Mount Pleasant Community School District

Mount Pleasant, Iowa

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

COMPREHENSIVE ANNUAL FINANCIAL REPORT of the

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

Mount Pleasant, Iowa

For the fiscal year ended June 30, 2015

OFFICIAL ISSUING REPORT

W. Edward Chabal — **Director of Finance**

OFFICE ISSUING REPORT

Business Office

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section

Mt. Pleasant Community School District

"Learning for a Lifetime"

Central Office
400 East Madison Street
Mt. Pleasant, IA 52641

Phone: 319-385-7750

Dr. John Roederer, Superintendent
Pat Shier, Interim Director of Instruction
W. Edward Chabal, Business Manager

Fax: 319-385-7788

December 9, 2015

Members of the Board of Education and Residents
Mt. Pleasant Community School District
Mt. Pleasant, Iowa

We are pleased to submit to you the Comprehensive Annual Financial Report of the Mt. Pleasant Community School District for the year ending June 30, 2015. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds and account groups of the District in accordance with generally accepted accounting principles, (GAAP). It includes all funds and account groups of the District. The District is not included in any other reporting entity, nor are other entities included within this report. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

To facilitate the understanding of the District's financial affairs, the Comprehensive Annual Financial Report (CAFR) is presented in four sections:

Introductory Section – This section includes this transmittal letter, the Certificate of Excellence in Financial Reporting for the year ended June 30, 2014, a list of principal officers and the District's organizational chart.

Financial Section – This section includes the management's discussion and analysis, the basic financial statements – government-wide statements and fund statements, required supplementary information, notes to the financial statements and the report of the independent accountants on the financial statements and schedules.

Statistical Section – This section includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

Compliance Section – This section includes audit reports relating to the Board's single audit over internal control, federal and state awards, as well as a Schedule of Expenditures of Federal and State Awards.

This letter of transmittal is designed to compliment the Management's Discussion and Analysis included within the financial section of the CAFR and should be read in conjunction with it.

Mt. Pleasant Community School District

The District is governed by a seven-member elected Board of Education who serve staggered terms of four years. The Board of Education is a policy-making and planning body whose decisions are carried out by school administrators. The District is the 40th largest of Iowa's 348 public school systems. The enrollment is approximately 2,071 students. The District operates one regular and one alternative high school, one middle school and four elementary schools. The District provides a full range of educational services appropriate to students in early childhood and grades kindergarten through twelve. These services include regular and enriched academic education; special education for children with special needs; vocational education; and numerous individualized programs such as specialized instruction for students at-risk and for limited English speaking students. The District also provides the educational component for Christamore House, a court-appointed juvenile facility located in the District. A District Pre-school program was implemented for the 2013-2014 school year.

The District is supported financially by state aid, property taxes, income surtaxes, state and federal grants for special projects and local revenue received for tuition and other services.

Economic Condition and Outlook

The City of Mt. Pleasant is located in southeastern Iowa at the intersection of U.S. Highways 34 and 218. Construction is nearing completion that will make Highway 218 a four-lane north/south corridor from St. Paul, Minnesota to St. Louis, Missouri, otherwise known as the Avenue of the Saints. Highway 34 also serves as an expressway from Burlington to Des Moines that gives Mt. Pleasant four-lane access to the East and West Coasts. The community also boasts a local airport and Amtrak train service. All of this indicates that Mt. Pleasant is truly a transportation hub of Southeast Iowa. An estimated 271,500 people live within 50 miles of the city.

With Fortune 500 companies such as CECO Building Systems, Federal Express, Goodyear Tire and Rubber, Hearth and Home Technologies and Wal-Mart located in Mt. Pleasant, the community has already earned a reputation for providing a significant and diverse employment base for southeast Iowa. Over the years, expansion has come from within and from attracting complementary industries such as City Carton Company, a natural fit for a town that boasts a large regional distribution center and two new warehouses that have been constructed in the last ten years.

Retail sales in Mt. Pleasant totaled $142.1 million in 2014. Compared to 2013, sales increased $5,540,902 or 4.06%. Retail sales in Mt. Pleasant amounted to $16,442 per capita in 2014 compared to $15,805 in 2013. The number of retail firms decreased by one firm to 389. In 2014, Mt. Pleasant had 168% as many retail business as it had in 1976. This data reflects the most recent data available to the District.

In February of 2005, a vote was held to approve a one-cent local option sales tax which is projected to bring in annual revenues of approximately $1.1 million. Sixty percent of the voters approved the sales tax which may be used for school infrastructure purposes and/or property tax relief. Prior to the vote, a ten-year building repair and expansion plan was assembled by the District to ensure that future building needs are addressed. In September of 2006, the one-cent sales tax was extended to 2022 with an eighty-two percent approval. This allowed the District to issue $8.5 million in sales tax revenue bonds to finance a Middle School construction and remodel project.

The District conducted a Master facility study in the Fall of 2013 to assess the comprehensive facility needs of the District.

The District's facilities are in average-to-good condition. The District's middle school was built in 1909, the District's four elementary schools were built between 1950 and 1963, and the high school in 2000, each has had addition and remodel work done over the years. The remaining school sites were built between 1963 and 2008.

Current tentative budget projections indicate that the 2016-2017 control budget will increase approximately $328,489 or 2.56%. This is dependent on the state legislature setting the allowable growth at the Governor's recommendation of 2.45% early in the upcoming session. This is the same increase as the

2015-16 fiscal year. The new money for 2016-2017 is due to the state funding formula. This formula projects an increase for a one-year period based on October's enrollment for the current budget year multiplied by the state cost per pupil for the 2016-2017 school year based upon an allowable growth

percentage. In previous years, this allowable growth has fluctuated between 0% to 4%. Given the current financial status of the State of Iowa, there is a good possibility that this allowable growth rate will remain in the 2% to 4% range in the near future. The District also hopes to continue experiencing an increase of students since this is an integral component of the formula. Certified enrollment for the 2016-17 budget year is steady with an increase of 2.2 students.

The financial solvency ratio of the District is a measure of the District's year-end position after payment of all current and outstanding or accrued liabilities. After improving the ratio to a positive number during the 1993-94 school year, the financial indicator has climbed to over ten percent. During fiscal year 1999-2000, the ratio dipped to just over four percent due to a board authorized expenditure to equip the new High School. A decline from 4.23% in the 2000-2001 fiscal year to 2.45% in the 2001-2002 fiscal year can be attributed to an across-the-board state funding cut of 4.3% of state foundation aid. The decline in the solvency ratio from the 10.38% in 2007-2008 can in part be attributed to expenses related to construction on the Middle School renovation project and a statewide 10% across the board reduction in state aid for fiscal year 2009-2010. The current solvency ratio is 8.45%, which is within the target range of seven to twelve percent as set by the local Board of Directors.

Major Initiatives and Achievements

The 2014-2015 school year was a productive one for the Mt. Pleasant Community School District. The District continued to expand technology, update curriculum and standards and invest in staff development with the goal of impacting student achievement.

Technology

The District has continues to provide technology in-service programs for staff development to educate staff on the use of software programs and new hardware. Secondary staff continue to use a student management system, Infinite Campus, to communicate with parents and students. Secondary students continue to use software to investigate career choices. The Middle School was awarded a TILE (Transform, Interact, Learn, Engage) grant for FY 2013- 2014 – the only Middle School in Iowa awarded this grant. The District is working with the University of Iowa to create this technology room.

The District is committed to a one to one technology initiative that is being rolled out in the Middle School in the 2015-2016 school year.

Student Achievement

Students in the Mt. Pleasant Community School District have traditionally scored well on standardized tests. The composite score on the ACT college admission test was similar to that of Iowa and National averages: 22.2for Mt. Pleasant students, 22.2 for Iowa and 21.0 nationally.

An additional academic indicator is the attendance of students. Research tells us that students need to be in school to excel in the classroom or to fulfill their individual potential. The ratio of average daily attendance to average daily membership for the 2014-2015 school year was 95.7%. A program implemented for at-risk students in grades 6 – 8 continues to assist Middle School at-risk students. An alternative High School continues to meet the needs of students in grades 9-12.

The District uses federal and state class size reduction funds to increase the number of kindergarten to third grade certified teachers who directly teach reading. Research-based reading strategies remain the basis of classroom teacher staff development. Individual reading assessments are used to track primary student progress in reading.

