

ASSETS:

Cash, cash equivalents and pooled investments \$ 36,029

LIABILITIES:

Due to others \$ 36,029

NET POSITION

\$ -

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Boyden-Hull Community School District (the District) is a political subdivision of the State of Iowa and operates public schools for children in grades transitional kindergarten through twelve. The geographic areas served include the cities of Boyden and Hull, Iowa, and the predominant agricultural territory in Sioux and Lyon Counties in Iowa. The District is governed by a Board of Education whose members are elected on a nonpartisan 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 (GASB).

- A. Reporting Entity - For financial reporting purposes, the 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.

Discretely Presented Component Unit - In August 1997, the District established the Boyden-Hull Community School District Foundation by appointing a board of trustees to incorporate a foundation under the Iowa Non-Profit Corporation Act, Iowa Code Chapter 504A. The focus of the Foundation is exclusively charitable, scientific, and educational purposes of the District. The financial activity of the Foundation is included in the financial statements of the Boyden-Hull Community School District as a discretely presented component unit for the year ended June 30, 2015. Complete financial statements are on file at the District.

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

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

B. Basis of Presentation

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

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation/amortization 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.

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.

Net position restricted through enabling legislation as of June 30, 2015 consists of \$255,040 for management levy, \$324,946 for physical plant and equipment levy and \$400,785 for statewide sales tax.

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

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

The District reports the following major governmental funds:

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

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

The District reports the following major proprietary fund:

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

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

The Agency Funds are used to account for assets held by the District as an agent for individuals. The Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

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

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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, compensated absences, and special termination benefits are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

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

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date 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.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

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

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

Capital Assets - Capital assets, which include property, furniture and equipment 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 repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of \$1,000 and estimated useful lives in excess of two years.

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

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings and building improvements	50
Improvements other than buildings	20
Intangibles	5-10
Vehicles, furniture and equipment	5-15

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2015. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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

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

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within 60 days after year end.

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

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

Nonspendable - Amounts not in spendable form or amounts that are legally or contractually required to be maintained intact.

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

Unassigned - All amounts not included in the preceding classifications.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

<u>Program</u>	<u>Amount</u>
Bilingual/ESL/LEP programs	\$ 83,123
Gifted and talented	155,505
Successful program for early readers	33,759
Professional development	84,340
Other	<u>12,302</u>
Total	<u>\$ 369,029</u>

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, expenditures exceeded the amounts budgeted in the non-instructional programs function.

NOTE 2 - CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS:

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

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

At June 30, 2015, the District had investments in the Iowa Schools Joint Investment Trust Diversified Fund which are valued at an amortized cost of \$42,149 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Schools Joint Investment Trust was rated AAAM by Standard and Poor's Financial Services.

NOTE 3 - DUE FROM AND DUE TO OTHER FUNDS:

During the year ended June 30, 2015, \$37,349 in income surtaxes was deposited into the General Fund and was not transferred to the Physical Plant and Equipment Levy before year end. The balance is to be transferred by June 30, 2016.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 4 - INTERFUND TRANSFERS:

During the year ended June 30, 2015, \$104,773 was transferred from the Capital Project Funds to the Debt Service Fund in order to provide for principal and interest payments on the District's long-term debt. Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

NOTE 5 - CAPITAL ASSETS:

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

	<u>Balance</u> <u>Beginning</u> <u>of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>End</u> <u>of Year</u>
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 397,651	\$ 205,697	\$ -	\$ 603,348
Construction in progress	819,723	28,718	800,402	48,039
Total capital assets not being depreciated/amortized	<u>\$ 1,217,374</u>	<u>\$ 234,415</u>	<u>\$ 800,402</u>	<u>\$ 651,387</u>
Capital assets being depreciated/amortized:				
Land improvements	\$ 605,895	\$ 342,768	\$ -	\$ 948,663
Buildings	1,826,681	-	47,079	1,779,602
Building improvements	4,523,390	800,920	-	5,324,310
Furniture and equipment	1,398,185	142,720	74,610	1,466,295
Vehicles	790,696	97,245	-	887,941
Intangibles	22,898	10,172	-	33,070
Total capital assets being depreciated/amortized	<u>\$ 9,167,745</u>	<u>\$ 1,393,825</u>	<u>\$ 121,689</u>	<u>\$ 10,439,881</u>
Less accumulated depreciation/amortization for:				
Land improvements	\$ 505,415	\$ 7,824	\$ -	\$ 513,239
Buildings	541,338	30,208	29,189	542,357
Building improvements	1,856,791	80,821	-	1,937,612
Furniture and equipment	810,618	157,964	62,080	906,502
Vehicles	637,280	63,677	-	700,957
Intangibles	22,898	1,765	-	24,663
Total accumulated depreciation/amortization	<u>\$ 4,374,340</u>	<u>\$ 342,259</u>	<u>\$ 91,269</u>	<u>\$ 4,625,330</u>
Total capital assets being depreciated/amortized, net	<u>\$ 4,793,405</u>	<u>\$ 1,051,566</u>	<u>\$ 30,420</u>	<u>\$ 5,814,551</u>
Governmental activities capital assets, net	<u>\$ 6,010,779</u>	<u>\$ 1,285,981</u>	<u>\$ 830,822</u>	<u>\$ 6,465,938</u>
Business type activities:				
Furniture and equipment	\$ 92,780	\$ 1,078	\$ -	\$ 93,858
Less accumulated depreciation	73,734	2,448	-	76,182
Business type activities capital assets, net	<u>\$ 19,046</u>	<u>\$ (1,370)</u>	<u>\$ -</u>	<u>\$ 17,676</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 5 - CAPITAL ASSETS (CONTINUED):

