BOYER VALLEY COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS
JUNE 30, 2015

Table of Contents

		Page
Officials		3
Independent Auditor's Report		4-6
Management's Discussion and Analysis		7-16
Basic Financial Statements:	Exhibit	
Government-wide Financial Statements:		
Statement of Net Position	A	18
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D	21
Statement of Revenues, Expenditures and Changes in Fund Balances	E	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F	23
Proprietary Fund Financial Statements:		
Statement of Net Position	G	24
Statement of Revenues, Expenses and Changes in Fund Net Position	H	25
Statement of Cash Flows	I	26
Fiduciary Fund Financial Statements:		
Statement of Fiduciary Net Position	J	27
Statement of Changes in Fiduciary Net Position	K	28
Notes to Financial Statements		29-44
Required Supplementary Information:		
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Funds		46
Notes to Required Supplementary Information - Budgetary Reporting		47
Schedule of the District's Proportionate Share of the Net Pension Liability		48
Schedule of District Contributions		49
Notes to Required Supplementary Information - Pension Liability		50-51
Schedule of Funding Progress for the Retiree Health Plan		52
Schedule of Funding Progress for the Supplemental Pension Plan		53
Supplementary Information:	Schedule	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	56
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	57
Capital Projects Accounts:		
Combining Balance Sheet	3	58
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	4	59
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	5	60
Private Purpose Trust Accounts		
Combining Schedule of Fiduciary Net Position	6	61
Combining Schedule of Changes in Fiduciary Net Position	7	62
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Fund	8	63
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	9	64
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		65-66
Schedule of Findings		67-70

Boyer Valley Community School District

Officials

Name	Title	Term Expires
	Board of Education	
Ken Dunham	President	2017
Steve Puck	Vice President	2015
Pat Putnam	Board Member	2015
Paul Klein	Board Member	2015
Elizabeth Heistand	Board Member	2017
Mark McAllister	Board Member	2017
Kelly Garrett	Board Member	2015
	School Officials	
Doug Gee	Superintendent	2015
Sharon Lee	District Secretary/Treasurer and Business Manager	2015
Rick Frank	Attorney	2015

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

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Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the Boyer Valley Community School District:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, Boyer Valley Community School District adopted new accounting guidance related to Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions, the Schedule of Funding Progress for the Retiree Health Plan and the Schedule of Funding Progress for the Supplemental Pension Plan on pages 7 through 16 and 46 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Boyer Valley Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 9, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 29, 2016 on our consideration of Boyer Valley Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Boyer Valley Community School District's internal control over financial reporting and compliance.

NOLTE, CORNMAN & JOHNSON, P.C.

March 29, 2016
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2015 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from $5,231,061 in fiscal 2014 to $4,952,255 in fiscal 2015, while General Fund expenditures decreased from $5,140,297 in fiscal 2014 to $4,965,366 in fiscal 2015. This resulted in a decrease in the District's General Fund balance from $873,025 at June 30, 2014 to a balance of $859,914 at June 30, 2015, a 1.50% decrease from the prior year.

- The decrease in General Fund revenues was attributable to a decrease in local and state revenue sources. The decrease in expenditures was primarily due to a decrease in salaries and benefits paid due to a reduction in staff.

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 Boyer Valley Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Boyer Valley Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Boyer Valley Community School District acts solely as an agent or custodial 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 and the Schedule of Funding Progress for Supplemental Pension Plan.

Supplementary Information provides detailed information about the nonmajor governmental funds.

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

Figure A-1
Boyer Valley Community School District Annual Financial Report

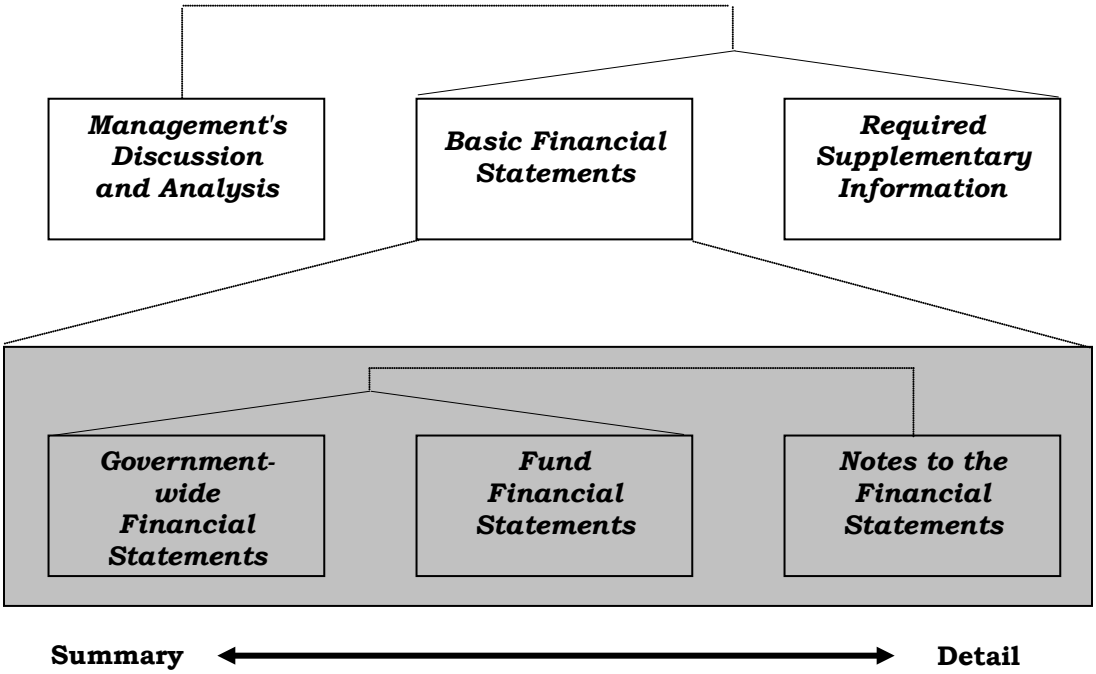

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The two government-wide financial statements report the District's net position and how they have changed. Net position is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position is an indicator of whether 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 and day care program are included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

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

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

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

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

- Agency Fund - These are funds for which the District accounts for Southwest Iowa Honor Band and Dunlap Alumni accounts.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Figure A-3
Condensed Statement of Net Position

	Governmental Activities June 30,		Business Type Activities June 30,		Total School District June 30,		Total Change June 30,
	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2014-15
Current and other assets	$ 5,078,866	4,886,103	55,291	36,528	5,134,157	4,922,631	4.30%
Capital assets	6,354,299	6,559,036	17,602	26,613	6,371,901	6,585,649	-3.25%
Total assets	11,433,165	11,445,139	72,893	63,141	11,506,058	11,508,280	-0.02%
Deferred outflows of resources	368,069	-	25,796	-	393,865	-	100.00%
Long-term liabilities	5,089,420	3,659,349	118,336	526	5,207,756	3,659,875	42.29%
Other liabilities	452,828	470,267	11,706	10,177	464,534	480,444	-3.31%
Total liabilities	5,542,248	4,129,616	130,042	10,703	5,672,290	4,140,319	37.00%
Deferred inflows of resources	3,222,688	2,388,233	54,291	-	3,276,979	2,388,233	37.21%
Net position:							
Net investment in capital assets	3,631,299	3,482,036	17,602	26,613	3,648,901	3,508,649	4.00%
Restricted	1,294,792	1,128,162	-	-	1,294,792	1,128,162	14.77%
Unrestricted	(1,889,793)	317,092	(103,246)	25,825	(1,993,039)	342,917	-681.20%
Total net position	$ 3,036,298	4,927,290	(85,644)	52,438	2,950,654	4,979,728	-40.75%

The District's combined net position decreased by 40.75%, or $2,029,074 from the prior year. The largest portion of the District's net position is the invested in capital assets, net of related debt. The debt related to the invested in capital assets is liquidated with sources other than capital assets.