Community Involvement

The Mt. Pleasant Community School District continues to encourage input and participation from the community. During the 2014-2015 school year, volunteers contributed more than 20,000 hours of service. Volunteers enhanced our students' learning experiences by serving as tutors and classroom resource speakers, assisting teachers in class or on field trips, helping interview for teacher and administrator openings, supporting extra-curricular events and serving on district and building-level committees.

Many Mt. Pleasant area residents served on school advisory committees in 2014-2015, on topics ranging from school improvement, to facilities, to technology, to hiring. Their input and involvement ensures that the District reflects the needs and values of the community.

In addition, the Mt. Pleasant Community School District Parent-Teacher Association continued their active involvement in support of District students, staff and programs this year. The PTA also provided hundreds of volunteer hours in the buildings and classrooms.

Mission Statement

The mission statement of the Mt. Pleasant Community School District is to develop responsible, productive, lifelong learners for a changing world by effectively using all available resources.

In addition, the Board has expectations for student learning that it sets forth as belief statements. They believe that:

- Education is the foundation of a lifelong learning process.
- Education is a partnership among students, staff, family and community.
- All students have a right to a quality education.
- Meeting the education needs of individual students is vital.
- Positive self-esteem is necessary for personal development.
- A quality staff is essential.
- A secure environment is fundamental.
- Continuous evaluation and improvement is an integral part of education.
- Accountability is necessary.

Financial Information

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund and Debt Service Fund are included in the annual budget. The level of budgetary control, (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties, the District prepares a more detailed budget for each fund. The following information reflects the comprehensive budget for these individual funds rather than demonstrating compliance at the legal level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Basis of Presentation

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34). This statement represents a significant change in the way state and local governments present basic financial information. Beginning in Fiscal year 2002-03, the District implemented this statement.

GASB 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include entity-wide statements prepared on the accrual basis of accounting, and fund financial statements which presents information for individual major funds and aggregate non-major funds rather than by fund type.

The charts and accounts used by the District have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and *Audits of States, Local Governments and Non-Profit Organizations* issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records conform to the Uniform Accounting System for Iowa Schools and Area Educational Agencies issued by the Department of Education, State of Iowa. The chart of accounts is updated annually and the District is in full compliance with these requirements.

Financial Policy

In the 2013-2014 fiscal year, the District adopted a policy to set the desired solvency ratio of the District in the range of 7% to 12%. This policy gives the Board of Directors a clear measurement of the financial status of the District as they assess the current year financials as well as when they enter into discussion on funding future priorities of the District.

Independent Audit

State law and District policy require an annual audit to be made of the books of account, financial records and transactions of all funds of the District by a Certified Public Accountant selected by the Board of Directors of the District. We have complied with this requirement. The report of our independent accountants, Nolte, Cornman and Johnson, P.C., appears in this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United States of America and, accordingly, included a review of the District's system of budgetary and accounting controls.

Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO), awards a Certificate of Excellence in Financial Reporting. The Mt. Pleasant Community School District received this Certificate for its comprehensive annual financial report for the fiscal year ending June 30, 2014. This certificate is a prestigious national award recognizing conformance with the highest standards for preparation of government financial reports.

In order to receive the Certificate, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Report (CAFR), whose contents conform to program standards. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

This Certificate is valid for a period of one year only. We believe that our current CAFR conforms to the requirements for the Certificate of Excellence and therefore, we are submitting to ASBO to determine its eligibility for the Certificate.

Acknowledgements

The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This report would not have been possible without the help of several people. We would like to express our appreciation to all District, City and County employees who assisted in the preparation of this report.

Finally, sincere appreciation is extended to the Board of Education, where commitment to excellence begins.

It is with great pride that this year's Comprehensive Annual Financial Report is submitted to the Board of Education.

W. Edward Chabal

Director of Finance
Board Secretary/Treasurer

Dr. John Roederer

Superintendent of Schools

Association of School Business Officials International

The Certificate of Excellence in Financial Reporting Award
is presented to

Mt. Pleasant Community School District

For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014

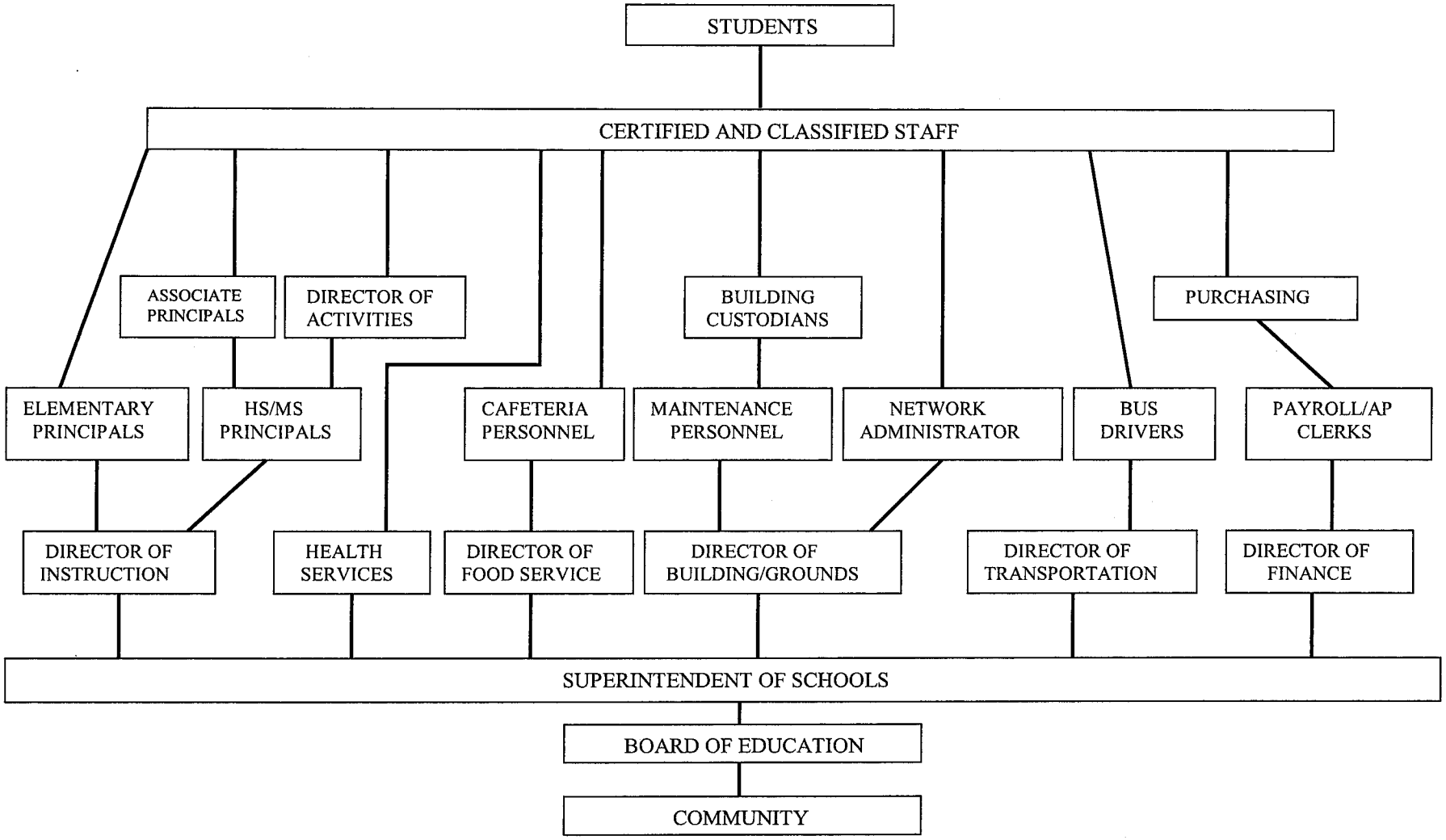
The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards

Mark C. Pepera, MBA, RSBO, SFO
President

John D. Musso, CAE, RSBA
Executive Director

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT

ORGANIZATIONAL CHART



Mount Pleasant Community School District

Officials

Year ended June 30, 2015

Name	Title	Term Expires
	Board of Education	
Regina Erickson	President	2017
Lyle Murray	President (Resigned June 8, 2015)	2017
Lonny Morrow	Vice President	2015
Brad Holtkamp	Board Member	2017
Ken Feldmann	Board Member	2015
Michelle Skubal	Board Member (Resigned January 12, 2015)	2015
Heather Snavely	Board Member (Appointed February 9, 2015)	2015
Melodee Yaley	Board Member (Resigned June 14, 2014)	2015
Stephanie Zinkle	Board Member (Appointed July 14, 2014)	2015
Karl Braun	Board Member (Elected September 9, 2014)	2015
David Christensen	Board Member (Appointed June 15, 2015)	2015
	School Officials	
Dr. Mike Wells	Superintendent	2015
W. Edward Chabal	Board Secretary/Treasurer Director of Finance	2015
Michael Vance	Attorney	2015
Toby Gordon	Attorney	2015