Depreciation/amortization expense was charged to the following functions:

Governmental activities:

Instruction:

Regular	\$ 158,777
Special	51,823
Other	36,894

Support services:

Student	4,804
Instructional staff	3,214
Administration	45,325
Operation and maintenance of plant	21,342
Transportation	<u>20,080</u>

Total depreciation/amortization expense - governmental activities	<u>\$ 342,259</u>
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Business type activities:

Food service operations	<u>\$ 2,448</u>
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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	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation school refunding bonds	\$ 1,085,000	\$ -	\$ 205,000	\$ 880,000	\$ 210,000
Capital lease obligation	102,500	-	102,500	-	-
Net pension liability	3,209,465	-	886,597	2,322,868	-
Net OPEB liability	<u>366,596</u>	<u>62,642</u>	<u>-</u>	<u>429,238</u>	<u>-</u>
Total	<u>\$ 4,763,561</u>	<u>\$ 62,642</u>	<u>\$ 1,194,097</u>	<u>\$ 3,632,106</u>	<u>\$ 210,000</u>

	Balance Beginning of Year Restated	Additions	Reductions	Balance End of Year	Due Within One Year
Business type activities:					
Net pension liability	<u>\$ 13,050</u>	<u>\$ -</u>	<u>\$ 3,605</u>	<u>\$ 9,445</u>	<u>\$ -</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 6 - LONG-TERM LIABILITIES (CONTINUED):

General Obligation School Refunding Bonds - In order to obtain more favorable interest rates, in July 2009 the District issued \$2,045,000 General Obligation Bonds (refunding), to advance refund \$2,000,000 of the District's previously issued and outstanding general obligation bonds with interest rates ranging between 4.30 and 4.75 percent. As a result of the refunding, the District reduced its aggregate debt service payments to maturity by \$125,432 and obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$97,080.

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

<u>School Refunding Bond Issue of 2009</u>				
<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	3.15%	\$ 210,000	\$ 30,995	\$ 240,995
2017	3.40%	215,000	24,380	239,380
2018	3.70%	220,000	17,070	237,070
2019	3.80%	<u>235,000</u>	<u>8,930</u>	<u>243,930</u>
		<u>\$ 880,000</u>	<u>\$ 81,375</u>	<u>\$ 961,375</u>

Capital Lease - On August 7, 2011, the District entered into a four-year lease agreement as lessee for financing the acquisition of laptops as part of the 1:1 Laptop Initiative. This initiative was approved by the District to provide laptops for students and faculty use. The cost of the laptops and accessories was \$398,381 and has been capitalized and is being depreciated in accordance with the District's policy. The assets and associated depreciation expense are included in the furniture and equipment classification.

At June 30, 2015, the District had paid its capital lease obligation in full. For the current year, principal and interest payments totaled \$104,773.

NOTE 7 - PENSION PLAN:

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

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 7 - PENSION PLAN (CONTINUED):

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

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

- A multiplier (based on years of service).
- The member's highest five-year average salary. (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.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 7 - PENSION PLAN (CONTINUED):

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

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

The District's contributions to IPERS for the year ended June 30, 2015 were \$363,803.