Restricted net position represent 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 $166,630, or 14.77% over the prior year. The increase was

primarily a result of the increase in fund balance of the Capital Projects: Statewide, Sales, Services and Use Tax Fund.

Unrestricted net position are 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 by $2,335,956 or 681.20%. 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 $ 2,315,567 and $155,952, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

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

Figure A-4
Changes of Net Position

	Governmental Activities June 30,		Business Type Activities June 30,		Total School District June 30,		Total Change June 30,
	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2014-15
Revenues:							
Program revenues:							
Charges for service	$ 397,469	400,837	251,877	269,315	649,346	670,152	-3.10%
Operating grants, contributions and restricted interest	453,565	483,235	193,705	137,371	647,270	620,606	4.30%
General revenues:							
Property tax	2,367,027	2,308,373	-	-	2,367,027	2,308,373	2.54%
Income surtax	240,184	276,680	-	-	240,184	276,680	-13.19%
Statewide sales, services and use tax	406,164	389,096	-	-	406,164	389,096	4.39%
Unrestricted state grants	2,164,246	2,286,254	-	-	2,164,246	2,286,254	-5.34%
Unrestricted investment earnings	8,281	11,162	89	49	8,370	11,211	-25.34%
Other	12,324	7,246	597	510	12,921	7,756	66.59%
Total revenues	6,049,260	6,162,883	446,268	407,245	6,495,528	6,570,128	-1.14%
Program expenses:							
Instruction	3,740,494	3,836,245	-	-	3,740,494	3,836,245	-2.50%
Support services	1,500,342	1,721,229	6,789	28	1,507,131	1,721,257	-12.44%
Non-instructional programs	3,371	4,258	424,969	395,816	428,340	400,074	7.07%
Other expenses	377,118	381,659	-	-	377,118	381,659	-1.19%
Total expenses	5,621,325	5,943,391	431,758	395,844	6,053,083	6,339,235	-4.51%
Excess of revenues over expenses	427,935	219,492	14,510	11,401	442,445	230,893	91.62%
Transfers	(3,360)	-	3,360	-	-	-	0.00%
Change in net position	424,575	219,492	17,870	11,401	442,445	230,893	91.62%
Net position beginning of year, as restated	2,611,723	4,707,798	(103,514)	41,037	2,508,209	4,748,835	-47.18%
Net position end of year	$ 3,036,298	4,927,290	(85,644)	52,438	2,950,654	4,979,728	-40.75%

In fiscal 2015, property tax, income surtax, statewide sales, services and use tax and unrestricted state grants account for 85.59% of the revenue from governmental activities while charges for service and sales and operating grants and contributions account for 99.85% of the revenue from business type activities.

The District's total revenues were approximately $6.50 million of which approximately $6.05 million was for governmental activities and approximately $0.45 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 1.14% decrease in revenues and 4.51% decrease in expenses. The decrease in revenues is related to a decrease in unrestricted state revenue sources. The decrease in expenses is related to a decrease in support service expenditures incurred as compared to the prior year.

Governmental Activities

Revenues for governmental activities were $6,049,260 and expenses were $5,621,325 for the year ended June 30, 2015.

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

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2015	2014 (Not Restated)	Change 2014-15	2015	2014 (Not Restated)	Change 2014-15
Instruction	$ 3,740,494	3,836,245	-2.50%	3,070,505	3,212,282	-4.41%
Support services	1,500,342	1,721,229	-12.83%	1,499,882	1,640,270	-8.56%
Non-instructional programs	3,371	4,258	-20.83%	3,371	4,258	-20.83%
Other expenses	377,118	381,659	-1.19%	196,533	202,509	-2.95%
Totals	$ 5,621,325	5,943,391	-5.42%	4,770,291	5,059,319	-5.71%

For the year ended June 30, 2015:

- The cost financed by users of the District's programs was $397,469.
- Federal and state governments subsidized certain programs with grants and contributions totaling $453,565.
- The net cost of governmental activities was financed with $2,367,027 in property tax, $240,184 in income surtax, $406,164 in statewide sales, services and use tax, $2,164,246 in unrestricted state grants, $8,281 in interest income and $12,324 in other general revenues.

Business Type Activities

Revenues of the District's business type activities were $446,268, representing a 9.58% increase from the prior year, while expenses totaled $431,758, a 9.07% increase from the prior year. The District's business type activities include the School Nutrition Fund and Day Care Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenue.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balance of $2,004,111, above last year's ending fund balances of a $1,831,982. The increase in ending fund balances was primarily due to the increase in the ending fund balance of the Capital Projects Fund.

Governmental Fund Highlights

- The decrease in the District's General Fund financial position from $873,025 at June 30, 2014, to $859,914 at June 30, 2015 is the product of many factors. A decrease in local and state revenue sources, as compared to the prior year was a contributing factor to the decrease in fund balance.

- The Capital Projects Fund balance increased from $748,202 at June 30, 2014 to $883,206 at June 30, 2015. Revenues outpaced expenditures during fiscal year 2015 causing an increase in fund balance of $135,004.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from a deficit $42,979 as restated at July 1, 2014 to a deficit $20,769 at June 30, 2015, representing an increase of 51.68%. The Day Care Fund net position decreased from a deficit $60,535 as restated at July 1, 2014 to a deficit $64,875, representing a decrease of 7.17%.

BUDGETARY HIGHLIGHTS

The District's revenues were $196,881 less than budgeted revenues, a variance of 2.94%. The most significant variance resulted from the District receiving less in local sources than originally anticipated.

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

In spite of the District's budgetary practice, the certified budget was exceeded in the non-instructional programs functional area for the year ended June 30, 2015.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had invested approximately $6.37 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This represents a net decrease of 3.25% from last year. More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation expense for the year was $269,079.

The original cost of the District's capital assets was approximately $10.16 million. Governmental funds account for approximately $10.00 million with the remainder of approximately $0.16 million in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the machinery and equipment category. The District's machinery and equipment totaled $237,354 at June 30, 2015, compared to $307,349 reported at June 30, 2014. This decrease resulted from depreciation expense incurred during the year.

Figure A-6
Capital Assets, Net of Depreciation

	Governmental Activities		Business Type Activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2015	2014	2015	2014	2015	2014	2014-15
Land	$ 1,100	1,100	-	-	1,100	1,100	0.00%
Buildings	5,985,505	6,137,163	-	-	5,985,505	6,137,163	-2.47%
Land improvements	147,942	140,037	-	-	147,942	140,037	5.64%
Machinery and equipment	219,752	280,736	17,602	26,613	237,354	307,349	-22.77%
Total	$ 6,354,299	6,559,036	17,602	26,613	6,371,901	6,585,649	-3.25%

Long-Term Debt

At June 30, 2015, the District had $5,207,756 in general obligation bond and other long-term debt outstanding. This represents an increase of 42.29% from last year. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

The District had total outstanding General Obligation Bonds payable of $2,723,000 at June 30, 2015.

The District had net pension liability of $1,805,393 at June 30, 2015. Governmental activities accounted for $1,691,473 and business type activities accounted for $113,920.

The District had a Net OPEB liability at June 30, 2015 of $679,363. Governmental activities accounted for $674,947 and business type activities accounted for $4,416.