Mount Pleasant Community School District

Consultants and Advisors

Year ended June 30, 2015

CERTIFIED PUBLIC ACCOUNTANT

Nolte, Cornman & Johnson P.C.
117 West 3rd Street North
Newton, IA 50208-3040

BOND ATTORNEYS

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Des Moines, IA 50309-2207

FINANCIAL CONSULTANTS

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Des Moines, IA 50309-3999

GENERAL COUNSEL

Primary:
Vance Law Office
101 North Jefferson
Mt. Pleasant, IA 52641

Additional:
Schulte, Hahn, Swanson, Engler & Gordon
P.O. Box 517
Burlington, IA 52601

INSURANCE CONSULTANT

Gamrath-Doyle-Vens Insurance, Inc.
207 South Harrison, Suite One
Mt. Pleasant, IA 52641

ARCHITECTS & ENGINEERS

Struxture Architects
314 East 4th Street
Waterloo, IA 50703

OFFICIAL DEPOSITORIES

US Bank
301 East Washington
Mt. Pleasant, IA 52641

Pilot Grove Savings Bank
410 South Grand Avenue
Mt. Pleasant, IA 52641

Two Rivers Bank and Trust
100 West Washington Street
Mt. Pleasant, IA 52641

Wayland State Bank
301 South Main Street
Mt. Pleasant, IA 52641

Great Western Bank
102 S. Main Street
Mt. Pleasant, IA 52641

Iowa Schools Joint Investment Trust
Bankers Trust
666 Walnut Street, P.O. Box 897
Des Moines, IA 50304

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Financial Section

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the Mount Pleasant 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 the Mount Pleasant Community School District, Mount Pleasant, Iowa, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 16 through 23 and 56 through 62 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 Mount Pleasant Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in the combining and individual fund financial statements and schedules, including the Schedule of Expenditures of Federal Awards required by the 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 are not a required part of the basic financial statements of the Mount Pleasant Community School District.

The supplementary information contained in this report 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 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 take as a whole.

The statistical section, as listed in the table of contents, is the responsibility of management and is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2015, on our consideration of Mount Pleasant 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 Mount Pleasant Community School District's internal control over financial reporting and compliance.

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

December 9, 2015
Newton, Iowa

MT. PLEASANT COMMUNITY SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management has prepared the following discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2015 in order to enhance the readers' understanding of the District's financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position for governmental activities was $10,703,646 at June 30, 2015 compared to $17,580,530 at June 30, 2014, a decrease of 39.12%.

- At the end of the current fiscal year, unassigned fund balance in the general fund was $1,820,608 or 8.45% of total general fund revenues compared to prior years ending balance of $2,197,576 or 10.59% of total general fund revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

The audited financial statements of the District consist of three components, which are the following:

- Management Discussion and Analysis

- Basic Financial Statements, which include government-wide financial statements, fund financial statements and notes to the financial statements

- Required supplemental section that represents individual statements and schedules

The Basic Financial Statements include two types of statements that present different views of the District's finances. The first is the government-wide statements. These statements are presented on a full accrual basis of accounting and include the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due dates for liabilities. This statement provides a summary of the District's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the District's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statement included in the basic financial statements is the fund financial statements, which are presented for the Board's governmental funds and proprietary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statement provides information about the District as an economic unit while the fund financial statements provide information on the financial resources of the District's funds. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. earned but unused vacation leave).

Government-wide financial statements

The government-wide financial statements report information about the District as a whole using the 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 paid or received.

These two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the Board's financial health or position.

- Over time, an increase or decrease in the District's net position may indicate whether its financial position is improving or deteriorating.

- To assess the District's overall financial health, one needs to consider additional non-financial factors such as changes in the condition of its school buildings and other physical assets.

The District's activities are divided into two categories on the government-wide statements:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Local funding, as well as state and federal aid, finances most of these activities.

- *Business type activities*: The District charges fees to cover the costs of certain services it provides. The District's school food service program is included here.

Fund Financial Statements

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

The District has two types of funds:

Governmental funds: Most of the District's basic services are included in the governmental funds, which generally focus on two things - how cash and other assets can readily be converted to cash flows in and out and the balances remaining at year-end that are available for spending. As a result of this focus, the governmental funds 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 term to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds, in the form of a reconciliation, explains the relationship (or differences) between them.

Proprietary fund: Services for which the District charges a fee are generally reported in the proprietary fund. The proprietary fund statements are reported on the same basis of accounting as the government-wide statements - full accrual. The District has one proprietary fund - the School Nutrition Fund.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position is an indicator of the fiscal health of the District. The District's net position was $10,835,302 at June 30, 2015 compared to $17,879,757 at June 30, 2014. (See Table 1).

Table 1
Condensed Statement of Net Position

	Governmental Activities June 30,		Business Type Activities June 30,		Total District June 30,		Total Change June 30,
	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2014-15
Current and other assets	$ 17,743,408	16,486,428	324,983	312,398	18,068,391	16,798,826	7.56%
Capital assets	18,927,282	19,692,257	119,175	97,374	19,046,457	19,789,631	-3.76%
Total assets	36,670,690	36,178,685	444,158	409,772	37,114,848	36,588,457	1.44%
Deferred Inflows of Resources	2,242,864	-	56,172	-	2,299,036	-	100.00%
Long-term obligations	13,667,990	7,571,799	199,885	5,490	13,867,875	7,577,289	83.02%
Other liabilities	4,580,595	4,199,272	94,255	105,055	4,674,850	4,304,327	8.61%
Total liabilities	18,248,585	11,771,071	294,140	110,545	18,542,725	11,881,616	56.06%
Deferred inflows of resources	9,961,323	6,827,084	74,534	-	10,035,857	6,827,084	47.00%
Net position:							
Net investment in capital assets	13,185,286	12,360,317	119,175	97,374	13,304,461	12,457,691	6.80%
Restricted	3,705,758	2,652,456	-	-	3,705,758	2,652,456	39.71%
Unrestricted	(6,187,398)	2,567,757	12,481	201,853	(6,174,917)	2,769,610	-322.95%
Total net position	$ 10,703,646	17,580,530	131,656	299,227	10,835,302	17,879,757	-39.40%

Net investment in capital assets (e.g., land, buildings, machinery and equipment) less any outstanding debt used to acquire those assets is $13,304,461 at June 30, 2015. These assets are not available for future spending since they represent capital assets used to provide services to students. The resources needed to pay the debt related to these capital assets must be provided from other resources. $3,705,758 of net position reflects amounts with external restrictions on how the funds may be used. The remaining deficit balance of $6,174,917 represents unrestricted net position which may be used to meet the District's ongoing obligations. This deficit is not an indication that the District has insufficient resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased $1,053,302, or 39.71% from the prior year. The increase in restricted net position can be attributed to the increase in fund balance of the Capital Project Accounts.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased $8,944,527, or 322.95%. The decrease in unrestricted net position can be mainly attributable to the District's net pension expense recorded in the current year.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2014 for governmental activities and business type activities were restated by $8,894,334 and $225,254, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities,

pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

The following table shows changes in net position for the year ended June 30, 2015 compared to the year ended June 30, 2014.

