

GREENE COUNTY COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2015

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Greene County Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Ashley Johnston	President	2015
Teresa Hagen	Vice President	2017
Sam Harding	Board Member	2019
Susan Burkett	Board Member	2017
Mark Peters	Board Member	2019
Jeff Lamoureux	Board Member	2015
Dr. David Ohrt	Board Member	2017
School Officials		
Tim Christensen	Superintendent	2015
Brenda Muir	Business Manager/ Board Secretary	2015
Sid Jones	Treasurer	2015
Mumma & Pedersen Law Firm	Attorney	2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the Greene County 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 Greene County Community School District, Jefferson, 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.

Emphasis of Matter

As discussed in Note 15 to the financial statements, Greene County 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.

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 Greene County 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.

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 50 through 56 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 Greene County Community School District's basic financial statements. The supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 December 11, 2015 on our consideration of Greene County 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 Greene County Community School District's internal control over financial reporting and compliance.



NOLTE, CORNMAN & JOHNSON, P.C.

December 11, 2015
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

Greene County 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.

As of July 1, 2014, Jefferson-Scranton Community School District and East Greene Community School District merged to form Greene County Community School District; therefore, much of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the District's financial position and results of operations.

2015 FINANCIAL HIGHLIGHTS

- General Fund revenues were \$15,392,641 during fiscal year 2015, while General Fund expenditures were \$15,549,454. Expenditures outpaced revenues causing the District's General Fund balance to decrease from a restated balance of \$1,681,341 at July 1, 2014 to \$1,524,528 at June 30, 2015, a 9.33% decrease.
- The District's solvency ratio (unassigned fund balance /General Fund revenues minus AEA flowthrough) was 7.80% at June 30, 2015.

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 Greene County 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 Greene County 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 Greene County 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 in Progress for the Retiree Health Plan and Schedule of Funding Progress for the Supplemental Pension Plan.

Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

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

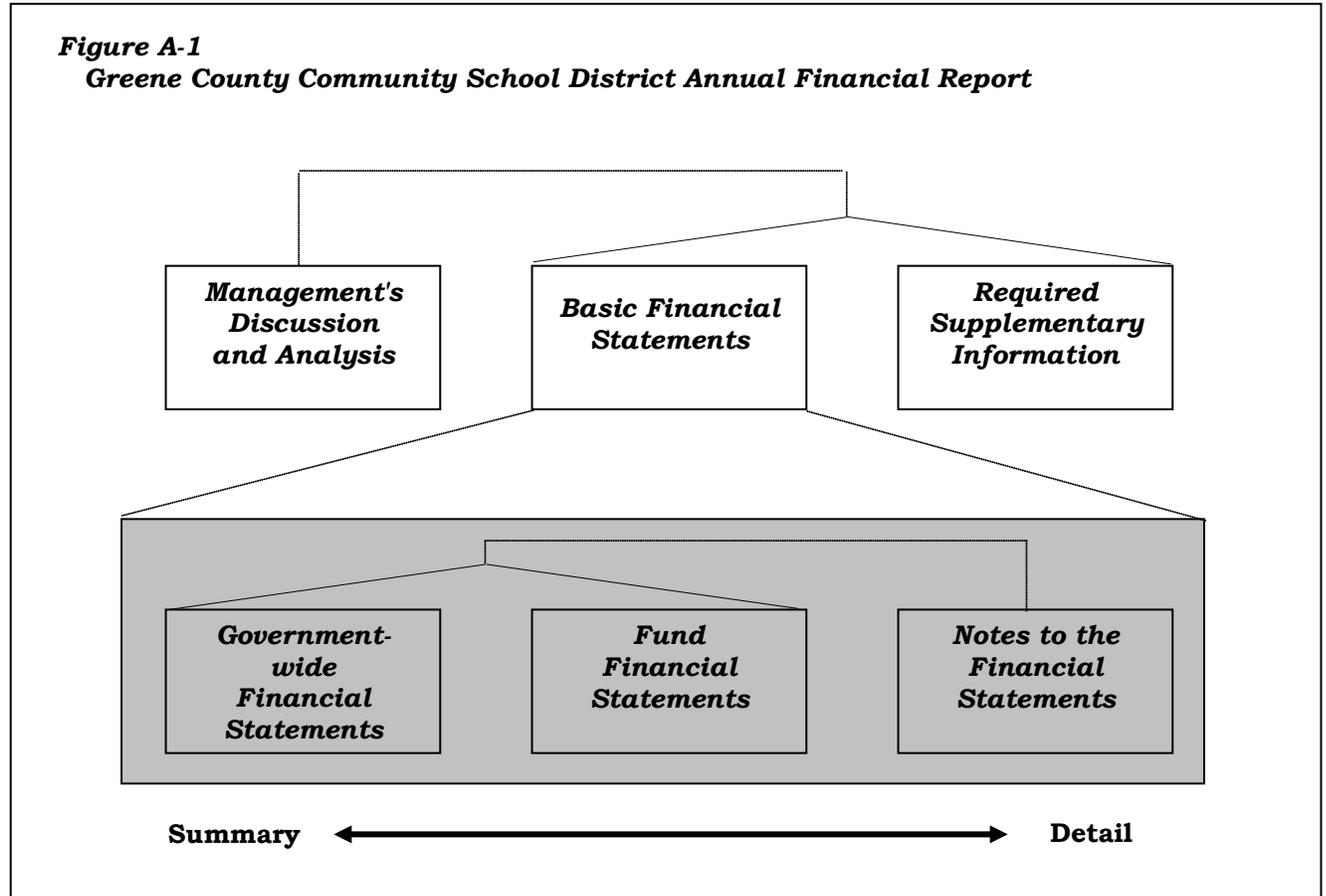


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

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

REPORTING THE DISTRICT’S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition, industrial technology construction, ram restaurant, ram preschool, and coaches clinic programs 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, the Special Revenue Funds, the Debt Service Fund and the 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 five enterprise funds, the School Nutrition Fund, Industrial Technology Construction Fund, Ram Restaurant Fund, Lil Ram Preschool Fund and the Coaches Clinic 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 and Agency Funds.

- Private-Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.
- Agency Fund - The District acts as a fiscal agent for the East Greene Foundation and utilizes this fund to record the financial activity.

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 District-wide financial statements because it cannot use these assets to finance its operations.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Figure A-3 Condensed Statement of Net Position		
	Governmental Activities	Business Type Activities	Total District
	June 30, 2015	June 30, 2015	June 30, 2015
Current and other assets	\$ 12,591,331	272,029	12,863,360
Capital assets	9,058,860	111,357	9,170,217
Total assets	<u>21,650,191</u>	<u>383,386</u>	<u>22,033,577</u>
Deferred outflows of resources	<u>1,740,324</u>	<u>35,809</u>	<u>1,776,133</u>
Long-term obligations	10,602,780	137,356	10,740,136
Other liabilities	396,232	20,405	416,637
Total liabilities	<u>10,999,012</u>	<u>157,761</u>	<u>11,156,773</u>
Deferred inflows of resources	<u>8,236,717</u>	<u>50,527</u>	<u>8,287,244</u>
Net position:			
Net investment in capital assets	4,769,855	109,036	4,878,891
Restricted	4,076,161	-	4,076,161
Unrestricted	(4,691,230)	101,871	(4,589,359)
Total net position	<u>\$ 4,154,786</u>	<u>210,907</u>	<u>4,365,693</u>

The District's total net position at June 30, 2015 was \$4,365,693. The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position was \$4,076,161 at June 30, 2015.

Unrestricted net position –the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – was deficit \$4,589,359 at June 30, 2015. The deficit 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 after the combination, were restated by \$6,726,506 and \$153,324, 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, 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, 2014 compared to the year ended June 30, 2013.

	Figure A-4		
	Changes in Net Position		
	Governmental Activities 2015	Business Type Activities 2015	Total District 2015
Revenues:			
Program revenues:			
Charges for service	\$ 885,635	274,034	1,159,669
Operating grants, contributions and restricted interest	1,479,982	460,458	1,940,440
General revenues:			
Property tax	5,900,595	-	5,900,595
Income surtax	931,986	-	931,986
Statewide sales, services and use tax	1,232,399	-	1,232,399
Unrestricted state grants	7,693,545	-	7,693,545
Unrestricted investment earnings	22,751	284	23,035
Other	124,126	1,936	126,062
Total revenues	<u>18,271,019</u>	<u>736,712</u>	<u>19,007,731</u>
Program expenses:			
Instructional	10,964,216	-	10,964,216
Support services	5,085,157	50	5,085,207
Non-instructional programs	9,574	714,906	724,480
Other expenses	992,475	-	992,475
Total expenses	<u>17,051,422</u>	<u>714,956</u>	<u>17,766,378</u>
Change in net position	1,219,597	21,756	1,241,353
Net position beginning of year, as restated	<u>2,935,189</u>	<u>189,151</u>	<u>3,124,340</u>
Net position end of year	<u>\$ 4,154,786</u>	<u>210,907</u>	<u>4,365,693</u>

In fiscal year 2015, property tax and unrestricted state grants accounted for 74.40% of governmental activities revenue while charges for service and operating grants, contributions and restricted interest accounted for 99.70% of the business type activities revenue. The District’s total revenues were approximately \$19.01 million, of which approximately \$18.27 million was for governmental activities and approximately \$0.74 million was for business type activities.

Governmental Activities

Revenues for governmental activities were \$18,271,019 and expenses were \$17,051,422 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.

	Figure A-5 Total and Net Cost of Governmental Activities	
	Total Cost of Services	Net Cost of Services
	2015	2015
Instruction	\$ 10,964,216	9,209,954
Support services	5,085,157	5,022,443
Non-instructional programs	9,574	9,574
Other expenses	992,475	443,834
Totals	<u>\$ 17,051,422</u>	<u>14,685,805</u>

For the year ended June 30, 2015:

- The cost financed by users of the District's programs was \$885,635.
- Federal and state governments along with donation and contributions from local sources subsidized certain programs with grants and contributions totaling \$1,479,982.
- The net cost of governmental activities was financed with \$5,900,595 in property tax, \$931,986 in income surtax, \$1,232,399 in statewide sales, services and use tax, \$7,693,545 in unrestricted state grants, \$22,751 in interest income and \$124,126 in other general revenues.