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 \$2,332,313 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 0.0588091 percent, which was an increase of 0.002684 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$182,176. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 25,348	\$ -
Changes of assumptions	102,930	-
Net difference between projected and actual earnings on pension plan investments	-	889,477
Changes in proportion and differences between District contributions and proportionate share of contributions	32,467	-
District contributions subsequent to the measurement date	<u>363,803</u>	<u>-</u>
Total	<u>\$ 524,548</u>	<u>\$ 889,477</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 7 - PENSION PLAN (CONTINUED):

\$363,803 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:

<u>Year ended June 30,</u>	<u>Total</u>
2016	\$ (184,812)
2017	(184,812)
2018	(184,812)
2019	(184,813)
2020	<u>10,517</u>
Total	<u>\$ (728,732)</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.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 7 - PENSION PLAN (CONTINUED):

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

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

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

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 7 - PENSION PLAN (CONTINUED):

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

	<u>1% Decrease</u> <u>(6.5%)</u>	<u>Discount Rate</u> <u>(7.5%)</u>	<u>1% Increase</u> <u>(8.5%)</u>
District's proportionate share of the net pension liability	\$ <u>4,406,840</u>	\$ <u>2,332,313</u>	\$ <u>581,197</u>

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 had remitted all legally required employer contributions and employee contributions withheld from employee wages to IPERS.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB):

Plan Description - The District operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 78 active and 3 retired members in the plan. Retired participants must be age 55 or older at retirement.

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

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

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED):

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

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

Annual required contribution	\$ 82,201
Interest on net OPEB obligation	16,497
Adjustment to annual required contribution	<u>(21,537)</u>
Annual OPEB cost	\$ 77,161
Contributions made	<u>(14,519)</u>
Increase in net OPEB obligation	\$ 62,642
Net OPEB obligation beginning of year	<u>366,596</u>
Net OPEB obligation end of year	<u><u>\$ 429,238</u></u>

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

For the year ended June 30, 2015, the District contributed \$14,519 to the medical plan. Plan members eligible for benefits did not contribute towards the premium costs.

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	Annual	Percentage	Net OPEB
<u>June 30,</u>	<u>OPEB Cost</u>	<u>of Annual</u>	<u>OPEB</u>
		<u>OPEB Cost</u>	<u>Obligation</u>
		<u>Contributed</u>	
2013	\$ 77,964	31.01%	\$ 312,264
2014	77,083	29.51%	366,596
2015	77,161	18.82%	429,238

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED):

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 \$474,999, with no actuarial value of assets, resulting in an unfunded actuarial liability (UAAL) of \$474,999. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$4.0 million and the ratio of the UAAL to covered payroll was 11.6 percent. 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 multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2012 actuarial valuation date, the unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 percent discount rate based on the District's funding policy. The projected annual medical trend rate is 7 percent. The ultimate medical trend rate is 5 percent. The medical trend rate is reduced 1 percent each year until reaching the 5 percent ultimate trend rate. An inflation rate of 3 percent is assumed for the purpose of this computation.

Mortality rates are from the 2004 United States Life Tables, applied on a gender-specific basis. Annual retirement and termination probabilities were based on historical average retirement age for the covered group. Active plan members were assumed to retire at age 60, or the first subsequent year in which the member would qualify for benefits.

Projected claim costs of the medical plan are \$598 per month for retirees. The salary increase rate was assumed to be 4.5 percent per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 9 - RISK MANAGEMENT:

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

NOTE 10 - AREA EDUCATION AGENCY:

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$285,450 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 11 - CONSTRUCTION COMMITMENTS:

The District has entered into various construction contracts for building and facilities improvements totaling \$167,116. As of June 30, 2015, costs of \$45,600 have been incurred against the contracts. The balance of \$121,516 remaining at June 30, 2015 will be paid as work on the projects progress.

NOTE 12 - 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.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 12 - ACCOUNTING CHANGE/RESTATEMENT (CONTINUED):

At June 30, 2014 the District incorrectly reported amounts related to cash, cash equivalents and pooled investments. Therefore the beginning net position for the component unit foundation was restated to retroactively report the correct balances.

Beginning net position for governmental activities, business type activities and the component unit foundation were restated as follows:

	<u>Governmental Activities</u>	<u>Business type Activities</u>	<u>Component Unit Foundation</u>
Net position June 30, 2014, as previously reported	\$ 7,272,829	\$ 28,953	\$ 128,069
Increase in cash, cash equivalents and pooled investments	-	-	119,692
Net pension liability at June 30, 2014	(3,209,465)	(13,050)	-
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	<u>343,646</u>	<u>-</u>	<u>-</u>
Net position July 1, 2014, as restated	<u>\$ 4,407,010</u>	<u>\$ 15,903</u>	<u>\$ 247,761</u>

NOTE 13 - SUBSEQUENT EVENT:

Subsequent events were evaluated through December 14, 2015 which is the date the financial statements were available to be issued. During July 2015, the District entered into a capital lease obligation with Apple, Inc. for the purchase of computers totaling \$424,612.