Table 2
Changes in Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2014-15
Revenues:							
Program revenues:							
Charges for service	$ 1,865,992	1,797,452	394,566	403,500	2,260,558	2,200,952	2.71%
Operating grants,contributions and restricted interest	2,054,854	2,350,003	657,576	639,900	2,712,430	2,989,903	-9.28%
General revenues:							
Property tax	6,853,863	6,847,048	-	-	6,853,863	6,847,048	0.10%
Income surtax	457,797	463,663	-	-	457,797	463,663	-1.27%
Statewide sales, services and use tax	1,860,402	1,778,016	-	-	1,860,402	1,778,016	4.63%
Unrestricted state grants	11,799,047	10,668,081	-	-	11,799,047	10,668,081	10.60%
Unrestricted investment earnings	68,249	58,475	1,989	2,237	70,238	60,712	15.69%
Other	161,235	174,470	4,324	2,453	165,559	176,923	-6.42%
Total revenues	25,121,439	24,137,208	1,058,455	1,048,090	26,179,894	25,185,298	3.95%
Program expenses:							
Instructional	15,360,049	14,849,915	-	-	15,360,049	14,849,915	3.44%
Support services	6,113,167	6,200,527	15,218	14,176	6,128,385	6,214,703	-1.39%
Non-instructional programs	26,802	23,523	985,554	1,006,892	1,012,356	1,030,415	-1.75%
Long-term debt interest	152,852	195,048	-	-	152,852	195,048	-21.63%
Other expenses	1,451,119	1,423,494	-	-	1,451,119	1,423,494	1.94%
Total expenses	23,103,989	22,692,507	1,000,772	1,021,068	24,104,761	23,713,575	1.65%
Change in net position	2,017,450	1,444,701	57,683	27,022	2,075,133	1,471,723	41.00%
Net position beginning of year, as restated	8,686,196	16,135,829	73,973	272,205	8,760,169	16,408,034	-46.61%
Net position end of year	$ 10,703,646	17,580,530	131,656	299,227	10,835,302	17,879,757	-39.40%

In fiscal year 2015, property tax, income surtax, statewide sales, services and use tax, and unrestricted state grants account for 83.48% of the revenue from governmental activities while charges for service and sales and operating grants and contributions account for 99.40% of the revenue from business type activities.

The District's total revenues were approximately $26.2 million of which approximately $25.1 million was for governmental activities and approximately $1.1 million was for business type activities.

As shown in Table 2, the District as a whole experienced a 3.95% increase in revenues and a 1.65% increase in expenses. The increase in revenues can be primarily attributed to the District receiving more in unrestricted grant funding from the State of Iowa. The increase in expenses is related to the increase in negotiated salaries and benefits received by District employees.

Governmental Activities

Revenues for governmental activities were $25,121,439 and expenses were $23,103,989 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, long-term debt interest and other expenses for the year ended June 30, 2015 compared to the year ended June 30, 2014.

Table 3
Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2015	2014 (Not Restated)	Change 2014-15	2015	2014 (Not Restated)	Change 2014-15
Instruction	$ 15,360,049	14,849,915	3.44%	12,253,121	11,503,741	6.51%
Support services	6,113,167	6,200,527	-1.41%	6,108,833	6,196,062	-1.41%
Non-instructional programs	26,802	23,523	13.94%	26,802	23,523	13.94%
Long-term debt interest	152,852	195,048	-21.63%	152,852	195,048	-21.63%
Other expenses	1,451,119	1,423,494	1.94%	641,535	626,678	2.37%
Totals	$ 23,103,989	22,692,507	1.81%	19,183,143	18,545,052	3.44%

For the year ended June 30, 2015:

- The cost financed by users of the District's programs was $1,865,992.
- Federal and state governments subsidized certain programs with grants and contributions totaling $2,054,854.
- The net cost of governmental activities was financed with $6,853,863 in property tax, $457,797 in income surtax, $1,860,402 in statewide sales, services and use tax, $11,799,047 in unrestricted state grants, $68,249 in unrestricted investment earnings and $161,235 in other general revenues.

Business Type Activities

Revenues of the District's business type activities were $1,058,455 and expenses totaled $1,000,772 for the year ended June 30, 2015. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

During the year ended June 30, 2015, the District's net position increased in the business type activities by $57,683 or 77.98% due mainly in part to increased grant revenues received by the District's nutrition program along with the restatement of the District's net pension liability in accordance with Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27 which was implemented during fiscal year 2015.

Financial Analysis of the District's Funds

At the end of the fiscal year ended June 30, 2015, the District's governmental funds reported combined ending fund balances of $5,753,803, an increase of $659,218 in comparison with the prior year. Of the combined ending fund balances, $1,820,608 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

Governmental Fund Highlights

- The General Fund balance decreased from $2,598,069 on June 30, 2014 to $2,513,654 on June 30, 2015. The fluctuation in the General Fund financial position is the product of many factors. The increases in state funding as compared to the previous year was not enough to offset the increase in expenditures over the prior year primarily due to an increase in negotiated salaries and benefits.

- The Capital Projects Fund balance increased from $1,490,611 at June 30, 2014 to $2,263,360 at June 30, 2015. The increase in fund balance can be attributed to the increase in fund balance in both the Capital Projects: Statewide Sales, Services and Use Tax Fund and the Capital Projects: Physical Plant and Equipment Levy Fund(PPEL).

  An increase in statewide sales, services and use tax received from the State of Iowa as compared to the previous year was the main factor for the increase in revenues for the Capital Projects: Statewide Sales, Services and Use Tax Fund as compared to the previous year. The increase in revenues coupled with a decrease in fund expenditures as compared to the previous year caused the fund balance to increase year over year.
  An increase in the tax levy for the PPEL fund led to increased revenues as compared to the previous year. The increase in fund revenues was more than enough to offset the increase in expenditures as compared to the previous year.

Proprietary Fund Highlights

- The District's business type fund did better than breakeven for the ninth time in several years. Increases in federal grant revenues as compared to the previous year coupled with a decrease in expenditures helped insure the increase in overall fund balance. As a result, the net position for the District's School Nutrition Fund increased from $73,973 at July 1, 2014 to $131,656 at June 30, 2015, representing an increase of 77.98%.

Budgetary Highlights

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 its private-purpose trust and agency funds. 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 budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Over the course of the year, the District amended its annual operating budget one time to reflect additional expenditures associated with additional state grant, utility, insurance, and food costs. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for individual funds are not presented in the budgetary comparison on page 56.

The District's total actual receipts were $254,741 less than the total budgeted receipts, a variance of 0.96%. The most significant change resulted in the District receiving less in local appropriations 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 the actual expenditures during the year. During the year ended June 30, 2015, the District adopted one budget amendment increasing budgeted expenditures by $889,369.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental and business type activities as of June 30, 2015, totals $19,046,457 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, vehicles and equipment. The decrease in investment in capital assets during the year is attributable to depreciation expense taken during the year. Detailed information regarding the District's capital assets can be found in Note 5 of the notes to the basic financial statements.

Table 4
Capital Assets, Net of Depreciation

	Governmental Activities June 30,		Business Type Activities June 30,		Total District June 30,		Total Change June 30,
	2015	2014	2015	2014	2015	2014	2014-15
Land	$ 189,110	189,110	-	-	189,110	189,110	0.00%
Buildings	17,682,139	18,195,120	-	-	17,682,139	18,195,120	-2.82%
Land improvements	648,337	623,735	-	-	648,337	623,735	3.94%
Machinery and equipment	407,696	684,292	119,175	97,374	526,871	781,666	-32.60%
Total	$ 18,927,282	19,692,257	119,175	97,374	19,046,457	19,789,631	-3.76%

Long-Term Debt

At the end of June 30, 2015, the District had total long-term debt of $13,867,875, an increase of $6,290,586 from the prior fiscal year. Of the total long-term debt remaining, $1,174,651 is due within one year. Detailed information regarding the District's long-term debt can be found in Note 6 of the notes to the basic financial statements.

Table 5
Outstanding Long-Term Obligations

	Governmental Activities June 30,		Business Type Activities June 30,		Total District June 30,		Total Change June 30,
	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2014-15
General Obligation Bonds	$ 1,150,000	1,950,000	-	-	1,150,000	1,950,000	-41.03%
Revenue Bonds	4,487,000	5,121,000	-	-	4,487,000	5,121,000	-12.38%
School Bus Leases	104,996	260,940	-	-	104,996	260,940	-59.76%
Compensated Absences	65,230	56,808	845	523	66,075	57,331	15.25%
Termination Benefits	45,600	69,600	-	-	45,600	69,600	-34.48%
Net Pension liability	7,717,005	-	195,438	-	7,912,443	-	100.00%
Net OPEB liability	98,159	113,451	3,602	4,967	101,761	118,418	-14.07%
Total	$ 13,667,990	7,571,799	199,885	5,490	13,867,875	7,577,289	83.02%

Economic Factors and Next Year's Budgets and Rates

Indicators, both financial and non-financial, that will impact the District in the immediate future are:

- According to the Iowa funding formula, student enrollment is a critical factor in calculating the financing of the District. The District experienced a significant drop of 64 students for the 2014-2015 budget year as reported to the State of Iowa. However, the subsequent student count used for the 2015-2016 budget year shows an increase of 25 students to partially offset that decrease. The District is anticipating the enrollment to stabilize over the next few years.