Business Type Activities

Revenues of the District's business type activities for the year ended June 30, 2015 were \$736,712 and expenses were \$714,956. The District's business type activities include the School Nutrition Fund, Industrial Technology Construction Fund, Ram Restaurant Fund, Lil Ram Preschool Fund and the Coaches Clinic. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

INDIVIDUAL FUND ANALYSIS

As previously noted, the Greene County 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 balances of \$5,520,310.

Governmental Fund Highlights

- The General Fund balance decreased from a restated balance of \$1,681,341 at July 1, 2014 to \$1,524,528 at June 30, 2015.
- The Management Levy Fund balance increased from a restated balance of \$840,826 at July 1, 2014 to \$1,142,499 at June 30, 2015.
- The Capital Projects Fund balance increased from a restated balance of \$1,631,475 at July 1, 2015 to \$1,760,545 at June 30, 2015.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from a restated deficit net position of \$40,231 at July 1, 2014 to a deficit net position of \$11,479 at June 30, 2015. The Industrial Technology Construction Fund deteriorated slightly from a restated net position of \$201,172 at July 1, 2014 to \$196,584 at June 30, 2015. The Ram Restaurant Fund experienced nominal decline from a restated net position of \$8,494 at July 1, 2014 to \$8,259 at June 30, 2015. The Lil Ram Preschool Fund improved from a restated net position of \$1,175 at July 1, 2014 to \$1,698 at June 30, 2015. The Coaches Clinic Fund net position decreased from a restated net position of \$18,541 at July 1, 2014 to \$15,854 at June 30, 2015.

BUDGETARY HIGHLIGHTS

The District's revenues were \$159,409 less than budgeted revenues, a variance of 0.85%. The most significant variance resulted from the District receiving less from local source revenues than originally anticipated.

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

In spite of the District's budgetary practice, the certified budget was exceeded in the non-instructional programs and other expenditures functional areas and the District exceeded its General Fund unspent authorized budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had invested \$9,170,217, 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) More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation expense for the year was \$585,424.

The original cost of the District's capital assets was \$21,874,012. Governmental funds account for \$21,574,988 with the remainder of \$299,024 in the Proprietary, School Nutrition and Ram Restaurant Funds.

	Figure A-6 Capital Assets, Net of Depreciation		
	Governmental Activities	Business Type Activities	Total District
	June 30, 2015	June 30, 2015	June 30, 2015
Land	\$ 92,762	-	92,762
Buildings	7,768,270	-	7,768,270
Land improvements	255,393	-	255,393
Machinery and equipment	942,435	111,357	1,053,792
Total	<u>\$ 9,058,860</u>	<u>111,357</u>	<u>9,170,217</u>

Long-Term Debt

At June 30, 2015, the District had \$10,740,136 in revenue bonds and other long-term debt outstanding. (See Figure A-6) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The District had outstanding revenue bonded indebtedness of \$4,289,005 at June 30, 2015 payable from the Capital Projects: Statewide, Sales Services and Use Tax Fund.

The District had outstanding capital leases of \$2,321 at June 30, 2015. The Student Nutrition Fund is responsible for \$1,390 for a dishwasher/oven lease and the Ram Restaurant Fund is responsible for \$931 for a dishwasher lease.

The District had an outstanding energy loan payable of \$100,143 at June 30, 2015. The energy loan was obtained from the Iowa Energy Bank through the Iowa Department of Administrative Services for a total amount of \$119,840. This loan is payable from the General Fund.

The District had termination benefits payable from the Special Revenue: Management Levy Fund of \$211,702 at June 30, 2015.

The District had net pension liability associated with IPERS of \$6,045,088 at June 30, 2015, of which \$5,912,598 was attributable to governmental activities and \$132,490 was attributable to business type activities.

The District had net pension liability associated with its annual early retirement offering of \$15,224 at June 30, 2015.

The District had a total net OPEB liability of \$76,653 at June 30, 2015. Governmental activities account for \$74,108 of the total while business type activities account for the remaining \$2,545.

	Governmental Activities	Business Type Activities	Total District
	June 30, 2015	June 30, 2015	June 30, 2015
Revenue bonds	\$ 4,289,005	-	4,289,005
Capital leases	-	2,321	2,321
Energy loan	100,143	-	100,143
Termination benefits	211,702	-	211,702
Net pension liability - IPERS	5,912,598	132,490	6,045,088
Net pension liability - early retirement	15,224	-	15,224
Net OPEB liability	74,108	2,545	76,653
Total	<u>\$ 10,602,780</u>	<u>137,356</u>	<u>10,740,136</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The October 2015 certified enrollment was up by 14.4 students. This along with economic development in the county gives us hope for further growth of the District.
- Hy-Vee built a new store in Jefferson; Wild Rose Casino & Resort opened in Jefferson; the Greene County Medical Center finished a major remodel and expansion in Jefferson. We feel taxable valuations will increase. We also hope that the increase in the number of jobs available in the county will lead to increased enrollment in the District in years to come.
- A bond issue failed in September 2015. The board would like to consolidate from five to two buildings for increased efficiency. A "Vote Yes" committee has been formed and another vote is expected to take place in April 2016.

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 Brenda Muir, Business Manager/Board Secretary, Greene County Community School District, 204 W. Madison Street, Jefferson, Iowa, 50129.

BASIC FINANCIAL STATEMENTS

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 5,292,453	48,787	5,341,240
Receivables:			
Property tax:			
Delinquent	81,160	-	81,160
Succeeding year	5,949,694	-	5,949,694
Income surtax	799,035	-	799,035
Accounts	36,185	133	36,318
Accrued interest	863	-	863
Due from other governments	431,941	14,380	446,321
Inventories	-	208,729	208,729
Capital assets, net of accumulated depreciation	9,058,860	111,357	9,170,217
Total assets	21,650,191	383,386	22,033,577
Deferred Outflows of Resources			
Pension related deferred outflows	1,740,324	35,809	1,776,133
Liabilities			
Accounts payable	180,654	4,819	185,473
Salaries and benefits payable	80,380	8,702	89,082
Advances from grantors	61,258	-	61,258
Accrued interest payable	73,940	-	73,940
Unearned revenues	-	6,884	6,884
Long-term liabilities:			
Portion due within one year:			
Revenue bonds payable	444,005	-	444,005
Energy loan payable	7,557	-	7,557
Dishwasher/Oven leases payable	-	2,321	2,321
Termination benefits	211,702	-	211,702
Portion due after one year:			
Revenue bonds payable	3,845,000	-	3,845,000
Energy loan payable	92,586	-	92,586
Net pension liability - IPERS	5,912,598	132,490	6,045,088
Net pension liability - early retirement	15,224	-	15,224
Net OPEB liability	74,108	2,545	76,653
Total liabilities	10,999,012	157,761	11,156,773
Deferred Inflows of Resources			
Unavailable property tax revenue	5,949,694	-	5,949,694
Pension related deferred inflows	2,287,023	50,527	2,337,550
Total deferred inflows of resources	8,236,717	50,527	8,287,244
Net Position			
Net investment in capital assets	4,769,855	109,036	4,878,891
Restricted for:			
Categorical funding	366,021	-	366,021
Debt service	876,293	-	876,293
Management levy purposes	930,797	-	930,797
Student activities	142,505	-	142,505
School infrastructure	1,212,640	-	1,212,640
Physical plant and equipment	547,905	-	547,905
Unrestricted	(4,691,230)	101,871	(4,589,359)
Total net position	\$ 4,154,786	210,907	4,365,693

SEE NOTES TO FINANCIAL STATEMENTS.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Govern- mental Activities	Business Type Activities	
Functions/Programs:						
Governmental activities:						
Instruction:						
Regular	\$ 6,411,793	541,905	91,618	(5,778,270)	-	(5,778,270)
Special	1,992,174	56,819	181,646	(1,753,709)	-	(1,753,709)
Other	2,560,249	269,707	612,567	(1,677,975)	-	(1,677,975)
	<u>10,964,216</u>	<u>868,431</u>	<u>885,831</u>	<u>(9,209,954)</u>	<u>-</u>	<u>(9,209,954)</u>
Support services:						
Student	570,748	-	38,215	(532,533)	-	(532,533)
Instructional staff	585,636	13,352	6,448	(565,836)	-	(565,836)
Administration	1,460,671	-	847	(1,459,824)	-	(1,459,824)
Operation and maintenance of plant	1,560,387	-	-	(1,560,387)	-	(1,560,387)
Transportation	907,715	3,852	-	(903,863)	-	(903,863)
	<u>5,085,157</u>	<u>17,204</u>	<u>45,510</u>	<u>(5,022,443)</u>	<u>-</u>	<u>(5,022,443)</u>
Non-instructional programs:						
Food service operations	3,999	-	-	(3,999)	-	(3,999)
Community service operations	5,575	-	-	(5,575)	-	(5,575)
	<u>9,574</u>	<u>-</u>	<u>-</u>	<u>(9,574)</u>	<u>-</u>	<u>(9,574)</u>
Long-term debt interest	145,895	-	-	(145,895)	-	(145,895)
Other expenditures:						
AEA flowthrough	548,641	-	548,641	-	-	-
Depreciation(unallocated)*	297,939	-	-	(297,939)	-	(297,939)
	<u>846,580</u>	<u>-</u>	<u>548,641</u>	<u>(297,939)</u>	<u>-</u>	<u>(297,939)</u>
Total governmental activities	<u>17,051,422</u>	<u>885,635</u>	<u>1,479,982</u>	<u>(14,685,805)</u>	<u>-</u>	<u>(14,685,805)</u>
Business type activities:						
Support services:						
Operation and maintenance of plant	50	-	-	-	(50)	(50)
Non-instructional programs:						
Food service operations	679,062	245,466	460,458	-	26,862	26,862
Other enterprise operations	27,902	22,799	-	-	(5,103)	(5,103)
Community service operations	7,942	5,769	-	-	(2,173)	(2,173)
	<u>714,906</u>	<u>274,034</u>	<u>460,458</u>	<u>-</u>	<u>19,586</u>	<u>19,586</u>
Total business type activities	<u>714,956</u>	<u>274,034</u>	<u>460,458</u>	<u>-</u>	<u>19,536</u>	<u>19,536</u>
Total	<u>\$ 17,766,378</u>	<u>1,159,669</u>	<u>1,940,440</u>	<u>(14,685,805)</u>	<u>19,536</u>	<u>(14,666,269)</u>
General Revenues:						
Property tax for:						
General purposes				\$ 5,517,772	-	5,517,772
Capital outlay				382,823	-	382,823
Income surtax				931,986	-	931,986
Statewide sales, services and use tax				1,232,399	-	1,232,399
Unrestricted state grants				7,693,545	-	7,693,545
Unrestricted investment earnings				22,751	284	23,035
Other				124,126	1,936	126,062
Total general revenues				<u>15,905,402</u>	<u>2,220</u>	<u>15,907,622</u>
Change in net position				1,219,597	21,756	1,241,353
Net position beginning of year, as restated				2,935,189	189,151	3,124,340
Net position end of year				<u>\$ 4,154,786</u>	<u>210,907</u>	<u>4,365,693</u>