REQUIRED SUPPLEMENTARY INFORMATION

BOYDEN-HULL 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

	<u>Governmental Funds Actual</u>	<u>Proprietary Funds Actual</u>	<u>Total Actual</u>
Revenues:			
Local sources	\$ 3,995,068	\$ 203,672	\$ 4,198,740
State sources	4,128,485	2,771	4,131,256
Federal sources	<u>214,585</u>	<u>151,749</u>	<u>366,334</u>
Total revenues	<u>\$ 8,338,138</u>	<u>\$ 358,192</u>	<u>\$ 8,696,330</u>
Expenditures/expenses:			
Instruction	\$ 5,072,478	\$ -	\$ 5,072,478
Support services	1,942,232	612	1,942,844
Non-instructional programs	-	335,688	335,688
Other expenditures	<u>1,264,368</u>	<u>-</u>	<u>1,264,368</u>
Total expenditures/expenses	<u>\$ 8,279,078</u>	<u>\$ 336,300</u>	<u>\$ 8,615,378</u>
Excess (deficiency) of revenue over (under) expenditures/expenses	\$ 59,060	\$ 21,892	\$ 80,952
Other financing sources, net	<u>12,595</u>	<u>-</u>	<u>12,595</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	\$ 71,655	\$ 21,892	\$ 93,547
Balances beginning of year	<u>2,524,437</u>	<u>15,903</u>	<u>2,540,340</u>
Balances end of year	<u>\$ 2,596,092</u>	<u>\$ 37,795</u>	<u>\$ 2,633,887</u>

See accompanying independent auditor's report.

<u>Budgeted Amounts</u>		<u>Final to</u>
<u>Original</u>	<u>Final</u>	<u>Actual</u>
		<u>Variance</u>
\$ 4,305,216	\$ 4,305,216	\$ (106,476)
3,600,773	3,600,773	530,483
<u>365,000</u>	<u>365,000</u>	<u>1,334</u>
<u>\$ 8,270,989</u>	<u>\$ 8,270,989</u>	<u>\$ 425,341</u>
\$ 5,235,000	\$ 5,235,000	\$ 162,522
2,412,600	2,412,600	469,756
331,000	331,000	(4,688)
<u>1,279,156</u>	<u>1,279,156</u>	<u>14,788</u>
<u>\$ 9,257,756</u>	<u>\$ 9,257,756</u>	<u>\$ 642,378</u>
<u>\$ (986,767)</u>	<u>\$ (986,767)</u>	<u>\$ 1,067,719</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING

YEAR ENDED JUNE 30, 2015

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

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

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

During the year ended June 30, 2015, expenditures in the non-instructional programs function exceeded the amount budgeted.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IN THOUSANDS)

LAST FISCAL YEAR*

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2015</u>
District's proportion of the net pension liability	0.0588091%
District's proportionate share of the net pension liability	\$ 2,332
District's covered-employee payroll	\$ 3,848
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	60.60%
Plan fiduciary net position as a percentage of the total pension liability	87.61%

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

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.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS

IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IN THOUSANDS)

LAST TEN FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Statutorily required contributions	\$ 363	\$ 344	\$ 319	\$ 285	\$ 242	\$ 237	\$ 226	\$ 201	\$ 182	\$ 166
Contributions in relation to the statutorily required contribution	<u>(363)</u>	<u>(344)</u>	<u>(319)</u>	<u>(285)</u>	<u>(242)</u>	<u>(237)</u>	<u>(226)</u>	<u>(201)</u>	<u>(182)</u>	<u>(166)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
District's covered-employee payroll	<u>\$ 4,080</u>	<u>\$ 3,848</u>	<u>\$ 3,681</u>	<u>\$ 3,532</u>	<u>\$ 3,480</u>	<u>\$ 3,558</u>	<u>\$ 3,563</u>	<u>\$ 3,319</u>	<u>\$ 3,157</u>	<u>\$ 2,887</u>
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

BOYDEN-HULL 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.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY

YEAR ENDED JUNE 30, 2015

CHANGES OF ASSUMPTIONS (CONTINUED):

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.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN (IN THOUSANDS)

REQUIRED SUPPLEMENTARY INFORMATION

<u>Year Ended June 30,</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
2010	July 1, 2009	\$ -	\$ 1,017	\$ 1,017	0.0%	\$ 3,558	28.6%
2011	July 1, 2009	-	1,017	1,017	0.0%	3,480	29.2%
2012	July 1, 2009	-	1,017	1,017	0.0%	3,532	28.8%
2013	July 1, 2012	-	475	475	0.0%	3,681	12.9%
2014	July 1, 2012	-	475	475	0.0%	3,848	12.3%
2015	July 1, 2012	-	475	475	0.0%	4,080	11.6%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