- The 2.45% Supplemental State Aid set by the state for 2015-2016 will bring additional funds to the District but with salaries and benefits accounting for approximately 82% of the General Fund budget, the District must monitor the contract settlements during the upcoming negotiation process.

- The upcoming Iowa legislative session could again prove to be most challenging in respect to the state budget. The potential impact of state reductions to education is an unknown that we must be ready to address and compensate.

Requests for Information

This financial report is designed to provide our 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 any questions about this report or need additional information, contact the District's Business Office.

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Basic Financial Statements

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and pooled investments	$ 8,918,095	300,408	9,218,503
Receivables:			
Property tax:			
Delinquent	62,311	-	62,311
Succeeding year	7,018,279	-	7,018,279
Income surtax	443,513	-	443,513
Accounts	64,052	2,351	66,403
Due from other governments	1,178,671	4,429	1,183,100
Inventories	44,722	16,857	61,579
Prepaid expenses	13,765	938	14,703
Capital assets not being depreciated:			
Land	189,110	-	189,110
Capital assets net of accumulated depreciation:			
Buildings	17,682,139	-	17,682,139
Land improvements	648,337	-	648,337
Machinery and equipment	407,696	119,175	526,871
TOTAL ASSETS	36,670,690	444,158	37,114,848
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	2,242,864	56,172	2,299,036
LIABILITIES			
Accounts payable	721,277	2,792	724,069
Salaries and benefits payable	3,806,536	78,825	3,885,361
Accrued interest payable	52,782	-	52,782
Unearned revenue	-	12,638	12,638
Long-term liabilities:			
Portion due within one year:			
Bonds payable	1,013,000	-	1,013,000
School bus lease payable	72,421	-	72,421
Compensated absences payable	65,230	845	66,075
Termination benefits payable	24,000	-	24,000
Portion due after one year:			
Bonds payable	4,624,000	-	4,624,000
School bus lease payable	32,575	-	32,575
Termination benefits payable	21,600	-	21,600
Net pension liability	7,717,005	195,438	7,912,443
Net OPEB liability	98,159	3,602	101,761
TOTAL LIABILITIES	18,248,585	294,140	18,542,725
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	7,018,279	-	7,018,279
Pension related deferred inflows of resources	2,943,044	74,534	3,017,578
TOTAL DEFERRED INFLOWS OF RESOURCES	9,961,323	74,534	10,035,857
NET POSITION			
Net investment in capital assets	13,185,286	119,175	13,304,461
Restricted for:			
Categorical funding	563,991	-	563,991
Debt service	568,805	-	568,805
Management levy purposes	187,652	-	187,652
Student activities	121,950	-	121,950
School infrastructure	1,898,004	-	1,898,004
Physical plant and equipment levy	365,356	-	365,356
Unrestricted	(6,187,398)	12,481	(6,174,917)
TOTAL NET POSITION	$ 10,703,646	131,656	10,835,302

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:						
Governmental activities:						
Instruction:						
Regular	$ 9,787,040	862,789	124,432	(8,799,819)	-	(8,799,819)
Special	3,196,296	668,324	323,331	(2,204,641)	-	(2,204,641)
Other	2,376,713	331,926	796,126	(1,248,661)	-	(1,248,661)
	15,360,049	1,863,039	1,243,889	(12,253,121)	-	(12,253,121)
Support services:						
Student	575,364	-	-	(575,364)	-	(575,364)
Instructional staff	354,803	-	-	(354,803)	-	(354,803)
Adminstration	2,649,082	-	-	(2,649,082)	-	(2,649,082)
Operation and maintenance of plant	1,577,244	-	-	(1,577,244)	-	(1,577,244)
Transportation	956,674	2,953	1,381	(952,340)	-	(952,340)
	6,113,167	2,953	1,381	(6,108,833)	-	(6,108,833)
Non-instructional programs:						
Community service operations	26,802	-	-	(26,802)	-	(26,802)
Long-term debt interest	152,852	-	-	(152,852)	-	(152,852)
Other expenses:						
AEA flowthrough	809,584	-	809,584	-	-	-
Depreciation(unallocated)*	641,535	-	-	(641,535)	-	(641,535)
	1,451,119	-	809,584	(641,535)	-	(641,535)
Total governmental activities	23,103,989	1,865,992	2,054,854	(19,183,143)	-	(19,183,143)
Business type activities:						
Support services:						
Operation and maintenance of plant	15,218	-	-	-	(15,218)	(15,218)
Non-instructional programs:						
Food service operations	985,554	394,566	657,576	-	66,588	66,588
Total business type activities	1,000,772	394,566	657,576	-	51,370	51,370
Total	$ 24,104,761	2,260,558	2,712,430	(19,183,143)	51,370	(19,131,773)
General Revenues:						
Property tax levied for:						
General purposes				$ 5,695,616	-	5,695,616
Capital projects				297,689	-	297,689
Debt service				860,558	-	860,558
Income surtax				457,797	-	457,797
Statewide sales, services and use tax				1,860,402	-	1,860,402
Unrestricted state grants				11,799,047	-	11,799,047
Unrestricted investment earnings				68,249	1,989	70,238
Other				161,235	4,324	165,559
Total general revenues				21,200,593	6,313	21,206,906
Change in net position				2,017,450	57,683	2,075,133
Net position beginning of year, as restated				8,686,196	73,973	8,760,169
Net position end of year				$ 10,703,646	131,656	10,835,302

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

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Capital Projects	Nonmajor	Total
ASSETS				
Cash and pooled investments	$ 5,912,243	2,038,846	967,006	8,918,095
Receivables:				
Property tax				
Delinquent	49,904	2,662	9,745	62,311
Succeeding year	5,439,946	848,331	730,002	7,018,279
Income surtax	443,513	-	-	443,513
Accounts	54,358	-	9,694	64,052
Due from other governments	888,614	289,025	1,032	1,178,671
Inventories	44,722	-	-	44,722
Prepaid expenses	13,765	-	-	13,765
TOTAL ASSETS	$ 12,847,065	3,178,864	1,717,479	17,743,408
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 643,416	67,173	10,688	721,277
Salaries and benefits payable	3,806,536	-	-	3,806,536
Total liabilities	4,449,952	67,173	10,688	4,527,813
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	5,439,946	848,331	730,002	7,018,279
Income surtax	443,513	-	-	443,513
Total deferred inflows of resources	5,883,459	848,331	730,002	7,461,792
Fund balances:				
Nonspendable	58,487	-	-	58,487
Restricted for:				
Categorical funding	563,991	-	-	563,991
Debt service	-	-	621,587	621,587
Management levy purposes	-	-	233,252	233,252
Student activities	-	-	121,950	121,950
School infrastructure	-	1,898,004	-	1,898,004
Physical plant and equipment levy	-	365,356	-	365,356
Assigned for specific purposes	70,568	-	-	70,568
Unassigned	1,820,608	-	-	1,820,608
Total fund balances	2,513,654	2,263,360	976,789	5,753,803
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 12,847,065	3,178,864	1,717,479	17,743,408

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT 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 28)		$ 5,753,803
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in in the governmental funds.		18,927,282
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(52,782)
Accounts receivable income surtax, are not yet available to finance current year expenditures of the current fiscal period and, therefore, are recognized as deferred inflows of resources in the governmental funds.		443,513
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 2,242,864	
Deferred inflows of resources	(2,943,044)	(700,180)
Long-term liabilities, including bonds payable, school bus leases payable, compensated absences payable, termination benefits payable, other post employee benefits payable, and net pension liabilty, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(13,667,990)
Net position of governmental activities(page 26)		$ 10,703,646