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

SEE NOTES TO FINANCIAL STATEMENTS.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Management Levy	Capital Projects	Nonmajor	Total
Assets					
Cash and pooled investments	\$ 1,246,508	1,108,675	1,844,532	1,092,738	5,292,453
Receivables:					
Property tax:					
Delinquent	69,048	6,883	5,229	-	81,160
Succeeding year	5,322,242	199,999	427,453	-	5,949,694
Income surtax	466,104	-	332,931	-	799,035
Accounts	14,097	22,088	-	-	36,185
Accrued interest	-	-	863	-	863
Due from other funds	279,507	5,425	-	-	284,932
Due from other governments	240,204	-	191,737	-	431,941
Total assets	\$ 7,637,710	1,343,070	2,802,745	1,092,738	12,876,263
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 177,773	572	2,309	-	180,654
Salaries and benefits payable	80,380	-	-	-	80,380
Due to other funds	5,425	-	279,507	-	284,932
Advances from grantors	61,258	-	-	-	61,258
Total liabilities	324,836	572	281,816	-	607,224
Deferred inflows of resources:					
Unavailable revenue:					
Succeeding year property tax	5,322,242	199,999	427,453	-	5,949,694
Income surtax	466,104	-	332,931	-	799,035
Total deferred inflows of resources	5,788,346	199,999	760,384	-	6,748,729
Fund balances:					
Restricted for:					
Categorical funding	366,021	-	-	-	366,021
Debt service	-	-	-	950,233	950,233
Management levy purposes	-	1,142,499	-	-	1,142,499
Student activities	-	-	-	142,505	142,505
School infrastructure	-	-	1,212,640	-	1,212,640
Physical plant and equipment	-	-	547,905	-	547,905
Unassigned	1,158,507	-	-	-	1,158,507
Total fund balances	1,524,528	1,142,499	1,760,545	1,092,738	5,520,310
Total liabilities, deferred inflows of resources and fund balances	\$ 7,637,710	1,343,070	2,802,745	1,092,738	12,876,263

SEE NOTES TO FINANCIAL STATEMENTS.

GREENE COUNTY 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)	\$	5,520,310
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		9,058,860
Accounts receivable income surtax, is not yet available to finance current year expenditures and therefore, is recognized as a deferred inflow of resources in the governmental funds.		799,035
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.		(73,940)
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	\$ 1,740,324	
Deferred inflows of resources	<u>(2,287,023)</u>	(546,699)
Long-term liabilities, including revenue bonds payable, energy loan notes payable, termination benefits payable, other postemployment benefits payable and net pension liability are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds.		<u>(10,602,780)</u>
Net position of governmental activities(page 18)	\$	<u><u>4,154,786</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

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

	General	Management Levy	Capital Projects	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 5,483,251	500,990	382,823	-	6,367,064
Tuition	566,937	-	-	-	566,937
Other	196,474	40,366	5,159	246,748	488,747
State sources	8,468,439	4,087	1,235,499	-	9,708,025
Federal sources	674,729	-	-	-	674,729
Total revenues	<u>15,389,830</u>	<u>545,443</u>	<u>1,623,481</u>	<u>246,748</u>	<u>17,805,502</u>
Expenditures:					
Current:					
Instruction:					
Regular	6,138,721	118,933	-	-	6,257,654
Special	2,021,221	-	-	-	2,021,221
Other	2,346,911	-	-	257,618	2,604,529
	<u>10,506,853</u>	<u>118,933</u>	<u>-</u>	<u>257,618</u>	<u>10,883,404</u>
Support services:					
Student	579,609	-	-	-	579,609
Instructional staff	506,946	-	29,788	-	536,734
Administration	1,434,632	7,988	18,140	-	1,460,760
Operation and maintenance of plant	1,163,527	81,007	88,526	-	1,333,060
Transportation	794,905	31,843	42,280	-	869,028
	<u>4,479,619</u>	<u>120,838</u>	<u>178,734</u>	<u>-</u>	<u>4,779,191</u>
Non-instructional programs:					
Food service operations	-	3,999	-	-	3,999
Community service operations	5,575	-	-	-	5,575
	<u>5,575</u>	<u>3,999</u>	<u>-</u>	<u>-</u>	<u>9,574</u>
Capital outlay	-	-	462,954	-	462,954
Long-term debt:					
Principal	-	-	-	443,987	443,987
Interest and fiscal charges	-	-	-	155,164	155,164
	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,151</u>	<u>599,151</u>
Other expenditures:					
AEA flowthrough	548,641	-	-	-	548,641
Total expenditures	<u>15,540,688</u>	<u>243,770</u>	<u>641,688</u>	<u>856,769</u>	<u>17,282,915</u>
Excess(Deficiency) of revenues over(under)expenditures	(150,858)	301,673	981,793	(610,021)	522,587
Other financing sources(uses):					
Proceeds from sale of real property	-	-	250	-	250
Proceeds from sale of equipment	126	-	-	-	126
Transfer in	2,685	-	-	861,739	864,424
Transfer out	(8,766)	-	(852,973)	-	(861,739)
Total other financing sources(uses)	<u>(5,955)</u>	<u>-</u>	<u>(852,723)</u>	<u>861,739</u>	<u>3,061</u>
Change in fund balances	(156,813)	301,673	129,070	251,718	525,648
Fund balances beginning of year, as restated	<u>1,681,341</u>	<u>840,826</u>	<u>1,631,475</u>	<u>841,020</u>	<u>4,994,662</u>
Fund balances end of year	<u>\$ 1,524,528</u>	<u>1,142,499</u>	<u>1,760,545</u>	<u>1,092,738</u>	<u>5,520,310</u>

SEE NOTES TO FINANCIAL STATEMENTS.

GREENE COUNTY 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) \$ 525,648

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, depreciation expense and loss on disposal in the current year are as follows:

Capital outlays	\$ 373,527	
Depreciation expense	(569,970)	
Loss on disposal of capital assets	<u>(5,798)</u>	(202,241)

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. 443,987

Income surtax accounts receivable is not available to finance expenditures of the current year and is recognized as a deferred inflow resources in the governmental funds. 465,517

Net change in Internal Service Funds charged back to expenditures made for the flex benefit program on an entity-wide basis. (9,132)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 9,269

Bond premiums were reported revenues in the governmental funds when received, but were capitalized and amortized over the life of the bonds in the government-wide financial statements. 18,687

The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position. 837,262

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

Termination benefits	(211,702)	
Compensated absences	1,687	
Net pension benefits - IPERS	(570,053)	
Net pension benefits - early retirement	(15,224)	
Other postemployment benefits	<u>(74,108)</u>	<u>(869,400)</u>

Change in net position of governmental activities (page 19) \$ 1,219,597

SEE NOTES TO FINANCIAL STATEMENTS.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business Type Activities: Nonmajor Enterprise Funds					Total
	School Nutrition	Industrial Technology Construction	Ram Restaurant	Lil Ram Preschool	Coaches Clinic	
Assets						
Current assets:						
Cash and pooled investments	\$ 24,960	2,178	4,106	1,698	15,845	48,787
Accounts receivable	133	-	-	-	-	133
Due from other governments	14,380	-	-	-	-	14,380
Inventories	14,323	194,406	-	-	-	208,729
Total current assets	53,796	196,584	4,106	1,698	15,845	272,029
Noncurrent assets:						
Capital assets, net of accumulated depreciation	106,273	-	5,084	-	-	111,357
Total assets	160,069	196,584	9,190	1,698	15,845	383,386
Deferred Outflows of Resources						
Pension related deferred outflows	35,809	-	-	-	-	35,809
Liabilities						
Current liabilities:						
Accounts payable	4,819	-	-	-	-	4,819
Salaries and benefits payable	8,702	-	-	-	-	8,702
Unearned revenue	6,884	-	-	-	-	6,884
Total current liabilities	20,405	-	-	-	-	20,405
Noncurrent liabilities:						
Net pension liability	132,490	-	-	-	-	132,490
Net OPEB liability	2,545	-	-	-	-	2,545
Dishwasher/Oven leases	1,390	-	931	-	-	2,321
Total long-term liabilities	136,425	-	931	-	-	137,356
Total liabilities	156,830	-	931	-	-	157,761
Deferred Inflows of Resources						
Pension related deferred inflows	50,527	-	-	-	-	50,527
Net Position						
Net investment in capital assets	104,883	-	4,153	-	-	109,036
Unrestricted	(116,362)	196,584	4,106	1,698	15,845	101,871
Total net position	\$ (11,479)	196,584	8,259	1,698	15,845	210,907

SEE NOTES TO FINANCIAL STATEMENTS.