Figure A-7
Outstanding Long-Term Obligations

	Governmental Activities		Business Type Activities		Total School District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2014-15
General obligation bonds	$ 2,723,000	3,077,000	-	-	2,723,000	3,077,000	-11.50%
Net pension liability	1,691,473	-	113,920	-	1,805,393	-	100.00%
Net OPEB liability	674,947	582,349	4,416	526	679,363	582,875	16.55%
Total	$ 5,089,420	3,659,349	118,336	526	5,207,756	3,659,875	42.29%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Low allowable growth over several years and enrollment decreases is negatively impacting the District's spending authority. Contractual increases and program changes cannot be made without thorough consideration of our unspent authorized budget.
- Continues budget concerns at state and federal levels will affect future projects. The District has been forced to shift funding to property taxes.
- The District continues to use Local Option Sales Tax dollars to help debt reduction. This will impact our ability to keep up with technology needs that are essential in the coming years.
- Decrease in enrollment due to the lack of housing and the upkeep of two buildings in separate towns have hindered that growth of the District.

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 Sharon Lee, District Secretary/Treasurer and Business Manager, Boyer Valley Community School District, 1102 Iowa Avenue, Dunlap, Iowa, 51529.

BASIC FINANCIAL STATEMENTS

Exhibit A

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and pooled investments	$ 2,310,108	37,296	2,347,404
Receivables:			
Property tax:			
Delinquent	33,531	-	33,531
Succeeding year	2,416,583	-	2,416,583
Income surtax	205,862	-	205,862
Accounts	1,733	5,728	7,461
Due from other governments	109,262	2,624	111,886
Inventories	-	9,643	9,643
Net pension asset-sick leave	1,787	-	1,787
Capital assets, net of accumulated depreciation	6,354,299	17,602	6,371,901
TOTAL ASSETS	11,433,165	72,893	11,506,058
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	368,069	25,796	393,865
LIABILITIES			
Accounts payable	74,203	223	74,426
Salaries and benefits payable	372,313	7,678	379,991
Accrued interest payable	6,312	-	6,312
Unearned revenue	-	3,805	3,805
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	360,000	-	360,000
Portion due after one year:			
General obligation bonds payable	2,363,000	-	2,363,000
Net pension liability	1,691,473	113,920	1,805,393
Net OPEB liability	674,947	4,416	679,363
TOTAL LIABILITIES	5,542,248	130,042	5,672,290
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	806,105	54,291	860,396
Unavailable property tax revenue	2,416,583	-	2,416,583
TOTAL DEFERRED INFLOWS OF RESOURCES	3,222,688	54,291	3,276,979
NET POSITION			
Net investment in capital assets	3,631,299	17,602	3,648,901
Restricted for:			
Categorical funding	156,907	-	156,907
Debt service	95,326	-	95,326
Management levy purposes	119,708	-	119,708
Student activities	39,645	-	39,645
School infrastructure	661,688	-	661,688
Physical plant and equipment	221,518	-	221,518
Unrestricted	(1,889,793)	(103,246)	(1,993,039)
TOTAL NET POSITION	$ 3,036,298	(85,644)	2,950,654

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit B

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Govern-mental Activities	Business Type Activities	Total
Governmental activities:						
Instruction:						
Regular	$ 2,555,234	228,656	51,251	(2,275,327)	-	(2,275,327)
Special	579,605	34,490	58,281	(486,834)	-	(486,834)
Other	605,655	134,323	162,988	(308,344)	-	(308,344)
	3,740,494	397,469	272,520	(3,070,505)	-	(3,070,505)
Support services:						
Student services	142,420	-	-	(142,420)	-	(142,420)
Instructional staff	157,805	-	-	(157,805)	-	(157,805)
Administration	480,005	-	-	(480,005)	-	(480,005)
Operation and maintenance of plant	417,667	-	-	(417,667)	-	(417,667)
Transportation	302,445	-	460	(301,985)	-	(301,985)
	1,500,342	-	460	(1,499,882)	-	(1,499,882)
Non-instructional programs:						
Food service operations	2,219	-	-	(2,219)	-	(2,219)
Community service operations	1,152	-	-	(1,152)	-	(1,152)
	3,371	-	-	(3,371)	-	(3,371)
Long-term debt interest	33,242	-	-	(33,242)	-	(33,242)
Other expenditures:						
AEA flowthrough	180,585	-	180,585	-	-	-
Depreciation(unallocated)*	163,291	-	-	(163,291)	-	(163,291)
	343,876	-	180,585	(163,291)	-	(163,291)
Total governmental activities	5,621,325	397,469	453,565	(4,770,291)	-	(4,770,291)
Business type activities:						
Support services:						
Operation and maintance of plant	6,789	-	-	-	(6,789)	(6,789)
Non-instructional programs:						
Food Service Operations	258,828	124,931	158,893	-	24,996	24,996
Other enterprise operations	166,141	126,946	34,812	-	(4,383)	(4,383)
Total business-type activities	431,758	251,877	193,705	-	13,824	13,824
Total	$ 6,053,083	649,346	647,270	(4,770,291)	13,824	(4,756,467)
General Revenues and Transfers:						
Property tax levied for:						
General purposes				$ 2,001,329	-	2,001,329
Capital outlay				172,389	-	172,389
Debt service				193,309	-	193,309
Income surtax				240,184	-	240,184
Statewide sales, services and use tax				406,164	-	406,164
Unrestricted state grants				2,164,246	-	2,164,246
Unrestricted investment earnings				8,281	89	8,370
Other general revenue				12,324	597	12,921
Transfers				(3,360)	3,360	-
Total general revenues and transfers				5,194,866	4,046	5,198,912
Change in net position				424,575	17,870	442,445
Net position beginning of year, as restated				2,611,723	(103,514)	2,508,209
Net position end of year				$ 3,036,298	(85,644)	2,950,654

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

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit C

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Capital Projects	Nonmajor	Total
ASSETS				
Cash and pooled investments	$ 1,234,425	817,117	255,778	2,307,320
Receivables:				
Property tax:				
Delinquent	25,879	2,442	5,210	33,531
Succeeding year	1,867,414	176,335	372,834	2,416,583
Income surtax	205,862	-	-	205,862
Accounts	511	-	3	514
Due from other governments	45,615	63,647	-	109,262
TOTAL ASSETS	$ 3,379,706	1,059,541	633,825	5,073,072
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 74,203	-	-	74,203
Salaries and benefits payable	372,313	-	-	372,313
Total liabilities	446,516	-	-	446,516
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	1,867,414	176,335	372,834	2,416,583
Income surtax	205,862	-	-	205,862
Total deferred inflows of resources	2,073,276	176,335	372,834	2,622,445
Fund balances:				
Restricted for:				
Categorical funding	156,907	-	-	156,907
Debt service	-	-	101,638	101,638
Management levy purposes	-	-	119,708	119,708
Student activities	-	-	39,645	39,645
School infrastructure	-	661,688	-	661,688
Physical plant and equipment	-	221,518	-	221,518
Unassigned	703,007	-	-	703,007
Total fund balances	859,914	883,206	260,991	2,004,111
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,379,706	1,059,541	633,825	5,073,072

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit D

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

Total fund balances of governmental funds (page 20)		$ 2,004,111
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.		6,354,299
Income surtax and 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.		207,649
Blending of Internal service funds to be reflected on an entity wide basis		4,007
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(6,312)
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	$ 368,069	
Deferred inflows of resources	(806,105)	(438,036)
Long-term liabilities, including general obligation bonds payable, net pension liability and other postemployment benefits payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		(5,089,420)
Net position of governmental activities (page 18)		$ 3,036,298