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

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

	General	Capital Projects	Nonmajor	Total
REVENUES:				
Local sources:				
Local tax	$ 5,915,394	297,689	1,091,217	7,304,300
Tuition	1,460,664	-	-	1,460,664
Other	315,751	17,286	322,588	655,625
State sources	12,954,467	1,865,032	10,434	14,829,933
Federal sources	863,557	-	-	863,557
TOTAL REVENUES	21,509,833	2,180,007	1,424,239	25,114,079
EXPENDITURES:				
Current:				
Instruction:				
Regular	9,990,102	-	-	9,990,102
Special	3,302,022	-	-	3,302,022
Other	2,177,801	-	274,658	2,452,459
	15,469,925	-	274,658	15,744,583
Support services:				
Student	585,171	-	-	585,171
Instructional staff	355,394	-	-	355,394
Administration	2,202,379	286,703	224,469	2,713,551
Operation and maintenance of plant	1,461,643	46,326	79,445	1,587,414
Transportation	727,269	-	23,782	751,051
	5,331,856	333,029	327,696	5,992,581
Non-instructional programs:				
Community service operations	26,802	-	-	26,802
Capital outlay	-	164,550	-	164,550
Long-term debt:				
Principal	-	-	1,589,944	1,589,944
Interest and fiscal charges	-	-	170,736	170,736
	-	-	1,760,680	1,760,680
Intergovernmental:				
AEA flowthrough	809,584	-	-	809,584
TOTAL EXPENDITURES	21,638,167	497,579	2,363,034	24,498,780
Excess(Deficiency) of revenues over(under) expenditures	(128,334)	1,682,428	(938,795)	615,299
Other financing sources(uses):				
Sale of equipment	43,919	-	-	43,919
Transfer in	-	-	909,679	909,679
Transfer out	-	(909,679)	-	(909,679)
Total other financing sources(uses)	43,919	(909,679)	909,679	43,919
Change in fund balances	(84,415)	772,749	(29,116)	659,218
Fund balances beginning of year	2,598,069	1,490,611	1,005,905	5,094,585
Fund balances end of year	$ 2,513,654	2,263,360	976,789	5,753,803

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT 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

Net change in fund balances - total governmental funds(page 30)		$	659,218
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 reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlay depreciation expense and loss on disposal in the current year are as follows:			
Capital outlay	$ 184,310		
Depreciation expense	(927,052)		
Loss on asset disposal	(22,233)		(764,975)
Repayments of long-term liabilities are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.			1,589,944
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.			17,884
Income surtax account receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.			7,360
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.			1,199,383
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.			
Termination benefits	$ 24,000		
Compensated absences	(8,422)		
Pension expense	(722,234)		
Other post employment benefits	15,292		(691,364)
Change in net position of governmental activities(page 27)		$	2,017,450

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

	Nonmajor Enterprise Fund
ASSETS	
Current assets:	
Cash and pooled investments	$ 300,408
Accounts receivable	2,351
Due from other governments	4,429
Inventories	16,857
Prepaid expenses	938
Total current assets	324,983
Non-current assets:	
Capital assets:	
Machinery and equipment, net of accumulated depreciation	119,175
TOTAL ASSETS	444,158
DEFERRED OUTFLOWS OF RESOURCES	
Pension related deferred outflows	56,172
LIABILITIES	
Current liabilities:	
Accounts payable	2,792
Salaries and benefits payable	78,825
Unearned revenue	12,638
Total current liabilities	94,255
Long-term liabilities:	
Compensated absences	845
Net OPEB liability	3,602
Net Pension liability	195,438
Total long-term liabilities	199,885
TOTAL LIABILITIES	294,140
DEFERRED INFLOWS OF RESOURCES	
Pension related deferred inflows	74,534
NET POSITION	
Net investment in capital assets	119,175
Unrestricted	12,481
TOTAL NET POSITION	$ 131,656

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

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

	Nonmajor Enterprise Fund
OPERATING REVENUE:	
Local sources:	
Charges for service	$ 394,566
Miscellaneous	4,324
TOTAL OPERATING REVENUES:	398,890
OPERATING EXPENSES:	
Support services:	
Operation and maintenance of plant:	
Services	930
Supplies	14,288
Total support services	15,218
Non-instructional programs:	
Food service operations:	
Salaries	341,932
Benefits	90,115
Services	17,189
Supplies	514,093
Depreciation	21,917
Other	308
Total non-instructional programs	985,554
TOTAL OPERATING EXPENSES	1,000,772
Operating loss	(601,882)
Non-operating revenues:	
State sources	8,722
Federal sources	648,854
Interest on investments	1,989
Total non-operating revenues	659,565
Increase in net position	57,683
Net position beginning of year, as restated	73,973
Net position end of year	$ 131,656

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2015

	Nonmajor Enterprise Fund
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	$ 392,386
Cash received from miscellaneous sources	4,324
Cash payments to employees for services	(453,491)
Cash payments to suppliers for goods or services	(461,519)
Net cash used in operating activities	(518,300)
Cash flows from non-capital financing activities:	
State grants received	8,722
Federal grants received	555,668
Net cash provided by non-capital financing activities	564,390
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(43,718)
Cash flows from investing activities:	
Interest on investments	1,989
Net increase in cash and pooled investments	4,361
Cash and pooled investments beginning of year	296,047
Cash and pooled investments end of year	$ 300,408
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (601,882)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities used	91,337
Depreciation	21,917
Increase in inventories	(3,225)
Increase in accounts receivable	(2,212)
Increase in prepaid expenses	(938)
Decrease in accounts payable	(1,885)
Decrease in salaries and benefits payable	(8,947)
Increase in unearned revenue	32
Increase in compensated absences	322
Increase in deferred outflows of resources	(27,376)
Increase in deffered inflows of resources	74,534
Decrease in other postemployment benefits	(1,365)
Decrease in net pension liability	(58,612)
Net cash used in operating activities	$ (518,300)

NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:

During the year ended June 30, 2015, the District received Federal commodities valued at $91,337.

SEE NOTES TO BASIC FINANCIAL STATEMENTS.

Note 1. Summary of Significant Accounting Policies

The Mount Pleasant Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Mount Pleasant, Iowa, and the predominate agricultural territory in Henry, Jefferson, Van Buren and Lee Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Mount Pleasant Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Mount Pleasant 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 Henry, Jefferson, Van Buren and Lee Counties Assessors' Conference Board.

B. Basis of Presentation

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

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources. 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 that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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

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

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

The District reports the following major governmental funds:

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

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

The District also reports the following nonmajor proprietary fund:

The Enterprise, School Nutrition Fund is accounts for the food service operations of the District.

C. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 is 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 expenditures are 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 to the highest level of classification of fund balances which would be any restricted fund balances. If no restricted fund balances

are available, then the District applies the expenditure to less-restrictive classifications in this order: committed, assigned and then unassigned fund balances. The District does not have a policy regarding maintenance of minimum fund balances.

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

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

D. Cash, Cash Equivalents and Pooled Investments

The cash balance 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 purpose 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.

E. Property Taxes

Property tax in Governmental Funds is accounted for using the modified accrual basis of accounting.

Property tax revenue receivable is recognized in these funds on the levy date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Education is required to certify its budget to the County Auditor by April 15 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 and will not be recorded as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes 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.

F. 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. All receivables are expected to be collected during fiscal year 2016.

G. Inventories

General Fund inventories are valued at cost at year end and are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed. General Fund inventories are recorded as expenses when consumed on the government-wide financial statements and some inventories are reported as expenditures when purchased on the fund financial statements.

The Enterprise Fund inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed or sold. The enterprise fund inventory consists primarily of food, with purchased food recorded at the lower cost (first-in, first-out method) or market and food commodities which were received from the federal government recorded at the contributed value as of the date received.

H. Prepaid Expenses

The District prepaid expenses from the General Fund for professional development travel services and from the School Nutrition Fund for food items for the next fiscal year paid before year end.

I. Capital Assets

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

Asset Class	Amount
Land	$ 2,000
Buildings	10,000
Land improvements	10,000
Intangibles	100,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,500

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

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20-50 years
Intangibles	5-10 years
Machinery and equipment	5-15 years

J. 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.

K. Salaries and Benefits Payable

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2015, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2015.

L. Unearned Revenue

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

M. Compensated Absences

District employees under a twelve month contract and District secretarial staff accumulate a limited amount of earned but unused vacation benefits payable. The cost of vacation payments expected to be liquidated currently is recorded as a long-term obligation in both the governmental and business type activities. The compensated absences liability has been computed based on per diem rates based from the employees' contract in effect during the fiscal year.

N. Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities and business type activities columns in the Statement of Net Position.

O. 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.

P. 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 collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred revenues consist of property tax receivable and other receivables not collected within sixty days after year end. Deferred revenue 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.

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..

Q. Fund Balances

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

1. ***Nonspendable*** - Amounts that include the values of unconsumed items such as sporting goods, secretarial supplies and miscellaneous instructional supplies. The amount of this inventory at year end is the nonspendable balance in the General Fund.
2. ***Restricted*** - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantor or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

3. ***Committed*** - Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts. At June 30, 2015, the District's Board of Directors did not commit any fund balances to specific projects.