SUPPLEMENTARY INFORMATION

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>Special Revenue</u>			<u>Total</u>
	<u>Management Levy</u>	<u>Student Activity</u>	<u>Debt Service</u>	
ASSETS:				
Cash, cash equivalents and pooled investments	\$ 252,677	\$ 85,244	\$ 11,179	\$ 349,100
Receivables:				
Property tax:				
Delinquent	2,363	-	2,646	5,009
Succeeding year	310,000	-	240,995	550,995
Accounts	-	14,800	-	14,800
Total assets	<u>\$ 565,040</u>	<u>\$ 100,044</u>	<u>\$ 254,820</u>	<u>\$ 919,904</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ -	\$ 7,892	\$ -	\$ 7,892
Total liabilities	<u>\$ -</u>	<u>\$ 7,892</u>	<u>\$ -</u>	<u>\$ 7,892</u>
Deferred inflows of resources				
Unavailable revenues:				
Succeeding year property tax	\$ 310,000	\$ -	\$ 240,995	\$ 550,995
Total deferred inflows of resources	<u>\$ 310,000</u>	<u>\$ -</u>	<u>\$ 240,995</u>	<u>\$ 550,995</u>
Fund balances:				
Restricted for:				
Debt service	\$ -	\$ -	\$ 13,825	\$ 13,825
Management levy purposes	255,040	-	-	255,040
Student activities	-	92,152	-	92,152
Total fund balances	<u>\$ 255,040</u>	<u>\$ 92,152</u>	<u>\$ 13,825</u>	<u>\$ 361,017</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 565,040</u>	<u>\$ 100,044</u>	<u>\$ 254,820</u>	<u>\$ 919,904</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2015

	<u>Special Revenue</u>			
	<u>Management</u>	<u>Student</u>	<u>Debt</u>	
	<u>Levy</u>	<u>Activity</u>	<u>Service</u>	<u>Total</u>
Revenues:				
Local sources:				
Local tax	\$ 185,262	\$ -	\$ 242,425	\$ 427,687
Other	5,773	350,616	-	356,389
State sources	<u>2,217</u>	<u>-</u>	<u>2,722</u>	<u>4,939</u>
Total revenues	<u>\$ 193,252</u>	<u>\$ 350,616</u>	<u>\$ 245,147</u>	<u>\$ 789,015</u>
Expenditures:				
Current:				
Instruction:				
Regular	\$ 17,297	\$ -	\$ -	\$ 17,297
Other	<u>-</u>	<u>336,086</u>	<u>-</u>	<u>336,086</u>
	<u>\$ 17,297</u>	<u>\$ 336,086</u>	<u>\$ -</u>	<u>\$ 353,383</u>
Support services:				
Administration	<u>\$ 100,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,639</u>
Other expenditures:				
Long-term debt:				
Principal	\$ -	\$ -	\$ 307,500	\$ 307,500
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>40,918</u>	<u>40,918</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,418</u>	<u>\$ 348,418</u>
Total expenditures	<u>\$ 117,936</u>	<u>\$ 336,086</u>	<u>\$ 348,418</u>	<u>\$ 802,440</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 75,316</u>	<u>\$ 14,530</u>	<u>\$ (103,271)</u>	<u>\$ (13,425)</u>
Other financing sources:				
Transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,773</u>	<u>\$ 104,773</u>
Total other financing sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,773</u>	<u>\$ 104,773</u>
Change in fund balances	\$ 75,316	\$ 14,530	\$ 1,502	\$ 91,348
Fund balances beginning of year	<u>179,724</u>	<u>77,622</u>	<u>12,323</u>	<u>269,669</u>
Fund balances end of year	<u>\$ 255,040</u>	<u>\$ 92,152</u>	<u>\$ 13,825</u>	<u>\$ 361,017</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS

YEAR ENDED JUNE 30, 2015

ACCOUNT:	Balance Beginning of Year	Revenues and Interfund Transfers	Expenditures	Intrafund Transfers	Balance End of Year
Athletic general	\$ 6,361	\$ 84,087	\$ 90,448	\$ -	\$ -
Band	-	4,065	2,069	(1,079)	917
Band uniform maintenance	-	298	171	636	763
Baseball	-	6,330	4,613	(1,717)	-
Boys basketball	1,116	6,106	7,222	-	-
Boys track	-	7,087	6,907	(180)	-
Cheerleaders	3,652	4,398	3,459	-	4,591
Choir robes	458	405	2,280	1,417	-
Class of 2016	2,337	19,779	16,773	-	5,343
Class of 2017	1,310	1,105	-	-	2,415
Class of 2018	-	1,290	-	-	1,290
Class of 2015	5,418	278	5,696	-	-
Cross country	-	1,597	1,145	(452)	-
Elementary contributions and donations	2,789	-	2,789	-	-
Elementary student council	6,564	6,165	6,333	-	6,396
Elementary student miscellaneous	144	121	-	-	265
Family Career Community Leader of America	5,249	6,499	5,200	-	6,548
Football	-	17,461	16,738	(723)	-
Future Farmers of America	3,387	37,229	22,696	7,335	25,255
Gallery photo fund	1,028	304	248	1,682	2,766
General miscellaneous	-	1,576	1,486	-	90
Girls basketball	1,598	6,317	7,915	-	-
Girls track	-	7,253	6,665	(588)	-
Golf	-	5,329	4,470	(859)	-
High school student council	1,618	4,262	2,906	-	2,974
Interest	4	67	71	-	-
Junior high band	411	-	10	443	844
Junior high student council	41	-	-	-	41
Magazine sales	-	4,138	4,138	-	-
Musical	1,127	-	1,127	-	-
National Honor Society	102	-	-	-	102
Pep bus/students	6,858	571	94	(7,335)	-
Pep club	463	8,568	11,552	7,147	4,626
Quiz bowl	680	641	757	-	564
Recycling	3,295	3,588	5,144	-	1,739
Resale elementary band	-	461	461	-	-
Resale high school band	192	738	826	-	104
Resale industrial arts	50	1,854	355	-	1,549
Resale marketing	1,032	1,522	2,554	-	-
School play	1,966	1,921	3,887	-	-
Secondary contributions and donations	2,816	352	3,168	-	-
Sixth grade trip	7,755	10,220	10,111	-	7,864
Softball	330	38,926	27,902	(1,174)	10,180
Spanish club	1,169	-	-	-	1,169
Speech	-	1,473	1,473	-	-
Swing show	-	4,149	6,329	2,180	-
Vocal	-	17,845	14,248	(3,597)	-
Volleyball	-	5,232	5,066	(166)	-
Wrestling	-	4,692	3,404	(1,288)	-
Yearbook	4,620	14,317	15,180	-	3,757
Yearbook - gallery	1,682	-	-	(1,682)	-
Total	\$ 77,622	\$ 350,616	\$ 336,086	\$ -	\$ 92,152

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET - CAPITAL PROJECT ACCOUNTS

JUNE 30, 2015

	<u>Capital Projects</u>		
	<u>Statewide Sales, Services and Use Tax</u>	<u>Physical Plant and Equipment Levy</u>	<u>Total</u>
ASSETS:			
Cash, cash equivalents and pooled investments	\$ 311,278	\$ 289,237	\$ 600,515
Receivables:			
Property tax:			
Delinquent	-	4,208	4,208
Succeeding year	-	397,334	397,334
Due from other governments	89,507	-	89,507
Due from other funds	<u>-</u>	<u>37,349</u>	<u>37,349</u>
 Total assets	 <u>\$ 400,785</u>	 <u>\$ 728,128</u>	 <u>\$ 1,128,913</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ -	\$ 5,848	\$ 5,848
Total liabilities	<u>\$ -</u>	<u>\$ 5,848</u>	<u>\$ 5,848</u>
 Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	\$ -	\$ 397,334	\$ 397,334
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 397,334</u>	<u>\$ 397,334</u>
 Fund balances:			
Restricted for:			
School infrastructure	\$ 400,785	\$ -	\$ 400,785
Physical plant and equipment	<u>-</u>	<u>324,946</u>	<u>324,946</u>
	<u>\$ 400,785</u>	<u>\$ 324,946</u>	<u>\$ 725,731</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 400,785</u>	 <u>\$ 728,128</u>	 <u>\$ 1,128,913</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCES - CAPITAL PROJECT ACCOUNTS