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit E

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

	General	Capital Projects	Nonmajor	Total
REVENUES:				
Local sources:				
Local tax	$ 2,065,373	172,389	367,715	2,605,477
Tuition	259,240	-	-	259,240
Other	17,006	2,868	144,330	164,204
State sources	2,432,485	407,374	2,581	2,842,440
Federal sources	176,165	-	-	176,165
TOTAL REVENUES	4,950,269	582,631	514,626	6,047,526
EXPENDITURES:				
Current:				
Instruction:				
Regular	2,310,153	146,836	46,095	2,503,084
Special	640,317	-	-	640,317
Other	445,483	-	150,158	595,641
	3,395,953	146,836	196,253	3,739,042
Support services:				
Student	136,859	-	-	136,859
Instructional staff	121,931	29,924	-	151,855
Administration	508,038	16,816	2,564	527,418
Operation and maintenance of plant	353,719	-	52,328	406,047
Transportation	267,129	-	17,059	284,188
	1,387,676	46,740	71,951	1,506,367
Non-instructional programs:				
Food service operations	-	-	2,219	2,219
Community service operations	1,152	-	-	1,152
	1,152	-	2,219	3,371
Capital outlay	-	54,051	-	54,051
Long-term debt:				
Principal	-	-	354,000	354,000
Interest and fiscal charges	-	-	39,967	39,967
	-	-	393,967	393,967
Other expenditures:				
AEA flowthrough	180,585	-	-	180,585
TOTAL EXPENDITURES	4,965,366	247,627	664,390	5,877,383
Excess(Deficiency) of revenues over(under) expenditures	(15,097)	335,004	(149,764)	170,143
Other financing sources(uses):				
Sale of equipment	1,986	-	-	1,986
Transfer in	-	-	200,000	200,000
Transfer out	-	(200,000)	-	(200,000)
Total other financing sources(uses)	1,986	(200,000)	200,000	1,986
Change in fund balances	(13,111)	135,004	50,236	172,129
Fund balances beginning of year	873,025	748,202	210,755	1,831,982
Fund balances end of year	$ 859,914	883,206	260,991	2,004,111

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit F

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

Change in fund balances - total governmental funds (page 22)		$ 172,129
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 expense in the Statement of Activities. Capital outlay expenditures, and depreciation expense in the current year, are as follows:		
Capital outlay	$ 56,091	
Depreciation expense	(260,828)	(204,737)
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments are as follows:		354,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		6,725
Net change in Internal Service Fund charged back against expenditures made for the flex benefit program at an entity wide basis.		(523)
Income surtax accounts receivable is not available to finance expenditures of the current year period and is recognized as deferred inflows of resources in the governmental funds.		1,734
The Current year District share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflows of resources in the Statement of Net Position.		275,038
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.		
Pension expense-sick leave	1,787	
Pension expense-IPERS	(88,980)	
Other postemployment benefits	(92,598)	(179,791)
Change in net position of governmental activities (page 19)		$ 424,575

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit G

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business Type Activities: Enterprise Funds			Governmental Activities:
	School Nutrition	Day Care	Total	Internal Service
ASSETS				
Cash and pooled investments	$ 36,672	624	37,296	2,788
Accounts receivable	-	5,728	5,728	1,219
Due from other governments	-	2,624	2,624	-
Inventories	9,643	-	9,643	-
Capital assets, net of accumulated depreciation	17,602	-	17,602	-
TOTAL ASSETS	63,917	8,976	72,893	4,007
DEFFERED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	12,548	13,248	25,796	-
LIABILITIES				
Accounts payable	-	223	223	-
Salaries and benefits payable	450	7,228	7,678	-
Unearned revenue	3,805	-	3,805	-
Net pension liability	62,647	51,273	113,920	-
Net OPEB liability	476	3,940	4,416	-
TOTAL LIABILITIES	67,378	62,664	130,042	-
DEFERRED INFLOWS OF RESOURCES				
Pension related deferred inflows	29,856	24,435	54,291	-
NET POSITION				
Net investment in capital assets	17,602	-	17,602	-
Unrestricted	(38,371)	(64,875)	(103,246)	4,007
TOTAL NET POSITION	$ (20,769)	(64,875)	(85,644)	4,007

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit H

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

	Business Type Activities: Enterprise Funds			Governmental Activities:
	School Nutrition	Day Care	Total	Internal Service
OPERATING REVENUE:				
Local sources:				
Charges for service	$ 124,931	126,946	251,877	-
Miscellaneous	597	-	597	10,974
	125,528	126,946	252,474	10,974
OPERATING EXPENSES:				
Support services:				
Operation and maintance of plant:				
Salaries	4,559	-	4,559	-
Benefits	756	-	756	-
Supplies	1,474	-	1,474	-
Total support service	6,789	-	6,789	-
Non-instructional programs:				
Salaries	104,541	-	104,541	-
Benefits	11,478	-	11,478	-
Services	1,205	-	1,205	-
Supplies	129,068	-	129,068	-
Depreciation	8,251	-	8,251	-
Other	165	-	165	-
	254,708	-	254,708	-
Other enterprise operations:				
Salaries	-	139,893	139,893	-
Benefits	-	18,942	18,942	-
Services	-	-	-	11,497
Supplies	-	6,893	6,893	-
Other	-	413	413	-
	-	166,141	166,141	11,497
TOTAL OPERATING EXPENSES	261,497	166,141	427,638	11,497
OPERATING INCOME(LOSS)	(135,969)	(39,195)	(175,164)	(523)
NON-OPERATING REVENUES(EXPENSE):				
Loss on disposal of capital assets	(4,120)	-	(4,120)	-
State sources	2,566	2,966	5,532	-
Federal sources	156,327	31,846	188,173	-
Interest income	46	43	89	-
TOTAL NON-OPERATING REVENUES(EXPENSE)	154,819	34,855	189,674	-
Change in net position before other financing sources	18,850	(4,340)	14,510	(523)
Other financing sources:				
Capital contributions	3,360	-	3,360	-
Change in net position	22,210	(4,340)	17,870	(523)
Net position beginning of year, as restated	(42,979)	(60,535)	(103,514)	4,530
Net position end of year	$ (20,769)	(64,875)	(85,644)	4,007

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit I

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Business Type Activities: Enterprise Funds			Governmental Activities:
	School Nutrition	Day Care	Total	Internal Service
Cash flows from operating activities:				
Cash received from charges for services	$ 125,240	126,455	251,695	-
Cash received from miscellaneous operating activities	597	-	597	11,615
Cash payments to employees for services	(126,477)	(162,307)	(288,784)	-
Cash payments to suppliers for goods or services	(109,070)	(7,118)	(116,188)	(11,497)
Net cash provided by(used in) operating activities	(109,710)	(42,970)	(152,680)	118
Cash flows from non-capital financing activities:				
State grants received	2,566	1,735	4,301	-
Federal grants received	132,974	31,846	164,820	-
Net cash provided by non-capital financing activities	135,540	33,581	169,121	-
Cash flows from investing activities:				
Interest on investments	46	43	89	-
Net increase(decrease) in cash and cash equivalents	25,876	(9,346)	16,530	118
Cash and cash equivalents at beginning of year	10,796	9,970	20,766	2,608
Cash and cash equivalents at end of year	$ 36,672	624	37,296	2,726
Reconciliation of operating income(loss) to net cash provided by(used in) operating activities:				
Operating income(loss)	$ (135,969)	(39,195)	(175,164)	(523)
Adjustments to reconcile operating income(loss) to net cash provided by(used in) operating activities:				
Commodities used	23,353	-	23,353	-
Depreciation	8,251	-	8,251	-
Increase in inventories	(511)	-	(511)	-
Increase in accounts receivable	-	(491)	(491)	631
Increase in accounts payable	-	188	188	-
Increase in salaries and benefits payable	450	582	1,032	-
Increase in unearned revenue	309	-	309	-
Decrease in net pension liability	(32,345)	(26,473)	(58,818)	-
Increase in deferred outflows of resources	(3,317)	(5,693)	(9,010)	-
Increase in deferred inflows of resources	29,856	24,435	54,291	-
Increase in other postemployment benefits	213	3,677	3,890	-
Net cash provided by(used in) operating activities	$ (109,710)	(42,970)	(152,680)	108

NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:

During the year ended June 30, 2015 the District received Federal commodities valued at $23,353.