4. ***Assigned*** - Amounts are not available for appropriation but are set aside for a specific purpose. The assigned fund balances in the District's General Fund are for various resale accounts and smaller projects that are not able to be accounted for in other governmental funds. The District's Board of Directors authorizes the Director of Finance to assign amounts to a specific purpose to be in compliance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions as well as District Board Policy 701.4.

5. ***Unassigned*** - All amounts not included in other spendable classifications. Negative unassigned balances may be reported in other governmental funds when expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned. At June 30, 2015, the District's only unassigned amount was in the General Fund.

Note 2. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district wide budget and approves the related appropriations following required public notice and hearing for all funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures. During the year ended June 30, 2015, the District adopted one budget amendment increasing total budgeted expenditures by $889,369.

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

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

1. In accordance with the Statutes of the State of Iowa, prior to February 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the functional area level.

2. Public hearings are required to be conducted to obtain taxpayer comment.

3. Prior to April 15, the budget is legally enacted through certification from the County Auditor.

4. Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.

5. The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.

6. Encumbrances are not recognized in the budgetary process and appropriations lapse at the end of each fiscal year.

7. The budget cannot be amended without the approval of the Board of Education.

8. Unexpended budgetary balance lapse at June 30 and are not available to finance expenditures or expenses of the following year.

Note 3. Cash and Pooled Investments

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

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

At June 30, 2015, the District had investments in the Iowa Schools Joint Investment Trust Direct Government Obligations Portfolio which are valued at an amortized cost of $507,695 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk - The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature with 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

Credit risk - The investment in the Iowa Schools Joint Investment Trust was rated Aaa by Moody's Investors Service. Iowa Schools Joint Investment Trust is sponsored by the Iowa Association of School Boards (IASB), governed by a representative board of trustees and served by a dedicated team of professionals. The board of trustees serves as the regulatory oversight of the pool.

Custodial credit risk(deposits) - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. As of June 30, 2015, the carrying amount of the District's bank deposits totaled $9,218,427 with bank balances of $9,496,970. Of the bank balance, $250,000 was covered by federal depository insurance and $9,246,970 was uninsured and collateralized with securities held by the pledging financial institution or its agent but not in the District's name. These amounts are included in the cash and pooled investments on the combined balance sheet.

Custodial credit risk(investments) - For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy relating to custodial credit risk of investments is to have the majority of the District's investments with an institution that is a national banking company with a rating of AAA/Aaa by Standard & Poors and Moody's Investors Services. As of June 30, 2015, the carrying amount of the District's investments totaled $507,695 with bank balances of the same amount. The entire amount is exposed to custodial credit risk exposure because the related securities are uninsured, unregistered and held by the District's investment firm which is also the counterparty for the securities held.

Note 4. Interfund Transfers

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The detail of interfund transfers for the year ended June 30, 2015 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects:	
	Statewide Sales, Services and Use Tax	$ 909,679

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 and bus lease indebtedness.

Note 5. Capital Assets

A summary of changes in property and equipment comprising capital assets is as follows for the year ended June 30, 2015:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 189,110	-	-	189,110
Total capital assets not being depreciated	189,110	-	-	189,110
Capital assets being depreciated:				
Buildings	25,999,522	-	-	25,999,522
Land improvements	1,805,959	89,346	-	1,895,305
Machinery and equipment	3,680,136	94,964	259,480	3,515,620
Total capital assets being depreciated	31,485,617	184,310	259,480	31,410,447
Less accumulated depreciation for:				
Buildings	7,804,402	512,981	-	8,317,383
Land improvements	1,182,224	64,744	-	1,246,968
Machinery and equipment	2,995,844	349,327	237,247	3,107,924
Total accumulated depreciation	11,982,470	927,052	237,247	12,672,275
Total capital assets being depreciated, net	19,503,147	(742,742)	22,233	18,738,172
Governmental activities capital assets, net	$ 19,692,257	(742,742)	22,233	18,927,282
Business type activities:				
Machinery and equipment	$ 370,832	43,718	42,786	371,764
Less accumulated depreciation	273,458	21,917	42,786	252,589
Business type activities capital assets, net	$ 97,374	21,801	-	119,175

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	$ 25,807
Special	1,072
Other	1,740
Support services:	
Operation and maintenance of plant	41,366
Transportation	215,532
	285,517
Unallocated depreciation	641,535
Total depreciation expense - governmental activities	$ 927,052
Business type activities:	
Food service operations	$ 21,917

Note 6. Long-Term Liabilities

The Long-Term Liabilities listed below is related to the business type activities. A summary of changes in long-term liabilities for the business type activities for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
Business Type Activities:					
Compensated Absences	$ 523	845	523	845	845
Net Pension Liability	254,050	-	58,612	195,438	-
Net OPEB Liability	4,967	-	1,365	3,602	-
Total	$ 259,540	845	60,500	199,885	845

The Long-Term Liabilities listed below is related to the governmental activities. A summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2015 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 1,950,000	-	800,000	1,150,000	365,000
Revenue Bonds	5,121,000	-	634,000	4,487,000	648,000
School Bus Leases	260,940	-	155,944	104,996	72,421
Compensated Absences	56,808	65,230	56,808	65,230	65,230
Termination Benefits	69,600	-	24,000	45,600	24,000
Net Pension Liability	10,031,366	-	2,314,361	7,717,005	-
Net OPEB Liability	113,451	-	15,292	98,159	-
Total	$ 17,603,165	65,230	4,000,405	13,667,990	1,174,651

General Obligation Bonds

On April 1, 2009, the District refunded a bond issued for $4,025,000 in general obligation bonds that were used originally for capital facility construction. On April 1, 2010, the District refunded a bond issued for $1,440,000 in general obligation bonds that were used originally for capital facility construction. Details of the District's June 30, 2015 general obligation bonded indebtedness are as follows:

Year	Bond Issue of April 1, 2009			Bond Issue of April 1, 2010			Total		
Ending June 30,	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest	Total
2016	3.00 %	$ 250,000	7,500	3.00 %	$ 115,000	27,000	$ 365,000	34,500	399,500
2017	3.00	-	-	3.00	785,000	23,550	785,000	23,550	808,550
Total		$ 250,000	7,500		$ 900,000	50,550	$ 1,150,000	58,050	1,208,050

Revenue Bonds

On July 23, 2012, the District refunded a bond issued for $8,500,000 in revenue bonds that were used originally for capital facility construction. The revenue bonds will be paid with statewide sales, services and use taxes collected in the Statewide Sales, Services and Use Tax Fund. Details of the District's June 30, 2015 revenue bonded indebtedness are as follows:

Year	Bond Issue of July 23, 2012			
Ending June 30,	Interest Rate	Principal	Interest	Total
2016	2.08 %	$ 648,000	89,991	737,991
2017	2.08	663,000	76,440	739,440
2018	2.08	683,000	62,556	745,556
2019	2.08	700,000	48,256	748,256
2020	2.08	715,000	33,623	748,623
2021-22	2.08	1,078,000	22,225	1,100,225
Total		$ 4,487,000	333,091	4,820,091

The District has pledged future statewide sales, services and use tax revenues to repay $6,054,000 of bonds issued in July 2012. The bonds were issued for the purpose of refunding the revenue bonds dated December 1, 2006. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District in accordance with Chapter 423E of the Code of Iowa and are payable through 2022. The bonds are not a general obligation of the District. The debt, however, is subject to the constitutional debt limitations of the District. Annual principal and interest payments are expected to require nearly 40% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is $4,820,091. For the current year, principal of $634,000 and interest of $103,272 was paid on the bonds and total statewide sales, services and use tax revenues were $1,860,402.

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

a) The bonds will only be redeemed from the future earnings of the statewide sales, services and use tax revenues received by the District and the bond holders hold a lien on the future revenues received. There is no debt service requirement on the July 23, 2012 refunding bonds.

b) Sufficient monthly deposits amounting to one sixth of the next interest payment and one sixth of the next principal payment shall be made to the Statewide Sales, Services and Use Tax Sinking Fund for the purpose of making the bond principal and interest payments when due.

School Bus Leases

During the year ended June 30, 2013, the District entered into lease agreements with Blue Bird for the lease purchase of school buses. The Statewide Sales Service and Use Tax Fund will be used to liquidate all of the bus lease liability. The details of the repayment of these leases are as follows:

Year	Bus lease of August 1, 2012			Bus lease of August 5, 2012			Total		
Ending June 30,	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest	Total
2016	2.58 %	$ 31,754	1,660	2.99 %	$ 40,667	1,216	$ 72,421	2,876	75,297
2017	2.58	32,575	839		-	-	32,575	839	33,414
		$ 64,329	2,499		$ 40,667	1,216	$ 104,996	3,715	108,711

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the gross amount of assets acquired on the inception date.