YEAR ENDED JUNE 30, 2015

	<u>Capital Projects</u>		
	<u>Statewide Sales, Services and Use Tax</u>	<u>Physical Plant and Equipment Levy</u>	<u>Total</u>
Revenues:			
Local sources:			
Local tax	\$ -	\$ 422,756	\$ 422,756
Other	929	915	1,844
State sources	<u>579,246</u>	<u>4,327</u>	<u>583,573</u>
Total revenues	<u>\$ 580,175</u>	<u>\$ 427,998</u>	<u>\$ 1,008,173</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>\$ -</u>	<u>\$ 35,978</u>	<u>\$ 35,978</u>
Support services:			
Administration	\$ -	\$ 59,404	\$ 59,404
Operation and maintenance of plant	-	24,570	24,570
Transportation	-	<u>97,245</u>	<u>97,245</u>
	<u>\$ -</u>	<u>\$ 181,219</u>	<u>\$ 181,219</u>
Other expenditures:			
Facilities acquisition	<u>\$ 495,916</u>	<u>\$ 134,584</u>	<u>\$ 630,500</u>
Total expenditures	<u>\$ 495,916</u>	<u>\$ 351,781</u>	<u>\$ 847,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 84,259</u>	<u>\$ 76,217</u>	<u>\$ 160,476</u>
Other financing sources (uses):			
Sale of capital assets	\$ -	\$ 7,250	\$ 7,250
Transfers out	<u>(104,773)</u>	<u>-</u>	<u>(104,773)</u>
Total other financing sources (uses)	<u>\$ (104,773)</u>	<u>\$ 7,250</u>	<u>\$ (97,523)</u>
Change in fund balances	<u>\$ (20,514)</u>	<u>\$ 83,467</u>	<u>\$ 62,953</u>
Fund balances beginning of year	<u>\$ 421,299</u>	<u>\$ 241,479</u>	<u>\$ 662,778</u>
Fund balances end of year	<u>\$ 400,785</u>	<u>\$ 324,946</u>	<u>\$ 725,731</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS

JUNE 30, 2015

	<u>Employee Pop Account</u>	<u>Employee Flex Account</u>	<u>Total</u>
ASSETS:			
Cash, cash equivalents and pooled investments	<u>\$ 6,142</u>	<u>\$ 29,887</u>	<u>\$ 36,029</u>
LIABILITIES:			
Due to others	<u>\$ 6,142</u>	<u>\$ 29,887</u>	<u>\$ 36,029</u>

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
<u>EMPLOYEE POP ACCOUNT</u>				
Assets:				
Cash, cash equivalents and pooled investments	\$ 6,259	\$ 1,728	\$ 1,845	\$ 6,142
Liabilities:				
Due to others	\$ 6,259	\$ 1,728	\$ 1,845	\$ 6,142
 <u>EMPLOYEE FLEX ACCOUNT</u>				
Assets:				
Cash, cash equivalents and pooled investments	\$ 33,706	\$ 54,312	\$ 58,131	\$ 29,887
Liabilities:				
Due to others	\$ 33,706	\$ 54,312	\$ 58,131	\$ 29,887
 <u>TOTAL</u>				
Assets:				
Cash, cash equivalents and pooled investments	\$ 39,965	\$ 56,040	\$ 59,976	\$ 36,029
Liabilities:				
Due to others	\$ 39,965	\$ 56,040	\$ 59,976	\$ 36,029

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -

ALL GOVERNMENTAL FUNDS

FOR THE LAST TEN YEARS

	Modified Accrual Basis									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local sources:										
Local tax	\$ 3,177,732	\$ 3,045,558	\$ 3,412,141	\$ 3,214,703	\$ 3,041,032	\$ 2,654,565	\$ 2,587,833	\$ 2,412,950	\$ 2,403,753	\$ 2,293,349
Tuition	286,828	267,227	247,966	266,152	316,238	312,532	307,400	294,823	264,514	294,581
Other	530,508	359,192	337,389	346,774	330,454	280,083	280,218	374,147	389,169	306,137
State sources	4,128,485	4,117,477	3,385,539	3,335,866	3,079,186	2,837,500	3,254,603	3,151,642	2,695,903	2,903,503
Federal sources	214,585	261,499	229,097	309,428	289,147	608,627	241,191	219,844	264,126	292,622
Other financing sources (uses)	12,595	2,977	8,790	414,948	(1,836)	53,162	28,114	10,751	24,494	18,845
Total	<u>\$ 8,350,733</u>	<u>\$ 8,053,930</u>	<u>\$ 7,620,922</u>	<u>\$ 7,887,871</u>	<u>\$ 7,054,221</u>	<u>\$ 6,746,469</u>	<u>\$ 6,699,359</u>	<u>\$ 6,464,157</u>	<u>\$ 6,041,959</u>	<u>\$ 6,109,037</u>
Expenditures:										
Instruction:										
Regular	\$ 3,254,185	\$ 3,054,108	\$ 3,048,799	\$ 3,434,096	\$ 2,780,360	\$ 2,816,106	\$ 2,642,436	\$ 2,640,587	\$ 2,383,420	\$ 2,428,834
Special	1,062,139	1,054,096	926,715	863,791	847,500	854,291	842,337	932,062	882,231	769,968
Other	756,154	609,818	561,167	535,850	519,609	535,171	543,132	549,878	488,860	457,653
Support services:										
Student	98,465	78,939	90,044	69,075	74,236	63,960	140,641	126,826	118,532	115,089
Instructional staff	65,877	65,462	63,542	59,260	71,308	71,651	67,331	48,057	46,867	181,236
Administration	928,940	918,497	841,167	767,447	933,179	802,835	664,964	600,002	581,519	624,745
Operation and maintenance										
of plant	437,403	465,281	405,672	356,701	389,581	361,994	513,281	492,197	514,328	339,590
Transportation	411,547	296,048	412,012	280,662	383,626	253,939	340,854	307,360	387,423	206,688
Other expenditures:										
Facilities										
acquisition	630,500	817,843	234,978	96,920	16,606	73,433	265,287	834,261	677,874	166,595
Long-term debt:										
Principal	307,500	442,400	434,526	432,527	322,857	337,857	297,857	287,857	140,000	135,000
Interest and fiscal charges	40,918	52,469	66,613	76,098	82,130	123,780	140,122	155,819	113,058	119,809
AEA flow through	285,450	280,184	269,161	258,850	282,067	282,451	252,631	240,409	233,110	227,179
Total	<u>\$ 8,279,078</u>	<u>\$ 8,135,145</u>	<u>\$ 7,354,396</u>	<u>\$ 7,231,277</u>	<u>\$ 6,703,059</u>	<u>\$ 6,577,468</u>	<u>\$ 6,710,873</u>	<u>\$ 7,215,315</u>	<u>\$ 6,567,222</u>	<u>\$ 5,772,386</u>