During the year ended June 30, 2015, the School Nutrition Fund received capital contributions valued at $3,360 from the Capital Projects: Physical Plant and Equipment Levy Fund.

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit J

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Private Purpose Trust	
	Scholarship Fund	Agency Fund
ASSETS		
Cash and pooled investments	$ 12,826	275
LIABILITIES		
Due to other groups	-	275
NET POSITION		
Held in trust for scholarships	$ 12,826	-

SEE NOTES TO FINANCIAL STATEMENTS.

Exhibit K

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

	Private Purpose Trust Scholarship Fund
ADDITIONS:	
Local sources:	
Gifts and contributions	$ 1,851
Interest income	137
Total additions	1,988
DEDUCTIONS:	
Instruction:	
Regular:	
Scholarships awarded	1,981
Change in net position	7
Net position beginning of year	12,819
Net position end of year	$ 12,826

SEE NOTES TO FINANCIAL STATEMENTS.

Note 1. Summary of Significant Accounting Policies

The Boyer Valley Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the cities of Dunlap, Dow City and Arion, Iowa, and the predominate agricultural territory in Harrison, Crawford, Shelby and Monona Counties. The District is governed by a Board of Education chose members are elected on a non-partisan basis.

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

A. Reporting Entity

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

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Harrison, Crawford, Shelby and Monona Counties Assessors' Conference Board.

B. Basis of Presentation

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

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

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

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

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

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

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

The District reports the following major governmental funds:

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

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

The District reports the following nonmajor proprietary funds:

The District's proprietary funds are the Enterprise Fund, School Nutrition Fund, the Enterprise Fund, Day Care Fund and the Internal Service Fund. The School Nutrition Fund is used to account for the food service operations of the District. The Day Care Fund is used to account for the day care service operations of the District. The Internal Service Fund is used to account for flex benefits of employees.

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

Under 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 Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

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

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

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

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

tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

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

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

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

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

Asset Class	Amount
Land	$ 1,000
Buildings	1,000
Land improvements	1,000
Intangibles	1,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	50 years
Land improvements	20 years
Intangibles	2 or more years
Machinery and equipment	5-12 years

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

Salaries and Benefits Payable - Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August have been accrued as liabilities.

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

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources consist of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end.

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

Unearned Revenues – Unearned revenues are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The lunch account balances are reflected on the Statement of Net Position in the Proprietary, School Nutrition 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.

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

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

Unassigned - All amounts not included in other preceding classifications.

E. Budgets and Budgetary Accounting

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

Note 2. Cash and Pooled Investments

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

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

Note 3. Interfund Transfers

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

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services, and Use Tax	$ 200,000

The transfer from the Capital Projects: Statewide Sales, Service and Use Tax Fund to the Debt Service Fund was general obligation bond debt relief.

Note 4. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,100	-	-	1,100
Total capital assets not being depreciated	1,100	-	-	1,100
Capital assets being depreciated:				
Buildings	8,125,948	-	-	8,125,948
Land improvements	361,723	19,538	-	381,261
Machinery and equipment	1,524,386	36,553	66,189	1,494,750
Total capital assets being depreciated	10,012,057	56,091	66,189	10,001,959
Less accumulated depreciation for:				
Buildings	1,988,785	151,658	-	2,140,443
Land improvements	221,686	11,633	-	233,319
Machinery and equipment	1,243,650	97,537	66,189	1,274,998
Total accumulated depreciation	3,454,121	260,828	66,189	3,648,760
Total capital assets being depreciated, net	6,557,936	(204,737)	-	6,353,199
Governmental activities capital assets, net	$ 6,559,036	(204,737)	-	6,354,299
Business type activities:				
Machinery and equipment	$ 168,983	3,360	16,556	155,787
Less accumulated depreciation	142,370	8,251	12,436	138,185
Business type activities capital assets, net	$ 26,613	(4,891)	4,120	17,602

Depreciation expense was charged by the District as follows:

Governmental activities:		
Instruction:		
Regular	$	47,677
Other		11,970
Support services:		
Operation and maintenance of plant		1,319
Transportation		36,571
		97,537
Unallocated depreciation		163,291
Total governmental activities depreciation expense	$	260,828
Business type activities:		
Food service operations	$	8,251

Note 5. Long-Term Liabilities

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

		Balance Beginning of Year Restated	Additions	Deletions	Balance End of Year	Due Within One Year
Governmental activities:						
General obligation bonds	$	3,077,000	-	354,000	2,723,000	360,000
Net pension liability		2,564,790	-	873,317	1,691,473	-
Net OPEB liability		582,349	92,598	-	674,947	-
Total	$	6,224,139	92,598	1,227,317	5,089,420	360,000

		Balance Beginning of Year Restated	Additions	Deletions	Balance End of Year	Due Within One Year
Business type activities:						
Net pension liability	$	172,738	-	58,818	113,920	-
Net OPEB liability		526	3,890	-	4,416	-
Total	$	173,264	3,890	58,818	118,336	-

General Obligation Bonds Payable

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

Year Ending June 30,	Bond issue dated August 16, 2010				
	Interest Rates		Principal	Interest	Total
2016	1.75-2.00 %	$	360,000	37,334	397,334
2017	2.00-2.50		367,000	34,486	401,486
2018	2.50-2.75		376,000	30,928	406,928
2019	2.75-3.00		386,000	26,432	412,432
2020	3.00-3.25		398,000	21,277	419,277
2021-2022	3.25-3.75		836,000	22,637	858,637
Total		$	2,723,000	173,094	2,896,094

Note 6. Pension Plan

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

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

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

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

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

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2015 were $294,568.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the District reported a liability of $1,805,393 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 0.044610 percent, which was a decrease of 0.003739 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of $94,973. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,621	$ -
Changes of assumptions	79,676	-
Net difference between projected and actual earnings on pension plan investments	-	688,525
Changes in proportion and differences between District contributions and proportionate share of contributions	-	171,871
District contributions subsequent to the measurement date	294,568	-
Total	$ 393,865	$ 860,396

$294,568 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2016	$ (189,088)
2017	(189,088)
2018	(189,088)
2019	(189,088)
2020	(4,748)
	$ (761,100)

There were no non-employer contributing entities at IPERS.

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

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

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

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

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

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

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

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

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	$ 3,411,240	$ 1,805,393	$ 449,892

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

Payables to the Pension Plan - At June 30, 2015, the District reported payables to the defined benefit pension plan of $26,512 for legally required employer contributions and $17,665 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 7. Supplemental Pension Plan

Plan Description - The District offers a defined pension benefit plan to eligible employees. Currently all employees with the District who retire are eligible for this benefit.

There are 40 active members in the plan as of June 30, 2015. The plan benefit consists of $25/per day of the accumulated unused sick leave up to a maximum of 120 days, as defined in the District's master contract.

Funding Policy - Payments under the plan are made on a pay-as-you-go basis. There are no interest plan assets accumulated for payment of future benefits. The District makes the contributions from the Management Levy Fund.