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

	Business Type Activities: Nonmajor Enterprise Funds					Total	Governmental
	School Nutrition	Industrial Technology Construction	Ram Restaurant	Lil Ram Preschool	Coaches Clinic		Activities: Internal Service Fund Flex Benefits
Operating revenues:							
Local sources:							
Charges for service	\$ 245,466	-	22,799	1,695	4,074	274,034	-
Miscellaneous	1,936	-	-	-	-	1,936	-
Total operating revenues	247,402	-	22,799	1,695	4,074	275,970	-
Operating expenses:							
Instruction:							
Regular:							
Benefits	-	-	-	-	-	-	6,447
Support services:							
Operation and maintenance of plant:							
Services	50	-	-	-	-	50	-
Non-instructional programs:							
Food service operations:							
Salaries	210,617	-	-	-	-	210,617	-
Benefits	77,366	-	-	-	-	77,366	-
Services	1,386	-	-	-	-	1,386	-
Supplies	374,947	-	-	-	-	374,947	-
Depreciation	14,632	-	-	-	-	14,632	-
	678,948	-	-	-	-	678,948	-
Other enterprise operations:							
Services	-	3,236	180	-	-	3,416	-
Supplies	-	1,632	21,955	-	-	23,587	-
Depreciation	-	-	822	-	-	822	-
	-	4,868	22,957	-	-	27,825	-
Community service operations:							
Services	-	-	-	-	4,061	4,061	-
Supplies	-	-	-	1,172	2,709	3,881	-
	-	-	-	1,172	6,770	7,942	-
Total non-instructional programs	678,948	4,868	22,957	1,172	6,770	714,715	-
Total operating expenses	678,998	4,868	22,957	1,172	6,770	714,765	6,447
Operating income(loss)	(431,596)	(4,868)	(158)	523	(2,696)	(438,795)	(6,447)
Non-operating revenues(expenses):							
Interest expense(leases)	(114)	-	(77)	-	-	(191)	-
State sources	5,970	-	-	-	-	5,970	-
Federal sources	454,488	-	-	-	-	454,488	-
Interest income	4	280	-	-	-	284	-
Total non-operating revenues(expenses)	460,348	280	(77)	-	-	460,551	-
Change in net position before other financing uses	28,752	(4,588)	(235)	523	(2,696)	21,756	(6,447)
Other financing uses:							
Transfer out	-	-	-	-	-	-	(2,685)
Change in net position	28,752	(4,588)	(235)	523	(2,696)	21,756	(9,132)
Net position beginning of year, as restated	(40,231)	201,172	8,494	1,175	18,541	189,151	9,132
Net position end of year	\$ (11,479)	196,584	8,259	1,698	15,845	210,907	-

SEE NOTES TO FINANCIAL STATEMENTS.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Business Type Activities: Nonmajor Enterprise Funds					Total	Governmental Activities: Internal Service Fund
	School Nutrition	Industrial Technology Construction	Ram Restaurant	Lil Ram Preschool	Coaches Clinic		Flex Benefits
Cash flows from operating activities:							
Cash received from operating activities	\$ 245,398	-	22,799	1,695	4,074	273,966	-
Cash received from miscellaneous operating activities	1,936	-	-	-	-	1,936	-
Cash payments to employees for services	(289,863)	-	-	-	-	(289,863)	(6,447)
Cash payments to suppliers for goods or services	(332,280)	(50,854)	(22,135)	(1,172)	(6,770)	(413,211)	-
Net cash provided by(used in) operating activities	(374,809)	(50,854)	664	523	(2,696)	(427,172)	(6,447)
Cash flows from non-capital financing activities:							
Transfer to the General Fund	-	-	-	-	-	-	(2,685)
Repayments to the General Fund	(26,109)	-	-	-	-	(26,109)	-
State grants received	5,970	-	-	-	-	5,970	-
Federal grants received	406,151	-	-	-	-	406,151	-
Net cash provided by(used in) non-capital financing activities	386,012	-	-	-	-	386,012	(2,685)
Cash flows from capital financing activities:							
Acquisition of assets	(502)	-	(1,113)	-	-	(1,615)	-
Principal payment on dishwasher/oven leases	(2,105)	-	(1,411)	-	-	(3,516)	-
Interest payment on dishwasher/oven leases	(114)	-	(77)	-	-	(191)	-
Net cash used in capital financing activities	(2,721)	-	(2,601)	-	-	(5,322)	-
Cash flows from investing activities:							
Interest on investment	4	280	-	-	-	284	-
Net increase(decrease) in cash and cash equivalents	8,486	(50,574)	(1,937)	523	(2,696)	(46,198)	(9,132)
Cash and cash equivalents beginning of year	16,474	52,752	6,043	1,175	18,541	94,985	9,132
Cash and cash equivalents end of year	\$ 24,960	2,178	4,106	1,698	15,845	48,787	-
Reconciliation of operating income(loss) to net cash provided by(used in) operating activities:							
Operating income(loss)	\$ (431,596)	(4,868)	(158)	523	(2,696)	(438,795)	(6,447)
Adjustments to reconcile operating income(loss) to net cash provided by(used in) operating activities:							
Commodities consumed	48,394	-	-	-	-	48,394	-
Depreciation	14,632	-	822	-	-	15,454	-
Increase in inventories	(3,341)	(45,986)	-	-	-	(49,327)	-
Decrease in accounts receivable	509	-	-	-	-	509	-
Decrease in accounts payable	(950)	-	-	-	-	(950)	-
Increase in salaries and benefits payable	1,691	-	-	-	-	1,691	-
Decrease in unearned revenues	(577)	-	-	-	-	(577)	-
Increase in other postemployment benefits	2,545	-	-	-	-	2,545	-
Decrease in net pension liability	(40,355)	-	-	-	-	(40,355)	-
Increase in deferred outflows of resources	(16,288)	-	-	-	-	(16,288)	-
Increase in deferred inflows of resources	50,527	-	-	-	-	50,527	-
Net cash provided by(used in) operating activities	\$ (374,809)	(50,854)	664	523	(2,696)	(427,172)	(6,447)

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2015, the District received \$48,394 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2015

	Private Purpose Trust	Agency
	Scholarship	
Assets		
Cash and pooled investments	\$ 79,896	26,721
Liabilities		
Due to other groups	-	26,721
Net Position		
Held in trust for scholarships	\$ 79,896	-

SEE NOTES TO FINANCIAL STATEMENTS.

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

	<u>Private Purpose Trust Scholarship</u>
Additions:	
Local sources:	
Gifts and contributions	\$ 22,900
Interest income	159
Total additions	<u>23,059</u>
Deductions:	
Instruction:	
Regular:	
Scholarships awarded	<u>900</u>
Change in net position	22,159
Net position beginning of year, as restated	<u>57,737</u>
Net position end of year	<u>\$ 79,896</u>

SEE NOTES TO FINANCIAL STATEMENTS.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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

The Greene County Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve, state voluntary preschool program and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the Cities of Jefferson, Scranton, Grand Junction and Rippey Iowa, and the predominate agricultural territory in Greene County and Boone County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Greene County Community School District has included all funds, organizations, account groups, 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 Greene County 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 Greene County and Boone County Assessors' Conference Boards.

B. Basis of Presentation

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

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

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

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

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

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

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

The District reports the following major governmental funds:

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

The Management Levy Fund is utilized to account for the revenues and expenses of unemployment benefits, termination benefits, and insurance agreements relating to such liabilities.

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

The District reports the following nonmajor proprietary funds:

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

The Industrial Technology Construction Fund is used to account for revenues and expenses related to the construction of a house by students taking building and trades classes.

The Ram Restaurant Fund is used to account for the operations of the restaurant that is operated by students taking culinary classes offered by the District.

The Lil Ram Preschool Fund is used to account for the operations of the District's preschool program.

The Coaches Clinic Fund is used to account for the annual coaches clinic operated by the District.

The Flex Benefits Fund is used to account for payroll deductions from District employees used to pay for medical expenses.

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

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

The Agency Fund is used to account for assets held by the District as an agent for the East Greene Foundation. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

Asset Class	Amount
Land	\$ 1,000
Buildings	1,000
Land improvements	1,000
Intangibles	100,000
Machinery and equipment:	
All Proprietary Funds equipment	500
Other machinery and equipment	1,000

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

Asset Class	Estimated Useful Lives
Buildings	20-50
Intangibles	2 or more
Land improvements	15
Machinery and equipment	5-15

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

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

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

Unearned Revenue - Unearned revenues in the School Nutrition Fund are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The revenue will be considered earned when services are provided. The lunch account balances are reflected on the Statement of Net Position in the Proprietary Funds.

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

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

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to 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 year. Deferred inflows of resources consists 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.

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 spendable classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2015, expenditures exceeded the amounts budgeted in the non-instructional programs and other expenditures functional areas and the District exceeded its General Fund unspent authorized budget.

(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 and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2015, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of \$317,512 pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investment in the Iowa Schools Joint Investment Trust was rated AAA by Standard & Poor's Financial Services.

(3) Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	\$ 852,973
Debt Service	General	8,766
General	Internal Service	2,685
Total		<u>\$ 864,424</u>

Transfers generally move revenues from the fund statutorily required to collect resources to the fund statutorily required to expend the resources. The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was needed for principal and interest payments on the District's revenue bond indebtedness. The District also transferred the reserve and sinking accounts associated with the revenue bonded indebtedness to the Debt Service Fund during the year. The transfer from the General Fund to the Debt Service Fund was needed for principal and interest payments on the District's energy loan indebtedness. The transfer from the Internal Service Fund to the General Fund was needed to close out the Internal Service Fund.

(4) Due From and Due to Other Funds

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Capital Projects: Physical Plant and Equipment Levy	\$ 194,362
General	Capital Projects: Statewide Sales, Services and Use Tax	85,145
Management Levy	General	5,425
Total		<u>\$ 284,932</u>

The Capital Projects: Physical Plant and Equipment Levy Fund is repaying the General Fund for income surtax recorded incorrectly. The Capital Projects: Statewide Sales, Services and Use Tax Fund in repaying the General Fund for reclassified equipment expenses. The General Fund is repaying the Management Levy Fund for early retirement benefits charged to the incorrect fund in the prior year.