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

To the Board of Education of
Boyden-Hull Community School District

We have audited, in accordance with auditing standards generally accepted in the United States of America 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of Boyden-Hull Community School District (the District) 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, and have issued our report thereon dated December 14, 2015.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify a deficiency in internal control, as described in Part I of the accompanying Schedule of Findings and Responses as item I-A-15 that we consider to be a material weakness.



Compliance and Other Matters

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

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.

Boyden-Hull Community School District's Responses to Findings

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The 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.

December 14, 2015
Sioux City, Iowa

King Reinisch Prosser & Co. LLP

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2015

Part I: Findings Related to the Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

MATERIAL WEAKNESS:

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. Incompatible duties, for accounting control purposes, are those duties that place a person in a position where they could both perpetuate and conceal errors or fraud. To accomplish proper segregation of duties, the system, insofar as possible, should provide for different individuals to perform the functions of (a) authorizing transactions, (b) recording transactions, (c) maintaining custody of the assets that result from transactions, and (d) comparing assets with the related amounts recorded in the accounting records. In performing our audit, we noted that the Business Manager has primary responsibility for certain accounting and financial duties.

Recommendation - The size of the District's accounting and administrative staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties. Nevertheless, the District should review and segregate duties to the extent possible especially with respect to manual entries posted to the general ledger. The Board of Education and Superintendent must remain actively involved in the financial affairs of the District to provide oversight and review functions such as by reviewing manual entries posted to the general ledger and documenting approval.

Response - The District understands the nature of the weakness and the necessity for the Board and Superintendent to provide oversight and review functions. The District will review its procedures and implement changes where possible.

Conclusion - Response accepted.

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2015

(CONTINUED)

Part II: Other Findings Related to Statutory Reporting:

II-A-15 Certified Budget - Expenditures for the year ended June 30, 2015 exceeded the certified budget amount in the non-instructional programs function.

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

Response - Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion - Response accepted.

II-B-15 Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

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

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

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

II-F-15 Board Minutes - No transactions requiring Board approval which had not been approved by the Board were noted.

II-G-15 Certified Enrollment - Variances in the basic enrollment data certified to the Iowa Department of Education were noted.

Recommendation - In the future, the District should ensure that all certified counts are accurate prior to submission.

Response - Variances will be reported to the Department of Management and the Iowa Department of Education. Also, all counts will be verified by District management prior to submission to ensure accuracy.

Conclusion - Response accepted.

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

BOYDEN-HULL COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2015

(CONTINUED)

Part II: Other Findings Related to Statutory Reporting (Continued):

- II-I-15 Deposits and Investments - No instances of noncompliance 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 certified timely to the Iowa Department of Education.

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

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

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

Beginning balance		\$ 421,299
Revenues/transfers in:		
Sales tax revenues	\$ 579,246	
Other local revenues	<u>929</u>	
		<u>580,175</u>
		\$ 1,001,474
Expenditures/transfers out:		
Transfers to debt service fund	\$ 104,773	
Land	117,947	
Land improvements	329,218	
Building improvements	3,005	
Furniture and equipment	26,700	
Construction in progress	10,296	
Other	<u>8,750</u>	
		<u>600,689</u>
Ending Balance		<u>\$ 400,785</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.