Annual Pension Cost and Net Pension Obligation - The District's annual pension cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 27, as amended by GASB Statement No 50. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal costs 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 pension cost for the year ended June 30, 2015, the amount actually contributed to the plan and changes in the District's net pension obligation:

Annual Pension Cost and Net Pension Obligation:	
Annual required contribution	$ 4,625
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual Pension Costs (Expense)	4,625
Contributions made	(6,412)
Change in net pension obligation	(1,787)
Net pension obligation - beginning of year	-
Net pension obligation - end of year	$ (1,787)

For calculation of the net pension obligation, the actuary has set the transition day as July 1, 2014. The end of year net pension obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

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

Year Ended June 30,	Annual Pension cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
2015	$ 4,625	138.64%	$ (1,787)

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was $37,323, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $37,323. The covered payroll (annual payroll of active employees covered by the plan) was approximately $367,207 and the ratio of the UAAL to covered payroll was 10.16%. 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 employee retirement age. 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 Supplemental Pension Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2014 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The actuarial assumptions used for mortality rates, employee termination by age and group, employee retirement by age and group and others are similar to or identical to the GASB Statement No. 45 assumptions used to determine the net OPEB obligation. The UAAL is being amortized as a level dollar cost using a closed group method over 30 years.

Note 8. Other Postemployment Benefits (OPEB)

Plan Description - The District operates a single-employer health benefit plan which provides medical and dental benefits for employees, retirees and their spouses. There are 49 active and 3 retired members in the plan. Retired participants must be age 55 or older at retirement.

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

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

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an

ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

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

Annual required contribution	$ 132,058
Interest on net OPEB obligation	14,572
Adjustment to annual required contribution	(35,019)
Annual OPEB cost	111,611
Contributions made	(15,122)
Increase in net OPEB obligation	96,489
Net OPEB obligation beginning of year	582,875
Net OPEB obligation end of year	$ 679,364

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

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

Year Ended June 30,	Annual OPEB cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	$ 206,124	8.25%	$ 374,987
2014	226,590	8.25%	582,875
2015	111,611	13.55%	679,364

Funded Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was $951,488, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $951,488. The covered payroll (annual payroll of active employees covered by the plan) was approximately $2.557 million and the ratio of the UAAL to covered payroll was 37.21%. 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, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

As of the July 1, 2014 actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The ultimate medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, applied on a gender-specific basis. Attainted age rate of increase was based upon the 2006 Society of Actuaries Study. The UAAL is being amortized as a level percentage of the projected payroll expense on an open basis over 30 years.

Note 9. Risk Management

The Boyer Valley Community School District is a member in the Iowa School Employees Benefits Association, fully insured pool covered by Wellmark Blue Cross Blue Shield of Iowa. ISEBA is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. The Association was formed July 1999 for the purpose of managing and funding employee benefits. The Association provides the District dental, life, and long-term disability insurance coverage and protection.

The District's contributions to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to ISEBA for the year ended June 30, 2015 was $21,705.

Members agree to continue membership in the pool for a period of not less than one full year. After such period, a member who has given 30 days prior written notice may withdraw.

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

Note 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 $180,585 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. Categorical Funding

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

Program		Amount
Gifted and talented	$	11,181
At-Risk Supplemental Weighting		2,568
Four-year old preschool state aid		86,093
Professional development for model core curriculum		34,957
Professional development		3,573
Market factor incentives		180
Successful progression of early readers		12,492
Teacher leadership grants		5,863
Total	$	156,907

Note 12. Reconciliation of Governmental Fund Balances to Net Position

The following is the detailed reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position:

	Net Investment in Capital Assets	Debt Service	Unassigned/ Unrestricted
Fund balance (Exhibit C)	$ -	101,638	703,007
Capital assets, net of accumulated depreciation	6,354,299	-	-
General obligation bond capitalized indebtedness	(2,723,000)	-	-
Accrued interest payable		(6,312)	-
Income surtax	-	-	205,862
Internal service fund	-	-	4,007
Pension related deferred Inflows	-	-	(806,105)
Pension related deferred outflows	-	-	368,069
Net pension liability	-	-	(1,691,473)
Net pension asset- sick leave	-	-	1,787
Net OPEB liability	-	-	(674,947)
Net position (Exhibit A)	$ 3,631,299	95,326	(1,889,793)

Note 13. Accounting Change/Restatement

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

		Business Type Activities		
	Governmental Activities	School Nutrtion	Day Care	Total
Net position June 30, 2014, as previously reported	$ 4,927,290	$ 42,782	9,656	52,438
Net pension liability at June 30, 2014	(2,564,790)	(94,992)	(77,746)	(172,738)
Deferred outflows of resources related to the contributions made after the June 30, 2013 measurement date	249,223	9,231	7,555	16,786
Net position July 1, 2014, as restated	$ 2,611,723	$ (42,979)	(60,535)	(103,514)

Note 14. Deficit Balance

At June 30, 2015 the District had deficit unrestricted net position of $38,371 and deficit total net position of $20,769 in the School Nutrition Fund. The Day Care Fund had a deficit unrestricted and total net position of $64,875.The District's business type activities had a total deficit unrestricted net position of $1,889,793 at June 30, 2015.

Note 15. Budget Overexpenditures

Per Code of Iowa, expenditures may not legally exceed budgeted appropriations at the functional area level. During the year ended June 30, 2015, expenditures in the non-instructional programs functional area exceeded budgeted amounts.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Original	Final	Final to Actual Variance
Revenues:						
Local sources	$ 3,028,921	252,563	3,281,484	3,735,283	3,735,283	(453,799)
State sources	2,842,440	5,532	2,847,972	2,590,392	2,590,392	257,580
Federal sources	176,165	188,173	364,338	365,000	365,000	(662)
Total revenues	6,047,526	446,268	6,493,794	6,690,675	6,690,675	(196,881)
Expenditures/Expenses:						
Instruction	3,739,042	-	3,739,042	4,245,000	4,245,000	505,958
Support services	1,506,367	6,789	1,513,156	1,942,000	1,942,000	428,844
Non-instructional programs	3,371	424,969	428,340	412,500	412,500	(15,840)
Other expenditures	628,603	-	628,603	832,560	832,560	203,957
Total expenditures/expenses	5,877,383	431,758	6,309,141	7,432,060	7,432,060	1,122,919
Excess(Deficiency) of revenues over(under) expenditures/expenses	170,143	14,510	184,653	(741,385)	(741,385)	926,038
Other financing sources, net	1,986	3,360	5,346	2,000	2,000	3,346
Excess(Deficiency) of revenues and other financing sources over(under) expenditures/expenses	172,129	17,870	189,999	(739,385)	(739,385)	929,384
Balance beginning of year, as restated	1,831,982	(103,514)	1,728,468	1,848,753	1,848,753	(120,285)
Balance end of year	$ 2,004,111	(85,644)	1,918,467	1,109,368	1,109,368	809,099

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY 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 comparison for the General Fund and each major Special Revenue Fund.

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

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

During the year ended June 30, 2015, expenditures in the non-instructional programs functions exceed the amounts budgeted.