(5) **Capital Assets**

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

	Balance Beginning of Year, as restated	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 92,762	-	-	92,762
Total capital assets not being depreciated	92,762	-	-	92,762
Capital assets being depreciated:				
Buildings	14,721,896	180,988	-	14,902,884
Land improvements	1,214,140	-	-	1,214,140
Machinery and equipment	6,263,243	192,539	1,090,580	5,365,202
Total capital assets being depreciated	22,199,279	373,527	1,090,580	21,482,226
Less accumulated depreciation for:				
Buildings	6,850,250	284,364	-	7,134,614
Land improvements	945,172	13,575	-	958,747
Machinery and equipment	5,235,518	272,031	1,084,782	4,422,767
Total accumulated depreciation	13,030,940	569,970	1,084,782	12,516,128
Total capital assets being depreciated, net	9,168,339	(196,443)	5,798	8,966,098
Governmental activities capital assets, net	\$ 9,261,101	(196,443)	5,798	9,058,860
Business type activities:				
Machinery and equipment	\$ 297,409	1,615	-	299,024
Less accumulated depreciation	172,213	15,454	-	187,667
Business type activities capital assets, net	\$ 125,196	(13,839)	-	111,357

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	\$ 33,525
Other	15,436
Support services:	
Instructional staff	50,450
Administration	63,606
Operation and maintenance of plant	25,593
Transportation	83,421
	<u>272,031</u>
Unallocated depreciation	<u>297,939</u>
Total governmental activities depreciation expense	<u>\$ 569,970</u>
Business type activities:	
Food service operations	\$ 14,632
Other enterprise operations	822
Total governmental activities depreciation expense	<u>\$ 15,454</u>

(6) Long-Term Liabilities

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

	Balance Beginning of Year, as restated	Additions	Deletions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 4,724,294	-	435,289	4,289,005	444,005
Energy loan	108,841	-	8,698	100,143	7,557
Compensated absences	1,687	-	1,687	-	-
Termination benefits	-	211,702	-	211,702	211,702
Net pension liability - IPERS	7,597,675	-	1,685,077	5,912,598	-
Net pension liability - early retirement	-	15,224	-	15,224	-
Net OPEB liability	-	74,108	-	74,108	-
Total	<u>\$ 12,432,497</u>	<u>301,034</u>	<u>2,130,751</u>	<u>10,602,780</u>	<u>663,264</u>
Business type activities:					
Dishwasher/oven lease (School Nutrition Fund)	\$ 3,495	-	2,105	1,390	1,390
Dishwasher lease (Ram Restaurant Fund)	2,342	-	1,411	931	931
Net pension liability	172,845	-	40,355	132,490	-
Net OPEB Liability	-	2,545	-	2,545	-
Total	<u>\$ 178,682</u>	<u>2,545</u>	<u>43,871</u>	<u>137,356</u>	<u>2,321</u>

Revenue Bonds Payable

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

Year Ending June 30,	Bond issue of June 1, 2012			Bond issue of December 1, 2007			Bond issue of July 1, 2009			Total		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest	Total
2016	2.00%	\$ 120,000	52,295	4.00%	\$ 225,000	83,195	3.90%	\$ 99,005	3,861	444,005	139,351	583,356
2017	2.00	120,000	49,895	4.05	235,000	73,936	-	-	-	355,000	123,831	478,831
2018	2.00	125,000	47,495	4.05	245,000	64,155	-	-	-	370,000	111,650	481,650
2019	2.00	125,000	44,995	4.15	255,000	53,841	-	-	-	380,000	98,836	478,836
2020	2.00	130,000	42,495	4.20	265,000	42,985	-	-	-	395,000	85,480	480,480
2021-2025	2.15-2.65	690,000	169,040	4.25-4.35	870,000	57,280	-	-	-	1,560,000	226,320	1,786,320
2026-2030	2.75-3.20	785,000	73,150	-	-	-	-	-	-	785,000	73,150	858,150
Total		<u>\$ 2,095,000</u>	<u>479,365</u>		<u>\$ 2,095,000</u>	<u>375,392</u>		<u>\$ 99,005</u>	<u>3,861</u>	<u>4,289,005</u>	<u>858,618</u>	<u>5,147,623</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$2,330,000 of bonds issued June 2012, \$3,195,000 of bonds issued December 2007 and \$541,000 of bonds issued July 2009. The bonds were issued for the purpose of financing a portion of the costs of District remodeling projects and improvements. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 47% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$5,147,623. For the current year, \$435,289 of principal and \$154,312 of interest was paid on the bonds and statewide sales, services and use tax revenues were \$1,232,399.

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

- a) \$492,115 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account.
- b) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

Energy Loan

During the year ended June 30, 2012, the District obtained an energy loan from the Iowa Energy Bank through the Iowa Department of Administrative Services for a total amount of \$119,840 at an interest rate of 1%. Loan proceeds were used by the District to upgrade to more energy efficient lighting systems for District buildings. Details of the District's June 30, 2015 energy loan indebtedness payable from the General Fund is as follows:

Year Ending June 30,	Energy loan issue of December 1, 2012			
	Interest Rates	Principal	Interest	Total
2016	1.00%	\$ 7,557	967	8,524
2017	1.00	7,652	891	8,543
2018	1.00	7,748	814	8,562
2019	1.00	7,846	736	8,582
2020	1.00	7,945	657	8,602
2021-2025	1.00	41,247	2,065	43,312
2026-2028	1.00	20,148	244	20,392
Total		<u>\$ 100,143</u>	<u>6,374</u>	<u>106,517</u>

Dishwasher/Oven Lease Payable

Details of the District's June 30, 2015 dishwasher/oven lease indebtedness that is to be paid from the School Nutrition Fund are as follows:

Year Ended June 30,	Dishwasher/Oven Lease Dated August 12, 2010			
	Interest Rates	Principal	Interest	Total
2016	4.90%	<u>\$ 1,390</u>	<u>23</u>	<u>1,413</u>

Details of the District's June 30, 2015 dishwasher lease indebtedness that is to be paid from the Ram Restaurant Fund are as follows:

Year Ended June 30,	Dishwasher Lease Dated August 12, 2010			
	Interest Rates	Principal	Interest	Total
2016	4.90%	<u>\$ 931</u>	<u>15</u>	<u>946</u>

Termination Benefits

In January 2015, the District approved a voluntary early retirement plan for employees. The plan was only offered to employees for one year. Eligible employees must have completed at least ten years of full-time service to the District and must have reached the age of fifty-five on or before June 30, 2015. The application for early retirement was subject to approval by the Board of Education.

Early retirement benefits equal 45% of the employee's base contractual salary in effect during the employee's last year of employment. The policy requires early retirement benefits be paid in two equal installments in January and June 2016. At June 30, 2015, the District had obligations to ten participants with a total liability of \$211,702.

(7) Pension Plan

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

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 \$855,659.

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 \$6,045,088 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 Jefferson-Scranton Community School District's collective proportion was 0.120939 percent and Greene County Community School District's was 0.028430 percent for a combined collective proportion of 0.149369, which was an increase of 0.012129 percent from the combined proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$582,334. 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	\$ 65,699	\$ -
Changes of assumptions	266,783	-
Net difference between projected and actual earnings on pension plan investments	-	2,305,422
Changes in proportion and differences between District contributions and proportionate share of contributions	587,992	32,128
District contributions subsequent to the measurement date	855,659	-
Total	\$ 1,776,133	\$ 2,337,550

\$855,659 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	\$ (368,798)
2017	(368,798)
2018	(368,798)
2019	(368,798)
2020	58,116
	<u>\$ (1,417,076)</u>

There were no non-employer contributing entities at IPERS.

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

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

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

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

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's

fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-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	\$ 11,422,023	\$ 6,045,088	\$ 1,506,397

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 \$6,623 for legally required employer contributions and \$4,413 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

(8) Other Postemployment Benefits(OPEB)

Plan Description - The District operates a single-employer health benefit plan which provides medical benefits for employees, retirees and their spouses. There are 143 active and 15 retired members in the plan. Retired participants must be age 55 or older at age of retirement.

The medical benefits are provided through a fully-insured plan with Wellmark. 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	\$ 97,788
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>97,788</u>
Contributions made	<u>(21,135)</u>
Increase in net OPEB obligation	76,653
Net OPEB obligation beginning of year, as restated	<u>-</u>
Net OPEB obligation end of year	<u>\$ 76,653</u>

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

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 97,788	21.61%	\$ 76,653

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 \$576,913, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$576,913. The covered payroll (annual payroll of active employees covered by the plan) was \$8,943,963, and the ratio of the UAAL to covered payroll was 6.45%. 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. The Schedule of Funding Progress for the Retiree Health 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 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 projected annual medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Table projected to 2000, applied on a gender-specific basis. Annual retirement probabilities were developed based upon the 2006 Society of Actuaries Study. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(9) Supplemental Pension Plan

Plan Description - The District offers a supplemental pension (early retirement incentive) for all full-time employees who attain age 55, has completed ten years of service to the District, submits an application to the Superintendent, receives Board approval and retires by June 30 of the same year.

There are 204 active members in the plan as of June 30, 2015. The plan benefit consists of payment for unused personal illness days, cumulative to a maximum of 90 days, to be paid at the current rate of substitute teacher pay for certified staff and 40% of their current wage for classified staff.

Funding Policy - Payments under the plan are made on a pay-as-you-go basis. There are no invested 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 required contribution	\$ 95,639
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual net pension obligation cost	<u>95,639</u>
Contributions made	<u>(80,415)</u>
Increase in net pension obligation	15,224
Net pension obligation beginning of year, as restated	<u>-</u>
Net pension obligation end of year	<u><u>\$ 15,224</u></u>

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	\$ 95,639	84.08%	\$ 15,224

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 \$1,183,281, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,183,281. The covered payroll (annual payroll of active employees covered by the plan) was \$8,908,663, and the ratio of the UAAL to the covered payroll was 13.28%. 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 salary increase rate was assumed to be 3% per year. 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.

(10) Risk Management

Greene County 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.

(11) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$548,641 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.

(12) Property Lease

The District currently has a lease with the Greene County Fair Association for rental of a storage facility for District equipment. Payment is \$9,000 per year through June 30, 2016.

The District also has a lease with the City of Scranton for rental of a gymnasium to be used for after school practices and events by District athletic programs. Payment is \$5,000 per year through July 13, 2020.

(13) Categorical Funding

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

Program	Amount
Limited English Proficient	\$ 916
Home School Assistance Program	26,228
At-Risk Programs	305
Gifted and Talented Programs	15,388
Four-year Old Preschool State Aid	212,076
Beginning Teacher and Mentoring Induction Program	1,612
Teacher Salary Supplement	3
Iowa Early Intervention Block Grant	652
Successful Progression for Early Readers	10,906
Professional Development for Model Core Curriculum	7,146
Professional Development	18,728
Teacher Leadership Grants	72,061
Total	<u>\$ 366,021</u>

(14) Budget Overexpenditure

Per the code of Iowa, expenditures may not legally exceed budget appropriations at the functional area level. During the year ended June 30, 2015, expenditures in the non-instructional programs and other expenditures functional area exceeded the amounts budgeted. The District also exceeded its General Fund unspent authorized budget.

(15) Restatements for Accounting Change and District Consolidation

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

	Governmental Activities			Business Type Activities		
	Jefferson- Scranton	East Greene	Total	Jefferson- Scranton	East Greene	Total
	Net position June 30, 2014, as previously reported	\$ 7,437,730	1,873,296	9,311,026	\$ 295,480	44,017
Net pension liability at June 30, 2014	(6,003,085)	(1,594,590)	(7,597,675)	(116,892)	(55,953)	(172,845)
Deferred outflows of resources related to the contributions made after the June 30, 2013 measurement date	707,387	163,782	871,169	13,774	5,747	19,521
Net position July 1, 2014, as restated	\$ 2,142,032	442,488	2,584,520	\$ 192,362	(6,189)	186,173

Greene County Community School District is a new entity; therefore, the District opens with a net OPEB liability balance of \$0. The June 30, 2014 net OPEB liabilities for Jefferson-Scranton Community School District and East Greene Community School District have been removed from the restated long-term liabilities of Greene County Community School District as follows:

	Governmental Activities			Business Type Activities		
	Jefferson- Scranton	East Greene	Total	Jefferson- Scranton	East Greene	Total
	Net OPEB liability at June 30, 2014	\$ (373,933)	(65,114)	(439,047)	\$ (2,978)	-

In previous years, Jefferson-Scranton Community School District had offered an early retirement incentive with a cash benefit year after year which required an actuarial valuation of the ongoing plan that resulted in a net pension asset at June 30, 2014. Because Greene County Community School District no longer intends to offer the plan year after year, the June 30, 2014 net pension asset for Jefferson-Scranton Community School District has been removed from the restated beginning balance of Greene County Community School District as follows:

	Governmental Activities			Business Type Activities		
	Jefferson- Scranton	East Greene	Total	Jefferson- Scranton	East Greene	Total
	Net pension asset at June 30, 2014	\$ 88,378	-	88,378	\$ -	-

Effective July 1, 2014, the Jefferson-Scranton Community School District and the East Greene Community School District merged to form Greene County Community School District. The ending fund balances for each District at June 30, 2014 have been combined to establish the restated July 1, 2014 beginning balances for Greene County Community School District as follows:

	Jefferson- Scranton June 30, 2014	East Greene June 30, 2014	Restated Balance Greene County July 1, 2014
Governmental Funds:			
General Fund	\$ 1,587,799	93,542	1,681,341
Student Activity Fund	150,860	2,553	153,413
Management Levy Fund	459,232	381,594	840,826
Capital Projects: Statewide Sales, Services and Use Tax Fund	431,057	773,634	1,204,691
Capital Projects: Physical Plant and Equipment Levy Fund	67,775	359,009	426,784
Debt Service	687,607	-	687,607
Total governmental funds	<u>\$ 3,384,330</u>	<u>1,610,332</u>	<u>4,994,662</u>
Fiduciary Funds:			
Private Purpose Trust Fund	\$ 3,818	53,919	57,737
Proprietary Fund:			
<i>Governmental Activities:</i>			
Internal Service Fund	\$ 9,132	-	9,132
<i>Combination of Governmental Activities:</i>			
Fund Balance	\$ 3,384,330	1,610,332	4,994,662
Income surtax receivable	333,518	-	333,518
Capital assets, net of accumulated depreciation	6,670,301	2,590,800	9,261,101
Blending of Internal Service Fund	9,132	-	9,132
Accrued interest payable	(55,861)	(27,348)	(83,209)
Long-term liabilities	(2,992,068)	(2,300,488)	(5,292,556)
Net pension asset	88,378	-	88,378
	<u>7,437,730</u>	<u>1,873,296</u>	<u>9,311,026</u>
GASB 68 Restatement Adjustment	(5,295,698)	(1,430,808)	(6,726,506)
	<u>2,142,032</u>	<u>442,488</u>	<u>2,584,520</u>
Net OPEB Liability Restatement Adjustment	373,933	65,114	439,047
	<u>2,515,965</u>	<u>507,602</u>	<u>3,023,567</u>
Net pension asset restatement adjustment	(88,378)	-	(88,378)
	<u>\$ 2,427,587</u>	<u>507,602</u>	<u>2,935,189</u>
<i>Combination of Business Type Activities:</i>			
School Nutrition Fund(before adjustments)*	66,098	44,017	110,115
Industrial Technology			
Construction Fund	201,172	-	201,172
Ram Resturant Fund	8,494	-	8,494
Lil Ram Preschool Fund	1,175	-	1,175
Coaches Clinic Fund	18,541	-	18,541
	<u>295,480</u>	<u>44,017</u>	<u>339,497</u>
GASB 68 restatement adjustment	(103,118)	(50,206)	(153,324)
	<u>192,362</u>	<u>(6,189)</u>	<u>186,173</u>
Net OPEB Liability Restatement Adjustment	2,978	-	2,978
	<u>\$ 195,340</u>	<u>(6,189)</u>	<u>189,151</u>

In the business type activities, the restatements for IPERS net pension liability and the prior net OPEB liability are due completely to the School Nutrition Fund. Details of the effects of those adjustments on the restated beginning balance of the School Nutrition Fund are as follows:

School Nutrition Fund*:	
Restated Balance	\$ 110,115
GASB 68 restatement adjustment	(153,324)
Net OPEB Liability Restatement Adjustment	2,978
Restated Balance, Greene County, July1, 2014	<u>\$ (40,231)</u>

(16) Deficit Balances

The School Nutrition Fund had a deficit unrestricted net position of \$116,362 and a deficit total net position of \$11,479 at June 30, 2015. The District's governmental activities had a deficit unrestricted net position of \$4,691,230 at June 30, 2015.

(17) Reconciliation of Governmental Fund Balances to Net Position

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

	Net investment in Capital Assets	Debt Service	Management Levy	Unassigned/ Unrestricted
Balance (Exhibit C)	\$ -	950,233	1,142,499	1,158,507
Capital assets, net of accumulated depreciation	9,058,860	-	-	-
Revenue bond capitalized indebtedness	(4,289,005)	-	-	-
Energy loan payable	-	-	-	(100,143)
Accrued interest payable	-	(73,940)	-	-
Termination benefits payable	-	-	(211,702)	-
Income surtax receivable	-	-	-	799,035
Pension related deferred outflows	-	-	-	1,740,324
Pension related deferred inflows	-	-	-	(2,287,023)
Net pension liability - IPERS	-	-	-	(5,912,598)
Net pension liability - early retirement	-	-	-	(15,224)
Net OPEB liability	-	-	-	(74,108)
Net position (Exhibit A)	<u>\$ 4,769,855</u>	<u>876,293</u>	<u>930,797</u>	<u>(4,691,230)</u>

Greene County Community School District

REQUIRED SUPPLEMENTARY INFORMATION

GREENE COUNTY 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	Proprietary	Total Actual	Budgeted Amounts		Final to Actual Variance
	Funds	Funds		Original	Final	
	Actual	Actual				
Revenues:						
Local sources	\$ 7,422,748	276,254	7,699,002	8,936,620	8,936,620	(1,237,618)
State sources	9,708,025	5,970	9,713,995	8,845,003	8,845,003	868,992
Federal sources	674,729	454,488	1,129,217	920,000	920,000	209,217
Total revenues	<u>17,805,502</u>	<u>736,712</u>	<u>18,542,214</u>	<u>18,701,623</u>	<u>18,701,623</u>	<u>(159,409)</u>
Expenditures/expenses:						
Instruction	10,883,404	-	10,883,404	11,575,000	11,575,000	691,596
Support services	4,779,191	50	4,779,241	6,722,500	6,722,500	1,943,259
Non-instructional	9,574	714,906	724,480	680,000	680,000	(44,480)
Other expenditures	1,610,746	-	1,610,746	1,208,426	1,208,426	(402,320)
Total expenditures/expenses	<u>17,282,915</u>	<u>714,956</u>	<u>17,997,871</u>	<u>20,185,926</u>	<u>20,185,926</u>	<u>2,188,055</u>
Excess(Deficiency) of revenues over(under) expenditures/expenses	522,587	21,756	544,343	(1,484,303)	(1,484,303)	2,028,646
Other financing sources, net	<u>3,061</u>	<u>-</u>	<u>3,061</u>	<u>-</u>	<u>-</u>	<u>3,061</u>
Excess(Deficiency) of revenues over(under) expenditures/expenses	525,648	21,756	547,404	(1,484,303)	(1,484,303)	2,031,707
Balances beginning of year, as restated	<u>4,994,662</u>	<u>189,151</u>	<u>5,183,813</u>	<u>3,286,672</u>	<u>3,286,672</u>	<u>1,897,141</u>
Balances end of year	<u>\$ 5,520,310</u>	<u>210,907</u>	<u>5,731,217</u>	<u>1,802,369</u>	<u>1,802,369</u>	<u>3,928,848</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GREENE COUNTY 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 and other expenditures functional areas exceeded the amounts budgeted and the District exceeded its General Fund unspent authorized budget.