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

		2015
District's proportion of the net pension liability		0.044610%
District's proportionate share of the net pension liability	$	1,805,393
District's covered-employee payroll	$	3,298,632
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		54.73%
Plan fiduciary net position as a percentage of the total pension liability		87.61%

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

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS
REQUIRED SUPPLEMENTARY INFORMATION

		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	$	294,568	266,009	271,115	250,303	219,482	204,006	193,112	181,991	162,219	150,395
Contributions in relation to the statutorily required contribution		(294,568)	(266,009)	(271,115)	(250,303)	(219,482)	(204,006)	(193,112)	(181,991)	(162,219)	(150,395)
Contribution deficiency (excess)	$	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	$	3,298,632	2,978,824	3,127,047	3,101,648	3,158,014	2,935,338	3,041,134	3,008,116	2,821,200	2,615,565
Contributions as a percentage of covered-employee payroll		8.93%	8.93%	8.67%	8.07%	6.95%	6.95%	6.35%	6.05%	5.75%	5.75%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Changes of benefit terms:

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

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

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

Changes of assumptions:

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

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

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

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

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

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

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

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

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	-	$ 165	165	0.0%	$ 1,786	9.24%
2011	July 1, 2009	-	145	145	0.0%	2,611	5.57%
2012	July 1, 2011	-	1,620	1,620	0.0%	2,511	64.52%
2013	July 1, 2011	-	1,645	1,645	0.0%	2,525	65.15%
2014	July 1, 2011	-	1,643	1,643	0.0%	2,502	65.67%
2015	July 1, 2014	-	951	951	0.0%	2,557	37.21%

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.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE
SUPPLEMENTAL PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2015	July 1, 2014	-	$ 37,323	37,323	0.0%	$ 367,207	10.16%

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

BOYER VALLEY COMMUNITY SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

Schedule 1

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue				
	Management Levy	Student Activity	Total Special Revenue	Debt Service	Total
ASSETS					
Cash and pooled investments	$ 117,237	39,642	156,879	98,899	255,778
Receivables:					
Property tax:					
Delinquent	2,471	-	2,471	2,739	5,210
Succeeding year	175,000	-	175,000	197,834	372,834
Accounts	-	3	3	-	3
TOTAL ASSETS	$ 294,708	39,645	334,353	299,472	633,825
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:	$ -	-	-	-	-
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	175,000	-	175,000	197,834	372,834
Fund balances:					
Restricted for:					
Management levy purposes	119,708	-	119,708	-	119,708
Student activities	-	39,645	39,645	-	39,645
Debt service	-	-	-	101,638	101,638
Total fund balances	119,708	39,645	159,353	101,638	260,991
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 294,708	39,645	334,353	299,472	633,825

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 2

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

	Special Revenue				
	Manage-ment Levy	Student Activity	Total Special Revenue	Debt Service	Total
REVENUES:					
Local sources:					
Local tax	$ 174,406	-	174,406	193,309	367,715
Other	6,447	137,412	143,859	471	144,330
State sources	1,224	-	1,224	1,357	2,581
TOTAL REVENUES	182,077	137,412	319,489	195,137	514,626
EXPENDITURES:					
Current:					
Instruction:					
Regular	46,095	-	46,095	-	46,095
Other	-	150,158	150,158	-	150,158
Support services:					
Administration	2,564	-	2,564	-	2,564
Operation and maintenance of plant	52,328	-	52,328	-	52,328
Transportation	17,059	-	17,059	-	17,059
Non-instructional programs:					
Food service operations	2,219	-	2,219	-	2,219
Long-term debt:					
Principal	-	-	-	354,000	354,000
Interest and fiscal charges	-	-	-	39,967	39,967
TOTAL EXPENDITURES	120,265	150,158	270,423	393,967	664,390
Excess(Deficiency) of revenues over (under) expenditures	61,812	(12,746)	49,066	(198,830)	(149,764)
Other financing sources:					
Transfer in	-	-	-	200,000	200,000
Change in fund balances	61,812	(12,746)	49,066	1,170	50,236
Fund balances beginning of year	57,896	52,391	110,287	100,468	210,755
Fund balances end of year	$ 119,708	39,645	159,353	101,638	260,991

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 3

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECT ACCOUNTS
JUNE 30, 2015

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
ASSETS			
Cash and pooled investments	$ 598,041	219,076	817,117
Receivables:			
Property tax:			
Delinquent	-	2,442	2,442
Succeeding year property tax	-	176,335	176,335
Due from other governments	63,647	-	63,647
TOTAL ASSETS	$ 661,688	397,853	1,059,541
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities	$ -	-	-
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	176,335	176,335
Fund balances:			
Restricted for:			
School infrastructure	661,688	-	661,688
Physical plant and equipment	-	221,518	221,518
Total fund balances	661,688	221,518	883,206
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 661,688	397,853	1,059,541

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 4

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

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
REVENUES:			
Local sources:			
Local tax	$ -	172,389	172,389
Other	2,153	715	2,868
State sources	406,164	1,210	407,374
TOTAL REVENUES	408,317	174,314	582,631
EXPENDITURES:			
Current:			
Instruction:			
Regular	59,219	87,617	146,836
Support services:			
Instructional staff	26,486	3,438	29,924
Administration	-	16,816	16,816
Capital outlay	695	53,356	54,051
TOTAL EXPENDITURES	86,400	161,227	247,627
Excess of revenues over expenditures	321,917	13,087	335,004
Other financing uses:			
Transfer out	(200,000)	-	(200,000)
Change in fund balances	121,917	13,087	135,004
Fund balances beginning of year	539,771	208,431	748,202
Fund balances end of year	$ 661,688	221,518	883,206

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 5

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

Account		Balance Beginning of Year	Revenues	Expendi-tures	Balance End of Year
Annual	$	1,815	4,178	5,928	65
BV Cares		329	315	119	525
Book Club		51	-	-	51
Drama		4,452	1,242	1,100	4,594
Cheerleaders		528	4,030	2,691	1,867
Vocal Music		17,948	1,204	18,357	795
Instrumental Music		1,847	13,461	14,598	710
Science Club		1,165	1,118	666	1,617
Entrepreneurship		5,149	13,722	10,713	8,158
FFA		236	341	-	577
FCCLA		1,218	549	512	1,255
FTA		57	-	-	57
Foreign Language		419	-	-	419
National Honor Society		1,366	234	763	837
HS Student Council		2,812	7,530	7,504	2,838
Industrial Arts Club		21	-	-	21
Class of 2015		4,046	-	2,882	1,164
Class of 2016		-	21,325	17,783	3,542
Class of 2017		100	-	-	100
Drill Team		1,673	5,348	5,877	1,144
General Athletics		112	38,675	35,649	3,138
Resale Account		5	8,854	8,854	5
Booster Club		-	5,651	5,651	-
Elem Student Council		2,881	2,243	2,552	2,572
Special Projects		5	-	-	5
Elem Music		507	-	95	412
MS Student Council		984	4,238	3,979	1,243
Community Bank Student Council		2,665	3,154	3,885	1,934
Total	$	52,391	137,412	150,158	39,645

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 6

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST - SCHOLARSHIP ACCOUNTS
JUNE 30, 2015

	Private Purpose Trust - Scholarship Accounts						
	Rife Scholarship	Sullivan Scholarship	Weber Schloarship	Science Scholarship	CJ Pedersen Scholarship	Randall Scholarship	Total
ASSETS							
Cash and pooled investments	$ 10,205	575	501	84	261	1,200	12,826
LIABILITIES	-	-	-	-	-	-	-
NET POSITION							
Held in trust for scholarships	$ 10,205	575	501	84	261	1,200	12,826

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 7

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST - SCHOLARSHIP ACCOUNTS
YEAR ENDED JUNE 30, 2015

	Private Purpose Trust - Scholarship Accounts						
	Rife Scholarship	Sullivan Scholarship	Weber Scholarship	Science Scholarship	CJ Pedersen Scholarship	Randall Scholaship	Total
ADDITIONS:							
Local sources:							
Gifts and contributions	$ -	-	500	151	-	1,200	1,851
Interest income	135	2	-	-	-	-	137
	135	2	500	151	-	1,200	1,988
DEDUCTIONS:							
Instruction:							
Regular:							
Scholarships awarded	450	600	-	150	781	-	1,981
Change in net position	(315)	(598)	500	1	(781)	1,200	7
Net position beginning of year	10,520	1,173	1	83	1,042	-	12,819
Net position end of year	$ 10,205	575	501	84	261	1,200	12,826