GREENE COUNTY 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	0.149369%
District's proportionate share of the net pension liability	\$ 6,045,088
District's covered-employee payroll	\$ 9,581,833
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	63.09%
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.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS
 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST FISCAL YEAR*

REQUIRED SUPPLEMENTARY INFORMATION

	2015
Statutorily required contribution	\$ 855,659
Contributions in relation to the statutorily required contribution	(855,659)
Contribution deficiency (excess)	\$ -
District's covered-employee payroll	\$ 9,581,848
Contributions as a percentage of covered-employee payroll	8.93%

* District was a new entity as of July 1, 2014.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

Changes of benefit terms:

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

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

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

Changes of assumptions:

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

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

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

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

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

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

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

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING IN PROGRESS FOR THE
RETIREE HEALTH PLAN

REQUIRED SUPPLEMENTARY INFORMATION

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2015	July 1, 2014	-	\$ 576,913	576,913	0.0%	\$ 8,943,963	6.45%

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 in progress.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF FUNDING IN 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	-	\$ 1,183,281	1,183,281	0.0%	\$ 8,908,663	13.28%

See Note 9 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual pension cost, net pension obligation, funded status and funding in progress.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SUPPLEMENTARY INFORMATION

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Special Revenue		
	Student Activity	Debt Service	Total
Assets			
Cash and pooled investments	\$ 142,505	950,233	1,092,738
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities	\$ -	-	-
Deferred inflows of resources	-	-	-
Fund balances:			
Restricted for:			
Debt service	-	950,233	950,233
Student activities	142,505	-	142,505
Total fund balances	142,505	950,233	1,092,738
Total liabilities, deferred inflows of resources and fund balances	\$ 142,505	950,233	1,092,738

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Special Revenue		
	Student Activity	Debt Service	Total
Revenues:			
Local sources:			
Other	\$ 246,710	38	246,748
Expenditures:			
Current:			
Instruction:			
Other	257,618	-	257,618
Long-term debt:			
Principal	-	443,987	443,987
Interest and fiscal charges	-	155,164	155,164
Total expenditures	257,618	599,151	856,769
Deficiency of revenues under expenditures	(10,908)	(599,113)	(610,021)
Other financing sources:			
Transfer in	-	861,739	861,739
Change in fund balances	(10,908)	262,626	251,718
Fund balances beginning of year, as restated	153,413	687,607	841,020
Fund balances end of year	\$ 142,505	950,233	1,092,738

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS ACCOUNTS
 JUNE 30, 2015

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 1,105,185	739,347	1,844,532
Receivables:			
Property tax:			
Delinquent	-	5,229	5,229
Succeeding year	-	427,453	427,453
Income surtax	-	332,931	332,931
Accrued interest	863	-	863
Due from other governments	191,737	-	191,737
Total assets	\$ 1,297,785	1,504,960	2,802,745
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	2,309	2,309
Interfund accounts payable	85,145	-	85,145
Due to other funds	-	194,362	194,362
	85,145	196,671	281,816
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	427,453	427,453
Income surtax	-	332,931	332,931
Total deferred inflows of resources	-	760,384	760,384
Fund balances:			
Restricted for:			
School infrastructure	1,212,640	-	1,212,640
Physical plant and equipment	-	547,905	547,905
Total fund balances	1,212,640	547,905	1,760,545
Total liabilities, deferred inflows of resources and fund balances	\$ 1,297,785	1,504,960	2,802,745

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS 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	\$ -	382,823	382,823
Other	2,388	2,771	5,159
State sources	1,232,399	3,100	1,235,499
Total revenues	<u>1,234,787</u>	<u>388,694</u>	<u>1,623,481</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	-	29,788	29,788
Administration	18,140	-	18,140
Operation and maintenance of plant	10,800	77,726	88,526
Transportation	5,664	36,616	42,280
Capital outlay	339,261	123,693	462,954
Total expenditures	<u>373,865</u>	<u>267,823</u>	<u>641,688</u>
Excess of revenues over expenditures	860,922	120,871	981,793
Other financing sources(uses):			
Transfer out	(852,973)	-	(852,973)
Proceeds from sale of real property	-	250	250
Total other financing sources(uses)	<u>(852,973)</u>	<u>250</u>	<u>(852,723)</u>
Change in fund balances	7,949	121,121	129,070
Fund balances beginning of year, as restated	<u>1,204,691</u>	<u>426,784</u>	<u>1,631,475</u>
Fund balances end of year	<u>\$ 1,212,640</u>	<u>547,905</u>	<u>1,760,545</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

Account	Balance Beginning of Year, as restated	Revenues	Expendi- tures	Intrafund Transfers	Balance End of Year
<u>Elementary Activities:</u>					
Reading is Fundamental Student Fund	\$ 7,828	3,910	5,979	1,323	7,082
Nurse Emergency Fund	1,323	-	-	(1,323)	-
	201	-	24	-	177
	<u>9,352</u>	<u>3,910</u>	<u>6,003</u>	<u>-</u>	<u>7,259</u>
<u>Intermediate Activities:</u>					
Int Student Council	1,433	572	343	-	1,662
GCI Advisory Group	905	-	-	-	905
GCI Music Resale	215	-	215	-	-
	<u>2,553</u>	<u>572</u>	<u>558</u>	<u>-</u>	<u>2,567</u>
<u>Middle School:</u>					
Athletics	-	910	910	-	-
Yearbook	2,620	517	647	-	2,490
Student Council	31	-	-	-	31
	<u>2,651</u>	<u>1,427</u>	<u>1,557</u>	<u>-</u>	<u>2,521</u>
<u>Athletics:</u>					
Baseball & Fundraiser	5,401	13,504	15,815	-	3,090
Boys Basketball & Fundraiser	1,533	7,584	7,369	-	1,748
Boys Golf & Fundraiser	-	250	205	-	45
Boys Track & Fundraiser	4	4,768	4,772	-	-
Cheerleaders	11,409	3,878	7,972	-	7,315
Cross Country & Fundraiser	1,061	2,960	2,497	-	1,524
Football & Fundraiser	12,169	17,165	9,277	-	20,057
Girls Basketball & Fundraiser	3,643	15,027	15,049	-	3,621
Girls Golf & Fundraiser	-	85	85	-	-
Girls Track & Fundraiser	1,221	12,811	14,032	-	-
Miscellaneous Activity	2,210	-	2,210	-	-
Softball & Fundraiser	2,109	6,403	6,572	-	1,940
Volleyball & Fundraiser	1,993	7,385	7,375	-	2,003
Wrestling & Fundraiser	598	9,622	9,228	-	992
Activity Tickets	8,176	6,665	6,364	-	8,477
Athletic Fundraiser	18,863	41,341	46,762	-	13,442
Weight Building	4,217	1,005	1,420	-	3,802
	<u>74,607</u>	<u>150,453</u>	<u>157,004</u>	<u>-</u>	<u>68,056</u>
<u>High School Activities/Organizations:</u>					
Art	909	5,893	6,281	-	521
Business Professionals of America	1,428	1,753	1,622	-	1,559
Drama	1,054	76	-	-	1,130
Fashions	36	-	-	-	36
FFA	5,397	28,540	30,554	-	3,383
French Club	2,598	77	1,545	-	1,130
FCCLA	346	927	890	-	383
Instrumental Music	5,932	9,040	5,758	-	9,214
Juvenile Court Program	136	-	-	-	136
Spanish Club	2,035	148	-	-	2,183
Speech	1,314	1,102	908	-	1,508
VICA	-	1,135	356	-	779
Vocal Music	6,732	12,918	11,199	-	8,451
Yearbook	1,651	4,992	4,155	-	2,488
Flags	102	-	-	-	102
Ram Trolley	4,194	8,579	6,230	-	6,543
Community Outreach	1,720	1,829	1,042	-	2,507
Physics	124	-	-	-	124
Student Council	2,501	2,425	2,496	-	2,430
National Honor Society	132	3,616	3,657	-	91
Class of 2015	2,246	-	1,350	-	896
Class of 2016	873	6,667	4,258	-	3,282
Class of 2017	-	631	38	-	593
Alternative School	82	-	82	-	-
Interest	22,708	-	10,075	-	12,633
	<u>64,250</u>	<u>90,348</u>	<u>92,496</u>	<u>-</u>	<u>62,102</u>
Total	<u>\$ 153,413</u>	<u>246,710</u>	<u>257,618</u>	<u>-</u>	<u>142,505</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST - SCHOLARSHIP FUNDS
 JUNE 30, 2015

	Private Purpose Trust - Scholarship Fund												
			Mallas/ Iowa Student					Junction		Morse			Total
	Strabley Scholarship	Linduska Scholarship	Cooper Scholarship	Loan Scholarship	Beaty Scholarship	Cox Scholarship	Masonic Scholarship	Loof Scholarship	Kenneday Scholarship	Sweet Scholarship	Calloway Scholarship		
Assets													
Cash and pooled investments	\$	371	16	4,431	1,000	10,649	20,163	1,309	20,091	1,502	257	20,107	79,896
Liabilities													
		-	-	-	-	-	-	-	-	-	-	-	-
Net Position													
Held in trust for scholarships	\$	371	16	4,431	1,000	10,649	20,163	1,309	20,091	1,502	257	20,107	79,896

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST - SCHOLARSHIP FUNDS
 YEAR ENDED JUNE 30, 2015

	Private Purpose Trust - Scholarship Fund												Total
	Mallas/ Iowa Student			Student			Junction			Morse			
	Strabley Scholarship	Linduska Scholarship	Cooper Scholarship	Loan Scholarship	Activity Scholarship	Beaty Scholarship	Cox Scholarship	Masonic Scholarship	Loof Scholarship	Kenneday Scholarship	Sweet Scholarship	Calloway Scholarship	
Additions:													
Local sources:													
Gifts and contributions	\$ -	-	1,000	1,000	900	-	-	-	-	-	-	20,000	22,900
Interest income	-	-	-	-	-	10	20	2	20	-	-	107	159
Total additions	-	-	1,000	1,000	900	10	20	2	20	-	-	20,107	23,059
Deductions:													
Instruction:													
Regular:													
Scholarships awarded	-	-	-	-	900	-	-	-	-	-	-	-	900
Change in net position	-	-	1,000	1,000	-	10	20	2	20	-	-	20,107	22,159
Net position beginning of year, as restated	371	16	3,431	-	-	10,639	20,143	1,307	20,071	1,502	257	-	57,737
Net position end of year	\$ 371	16	4,431	1,000	-	10,649	20,163	1,309	20,091	1,502	257	20,107	79,896