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 8

BOYER VALLEY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUND
YEAR ENDED JUNE 30, 2015

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
ASSETS				
Cash and pooled investments	$ 275	-	-	275
LIABILITIES				
Due to other groups	$ 275	-	-	275

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Schedule 9

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

	Modified Accrual Basis									
	Years Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local sources:										
Local tax	$ 2,605,477	2,591,365	2,948,747	2,581,815	2,465,436	2,242,840	2,288,957	2,207,491	2,230,432	2,128,486
Tuition	259,240	162,919	193,597	203,946	181,464	179,634	154,130	214,502	239,341	225,347
Other	164,204	259,226	266,491	287,642	352,403	301,344	327,186	324,464	309,566	355,841
Intermediate sources	-	-	-	-	-	-	8,000	11,000	8,000	8,000
State sources	2,842,440	2,958,538	2,510,036	2,536,187	2,348,192	2,140,315	2,561,331	2,657,802	2,433,158	2,394,928
Federal sources	176,165	197,147	208,736	228,941	400,138	604,654	280,387	258,058	282,310	275,257
Total	$ 6,047,526	6,169,195	6,127,607	5,838,531	5,747,633	5,468,787	5,619,991	5,673,317	5,502,807	5,387,859
Expenditures:										
Current:										
Instruction:										
Regular	$ 2,503,084	2,439,097	2,217,779	2,213,301	2,192,093	2,098,005	2,056,613	1,968,640	1,870,059	1,745,066
Special	640,317	654,657	699,868	645,171	574,497	546,981	579,824	615,841	595,517	545,603
Other	595,641	590,430	569,886	544,761	588,246	603,950	514,740	589,497	589,443	589,687
Support services:										
Student	136,859	131,547	104,536	95,884	93,014	107,718	101,740	99,592	87,759	92,128
Instructional staff	151,855	104,707	94,088	89,735	115,290	105,316	109,620	104,293	98,097	115,735
Administration	527,418	648,560	609,750	601,941	626,041	593,237	575,067	577,762	549,210	569,883
Operation and maintenance of plant	406,047	426,468	396,501	386,440	413,071	391,620	395,356	427,044	429,042	371,307
Transportation	284,188	292,141	459,404	285,614	311,482	240,897	336,475	368,068	348,439	327,834
Non-instructional programs	3,371	4,258	3,950	3,015	2,772	2,582	2,722	1,527	1,599	1,637
Capital outlay	54,051	59,977	206,716	221,890	111,661	121,147	38,512	171,095	323,298	142,785
Long-term debt:										
Principal	354,000	349,000	358,533	3,903,276	277,889	262,514	260,374	341,605	329,003	273,436
Interest and fiscal charges	39,967	41,983	43,616	274,208	260,419	206,708	218,484	232,309	245,081	251,568
Other expenditures:										
AEA flow-through	180,585	179,150	170,350	160,092	182,761	178,777	167,367	163,378	157,767	151,965
Total	$ 5,877,383	5,921,975	5,934,977	9,425,328	5,749,236	5,459,452	5,356,894	5,660,651	5,624,314	5,178,634

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

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

To the Board of Education of the Boyer Valley Community School District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Boyer Valley Community School District as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 29, 2016

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2015 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Boyer Valley Community School District's Responses to Findings

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

Purpose of this Report

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

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

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

March 29, 2016
Newton, Iowa

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

I-A-15 Segregation of Duties - One important aspect of internal accounting control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual may perform two or more functions in each of the following areas for the District:

1) Cash - initiating cash receipt and disbursement transactions and handling and recording cash.

2) Receipts - collecting, recording, depositing, journalizing, posting and reconciling.

3) Disbursements - purchase order processing, check preparation, mailing and recording.

4) Capital assets - recording and reconciling.

5) Wire transfers - processing and approving.

6) Payroll - recordkeeping, preparation, posting and distribution.

7) School lunch program - collecting, recording, journalizing, posting, reconciling, purchase order processing, check preparation, mailing and recording.

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

Response - The District will continue to investigate and implement additional control procedures. For FY16 the District has a para during the school year help with some of the financial responsibilities.

Conclusion - Response accepted.

I-B-15 Timesheet Approval - We noted during our audit that timesheets for non-certified staff are not consistently approved by the appropriate supervisor before being processed as part of the District's payroll.

Recommendation - The District should review its procedures to ensure all timesheets are properly reviewed, approved and documented by the appropriate supervisor before being submitted to payroll for processing.

Response - The payroll secretary has addressed these procedures and will have principal/superintendent sign all timesheets before payroll processing.

Conclusion - Response accepted.

OTHER MATTERS:

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

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

Response - The district is reviewing all board policies during fiscal year 2016.

Conclusion - Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

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

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 - We are assuming that the expenditures were due to the GASB 68 & 71 implementation. The District will monitor these activities more carefully in the future.

Conclusion - Response accepted.

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

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

II-D-15 Business Transactions - Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Chris Wood, Coach Owner of In-Kahoots DJ Service	DJ Service	$150
Deb Hannigan, Teacher Owner of Deb's Graphics	Purchased Services	$250
Lisa Teneyeck, Secretary Husband ownws McClellen Electric	Supplies	$464

In accordance with Attorney General's opinion dated July 2, 1990, the above transactions with the coach and teacher do not appear to present a conflict of interest.

In accordance with an Attorney General's opinion dated November 9, 1976, the above transaction with the spouse of the District employee does not appear to represent a conflict of interest.

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

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

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

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

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

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

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

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

Pursuant to Chapter 423F.3 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		$ 539,771
Revenues:		
Sales tax revenues	406,164	
Other local revenues	2,153	408,317
Total revenues and transfers		948,088
Expenditures/transfer out		
Equipment	86,400	
Transfer to another fund:		
Debt service fund	200,000	286,400
Ending balance		$ 661,688

For the year ended June 30, 2015, the District reduced the following levy as a result of

the moneys received under Chapter 423E or 423F of the Code of Iowa:

	Rate of Levy Reduction Per $1,000 of Taxable Valuation	Property Tax Dollars Reduced
Debt service levy	$ 0.90092	$ 200,000

II-M-15 Student Activity Fund - During our audit concerns arose about certain accounts within the Student Activity Fund. In accordance with 298A.8 of the Code of Iowa and Iowa Administrative Code 281-12.6(1), moneys in the Student Activity Fund should be used to support only the extracurricular and co-curricular activities offered as part of the District's educational program. More specific examples of findings are listed below.

Inactive Accounts - We noted five Student Activity accounts that have not had any activity for at least the past three years. These accounts include the Book Club, FTA, Foreign Language Club, Industrial Arts Club and the Special Projects club.

Recommendation - The District should review these accounts with the Activities Director and determine if the accounts should be closed. If it is determines that these accounts/clubs are no longer active, the remaining funds should be reallocated to other accounts within the Student Activity Fund per approval from the District's Board of Directors and noted in the District's minutes.

Response - The district has board approval to Transfer to other accounts and close the above accounts that do not have any activity.

Conclusion - Response accepted.

II-N-15 Financial Condition - The School Nutrition Fund had deficit unrestricted net position of $38,371 and a deficit total net position of $20,769 at June 30, 2015. The Day Care Fund had deficit unrestricted and total net position of $64,875 at June 30, 2015. The Districts business type activities had a total deficit unrestricted net position of $103,246 and a total deficit net position of $85,644. The District's governmental activities had deficit unrestricted net position of $1,889,793 at June 30, 2015. The primary reason for these deficit net positions is due to the implementation of GASB Statements No. 68 and No. 71 during the year.

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

Response - The Board of Education has been informed as to the GASB No 68 and 71 implementation.

Conclusion - Response accepted.