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GREENE COUNTY 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	\$ 26,706	15	-	26,721
Liabilities				
Due to other groups	\$ 26,706	15	-	26,721

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
 ALL GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2015

	Modified Accrual Basis
	Year Ended June 30,
	2015
Revenues:	
Local sources:	
Local tax	\$ 6,367,064
Tuition	566,937
Other	488,747
State sources	9,708,025
Federal sources	674,729
	17,805,502
Total	\$ 17,805,502
Expenditures:	
Instruction:	
Regular	\$ 6,257,654
Special	2,021,221
Other	2,604,529
Support services:	
Student	579,609
Instructional staff	536,734
Administration	1,460,760
Operation and maintenance of plant	1,333,060
Transportation	869,028
Non-instructional programs	9,574
Capital outlay	462,954
Long-term debt:	
Principal	443,987
Interest	155,164
Other expenditures:	
AEA flow-through	548,641
	17,282,915
Total	\$ 17,282,915

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Grantor/Program	CFDA Number	Grant Number	Expendi- tures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY 15	\$ 90,016
National School Lunch Program	10.555	FY 15	332,261 *
Summer Food Service Program for Children	10.559	FY 15	<u>32,211</u>
			<u>454,488</u>
U.S. Department of Energy:			
Iowa Department of Administrative Services:			
Energy Loan:			
State Energy Program	81.041	FY 12	<u>100,143</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 14	67,614
Title I Grants to Local Educational Agencies	84.010	3915-G	240,361
Title I Grants to Local Educational Agencies	84.010	3915-GC	<u>66,243</u>
			<u>374,218</u>
Career and Technical Education - Basic Grants to States	84.048	FY 15	<u>16,940</u>
Safe and Drug-Free Schools and Communities - National Programs	84.184	FY 15	<u>40,031</u>
Improving Teacher Quality State Grants (Title IIA)	84.367	FY 15	<u>55,446</u>
Grants for State Assessments and Related Activities (Title VI A)	84.369	FY 14	328
Grants for State Assessments and Related Activities (Title VI A)	84.369	FY 15	<u>6,120</u>
			<u>6,448</u>
Prairie Lakes Area Education Agency 14:			
Special Education - Grants to States	84.027	FY 15	<u>61,814</u>
Total			<u>\$ 1,109,528</u>

* - Includes \$48,394 of non-cash awards.

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Greene County Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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117 West 3rd Street North, Newton, Iowa 50208-3040
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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 Greene County 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 Greene County 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 December 11, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greene County 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 Greene County Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Greene County 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 and Questioned Costs, we identified a deficiency in internal control we consider to be a material weakness.

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 II of the accompanying Schedule of Findings and Questioned Costs as item II-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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greene County 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 IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 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.

Greene County Community School District's Responses to Findings

Greene County Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Greene County 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 Greene County Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



NOLTE, CORNMAN & JOHNSON, P.C.

December 11, 2015
Newton, Iowa

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Independent Auditor's Report on Compliance
for Each Major Federal Program and on Internal Control over Compliance
Required by OMB Circular A-133

To the Board of Education of Greene County Community School District:

Report on Compliance for Each Major Federal Program

We have audited Greene County Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Greene County Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Greene County Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Greene County Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of Greene County Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Greene County Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

The management of Greene County Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Greene County Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Greene County Community School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-15 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-B-15 to be a significant deficiency.

Greene County Community School District's responses to the internal control over compliance finding identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Greene County Community School District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



NOLTE, CORNMAN & JOHNSON, P.C.

December 11, 2015
Newton, Iowa

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

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

- (a) Unmodified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) A significant deficiency and material weakness in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did disclose audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - Child Nutrition Cluster
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
 - CFDA Number 10.559 - Summer Food Service Program for Children
 - CFDA Number 84.010 - Title I Grants to Local Educational Agencies
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Greene County Community School District did not qualify as a low-risk auditee.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

II-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 has control over one or more of the following areas for the District:

- 1) Cash - initiating cash receipt and disbursement transactions and handling and recording cash.
- 2) Investments - investing, detailed recordkeeping, and custody of investments.
- 3) Receipts - recording, depositing, and posting.
- 4) Disbursements - purchase order processing, check preparation, mailing and recording.
- 5) Inventories - ordering, receiving, issuing and storing.
- 6) Capital assets - recording and reconciling.
- 7) Payroll - recording approved pay rates and deductions, recordkeeping, preparation, posting.
- 8) Financial reporting - preparing, reconciling and approving.
- 9) Computer systems - performing all general accounting functions and controlling all data input and output.
- 10) School lunch program - collecting, deposit preparation and posting to student accounts.

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 - We do feel that duties are beginning to be more widely disbursed among district personnel. We will continue to search for other ways to improve segregation of duties.

Conclusion - Response accepted.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

CFDA Number 10.553 - School Breakfast Program
CFDA Number 10.555 - National School Lunch Program
CFDA Number 10.559 - Summer Food Service Program for Children
Federal Award Year: 2015
U.S. Department of Agriculture
Passed through the Iowa Department of Education

CFDA Number 84.010 - Title I Grants to Local Educational Agencies
Federal Award Year: 2014 and 2015
U.S. Department of Education
Passed through the Iowa Department of Education

III-A-15 Segregation of Duties - One important aspect of internal accounting control is the (2015-001) segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual has control over one or more of the following areas for the District:

- 1) Cash - initiating cash receipt and disbursement transactions and handling and recording cash.
- 2) Receipts - recording, depositing, and posting.
- 3) Disbursements - purchase order processing, check preparation, mailing and recording.
- 4) Inventories - ordering, receiving, issuing and storing.
- 5) Capital assets - recording and reconciling.
- 6) Payroll - recording approved pay rates and deductions, recordkeeping, preparation, and posting.
- 7) Financial reporting - preparing, reconciling and approving.
- 8) Computer systems - performing all general accounting functions and controlling all data input and output.
- 9) School lunch program - collecting, deposit preparation and posting to student accounts.

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 and Corrective Action Planned - We do feel that duties are beginning to be more widely disbursed among district personnel. We will continue to search for other ways to improve segregation of duties.

Conclusion - Response accepted.

III-B-15 Title I Reporting - We noted during our audit that Title I reports submitted to the Iowa (2015-002) Department of Education were not reconciled to actual expenses reported in the District's general ledger, thus creating a carryover allocation that is in excess of the 15% of the original Title I budget allocation.

Recommendation - The District needs to reconcile Title I reports submitted to the Iowa Department of Education to actual expenses reported in the District's general ledger. Once this reconciliation is completed, the District should amend the Title I budget to be within a carryover amount that is 15% of the original Title I budget allocation. The District should contact the Iowa Department of Education to develop a workout plan for the amount of Title I claimed in excess of actual expenses.

Response and Corrective Action Planned - We are working with Title I staff to amend the 2014-15 Title budget and carryover these funds to the 2015-16 budget. In future years we will be more cognitive of this type of issue.

Conclusion - Response accepted.

GREENE COUNTY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2015

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-15 Certified Budget - Expenditures for the year ended June 30, 2015 exceed the certified budget amounts in the non-instructional programs and other expenditures functional areas. The District also exceeded its General Fund unspent authorized budget for the year ended June 30, 2015 by approximately \$248,115.

Recommendation - The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before disbursements were allowed to exceed the budget. The District should contact the Iowa Department of Education and the School Budget Review Committee to resolve the General Fund unspent authorized budget over expenditure.

Response - We will amend our budget in a timely manner before expenditures in function areas go above the certified budget. We are working with the School Budget Review Committee to establish a workout plan and improve our unspent authorized budget position

Conclusion - Response accepted.

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

IV-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.

IV-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
Teresa Hagen, Board Member Vice-President of People's Trust and Savings Bank	Services	Not calculated
Ashley Johnston, Board Member Loan Officer at Home State Bank	Services	Not calculated

In accordance with Chapter 279.7A of the Code of Iowa, the above transactions with the Board Members do not appear to represent a conflict of interest.

IV-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.

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

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

- IV-H-15 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-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.
- IV-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.
- IV-K-15 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- IV-L-15 Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

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

Beginning balance, as restated		\$ 1,204,691
Revenues:		
Sales tax revenues	\$ 1,232,399	
Other local revenues	<u>2,388</u>	<u>1,234,787</u>
		2,439,478
Expenditures/transfers out:		
Equipment	64,895	
Other	308,970	
Transfers to other funds:		
Debt service fund	<u>852,973</u>	<u>1,226,838</u>
Ending Balance		<u><u>\$ 1,212,640</u></u>

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

- IV-M-15 Financial Condition - The School Nutrition Fund had a deficit unrestricted net position of \$116,362 and a deficit total net position of \$11,479 at June 30, 2015. The District's governmental activities had a deficit unrestricted net position of \$4,691,230 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 effects of GASB 68 and 71 restatements of net position on the Nutrition Fund, in particular, will be explained to the school board and administration.

Conclusion - Response accepted.

IV-N-15 Interfund Loans - We noted during our audit that the District has an interfund loan which was on the balance sheets in the prior year and still on the current year balance sheets. As of June 30, 2015, the District has a loan between the General Fund and the Management Levy Fund that has not been repaid.

According to a declaratory order issued by the Iowa Department of Education to the Auditor of State dated April 11, 2009, interfund loans on the District's year-end financial statements must be repaid to their respective funds on or before October 1st of the following fiscal year or the date of the District's Board of Directors organizational meeting, whichever is later. If the District is unable to repay the interfund loans by that time, the District must issue external loans to repay the interfund loans according to Iowa Code Chapter 74.

Recommendation - The District should issue external debt to repay the interfund loan to be in compliance with the declaratory order issued by the Iowa Department of Education to the Auditor of State and Iowa Code Chapter 74.

Response - The "loan" was repaid in September 2015 when the balance sheets were finalized for the Certified Annual Report.

Conclusion - Response accepted.