The assets acquired through capital bus leases and the corresponding depreciation/amortization, on a closed basis, taken during the year is as follows:

Asset	Governmental Activities
Machinery and equipment	$ 730,014
Less: Accumulated depreciation/amortization	(602,313)
Total	$ 127,701

Debt Margin Computation

The June 30, 2015 debt issued by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	$ 484,538,664
Debt limit, 5% of total assessed valuation	$ 24,226,933
Amount of debt applicable to debt limit, total bonded debt	5,637,000
Excess of debt limit over bonded limit	$ 18,589,933

Termination Benefits

The District offered a voluntary early retirement plan to its certified and support staff employees prior to July 1, 2010. The plan was only offered to employees for one year. Eligible employees must have been at least age fifty-five and completed ten years of continuous service to the District. The application for early retirement was subject to approval by the Board of Directors.

At June 30, 2015, the District has obligations to five participants with a total liability of $45,600. Actual termination benefits paid during the year ended June 30, 2015 totaled $24,000. A liability has been recorded in the Statement of Net Position representing the District's commitment to fund non-current early retirement.

Note 7. Lease Agreement

On June 28, 2004, the District entered into a lease agreement with the City of Mount Pleasant for a building that shall be used for the District's Business Office. The District agrees to pay $3,321.66 monthly starting January 1, 2005 ending June 30, 2005. This lease agreement was automatically renewed thru June 30, 2015.

Note 8. Bond Defeasement

General Obligation Bonds

On April 1, 2001, the District issued $4,695,000 in general obligation bonds to advance refund $4,530,000 of outstanding general obligation bonds dated November 1, 1996. The proceeds of the refunding issues have been placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. The new advance refunding bonds have been added to the appropriate financial statement and schedules. The District remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2015, $705,000 of such bonds is outstanding. Defeasement of principal and interest for the year was $665,000 and $77,405 respectively.

On November 1, 2005, the District issued $1,740,000 in general obligation bonds to advance refund $1,665,000 of outstanding general obligation bonds dated May 1, 1998. The proceeds of the refunding issues have been placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the refunded bonds. The new advance refunding bonds have been added to the appropriate financial statement and schedules. The District remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2015, $225,000 of such bonds is outstanding. Defeasement of principal and interest for the year was $795,000 and $40,148 respectively.

Revenue Bonds

On July 23, 2012, the District issued $6,054,000 in revenue bonds and released the $850,000 debt reserve fund of the December 1, 2006 revenue bonds to refund $6,360,000 of outstanding revenue bonds dated December 1, 2006. The proceeds of the refunding issue along with the released debt reserve amount have been placed in an irrevocable escrow account and have been invested in U.S. Government obligations which have been certified to be sufficient to pay all principal and interest on the December 1, 2006 revenue bond issuance from January 1, 2013, to when the bonds are callable on July 1, 2014.

The District is contingently liable in the remote possibility the escrow account is insufficient to pay the bonds. After the principal and interest on all of the outstanding bonds are paid, any remaining funds in the escrow account, together with any interest thereon, will be returned to the District. The new refunding bonds have been added to the appropriate financial statements and schedules. The District remains contingently liable in the remote possibility the account is insufficient to pay the refunding bonds. At June 30, 2015, $0 of such bonds is outstanding. Defeasement of principal and interest for the year was $5,875,000 and $120,834 respectively.

Note 9. 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 $1,229,128.

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 $7,912,443 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the District's collective proportion was 0.195510 percent, which was an increase of 0.013853 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of $740,525. 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	$ 85,993	$ -
Changes of assumptions	349,194	-
Net difference between projected and actual earnings on pension plan investments	-	3,017,578
Changes in proprotion and differences between District contributions and proportionate share of contributions	634,721	-
District contributions subsequent to the measurement date	1,229,128	-
Total	$ 2,299,036	$ 3,017,578

$1,229,128 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	$ (504,416)
2017	(504,416)
2018	(504,416)
2019	(504,416)
2020	69,994
	$ (1,947,670)

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 inflaction. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50 percent, compounded annually, net of investment expense, including inflation

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

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

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

return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

	1% Decrease (-6.5%)	Discount Rate (-7.5%)	1% Increase (-8.5%)
District's proportionate share of the net pension liability	$ 14,950,339	$ 7,912,443	$ 1,971,730

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 $277,880 for legally required employer contributions and $185,150 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 10. Other Postemployment Benefits(OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 164 active and 21 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a self-funded plan with Southeast Iowa School Employees Benefits Health Plan (SEISHP). Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

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

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

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	$ 116,695
Interest on net OPEB obligation	1,184
Adjustment to annual required contribution	(4,566)
Annual OPEB cost	113,313
Contributions made	(129,970)
Increase in net OPEB obligation	(16,657)
Net OPEB obligation beginning of year	118,418
Net OPEB obligation end of year	$ 101,761

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2015.

For the year ended June 30, 2015, the District contributed $129,970 to the medical plan.

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

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	$ 133,668	86.0%	$ 131,662
2014	$ 133,136	109.9%	$ 118,418
2015	$ 113,313	114.7%	$ 101,761

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 $1,225,453, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $1,225,453. The covered payroll (annual payroll of active employees covered by the plan) was $9,203,648, and the ratio of the UAAL to covered payroll was 13.3%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as

required supplementary information in the section following the Notes to Financial Statements, 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 projected unit credit actuarial cost method was used. The actuarial assumptions include a 1% discount rate based on the District's funding policy. The projected annual medical trend rate is 7.5%. The ultimate medical trend rate is 3%. The medical trend rate is reduced 1% each year until reaching the 3% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Generational Mortality Table, applied on a gender-specific basis. Annual retirement probabilities were developed based upon recent Mount Pleasant Community School District experience. Termination probabilities were based upon national termination studies performed by the Society of Actuaries and were adjusted to reflect the recent lower termination rates experienced by Mount Pleasant Community School District.

Projected claim costs of the medical plan are $915 per month for retirees at the weighted average age 62 and post age 65 expected claims cost are assumed to equal retiree contributions. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

The OPEB actuarial plan was completed for the Mount Pleasant Community School District by HANF Actuarial and Richard Johnson, FSA. The report may be obtained by contacting the Business Office of the Mount Pleasant Community School District. The OPEB actuarial plan does not issue a stand-alone financial report.

Note 11. Risk Management

Mount Pleasant Community School District is a member in the Southeast Iowa School Employees Benefits Health Plan, an Iowa Code Chapter 28E organization. The Southeast Iowa School Employees Benefits Health Plan (SEISHP) is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. SEISHP was formed for the purpose of managing and funding employee benefits. SEISHP provides coverage and protection in the following categories: medical, dental, vision, and prescription drugs.

Each member's contributions to the SEISHP funds current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, SEISHP's general and administrative expenses, claims, claims expenses and insurance expense due and payable in the current year, plus all or any portion of any deficiency in capital. The District's contributions to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to SEISHP for the year ended June 30, 2015 were $2,086,834.

Payments from participating members are used to buy health insurance from Wellmark and paying dental and vision claims. In the event that claims exceed premiums and reserves, an assessment may be necessary to pay claims and replenish reserves in the program.

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

Mount Pleasant 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. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 12. 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 $809,584 for the year ended June 30, 2015 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 13. Categorical Funding

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

Program		Amount
Home school assistance program	$	109,585
Beginning teacher mentoring and induction program		12,664
Teacher salary supplement		88,225
Market factor		12,560
Professional development for Model Core Curriculum		28,780
Professional development		36,279
Teacher leadership grants		275,898
Total	$	563,991

Note 14. Due From Other Governments

Amounts due from other governments by fund as of June 30, 2015 are as follows:

	General Fund	Statewide Sales, Services & Use Tax	Student Activity
Local appropriation:			
Tuition	$ 418,022	-	-
Fees	-	-	1,032
Total local appropriation	418,022	-	1,032
State appropriation:			
Great Prarie AEA	1,080	-	-
Vocational Aid	1,219	-	-
Innovative At-Risk (K-3)	7,000	-	-
State of Iowa	7,568	-	-
Non-public transportation aid	1,381	-	-
Fuel tax refund	929	-	-
Statewide sales, services and use tax	-	289,025	-
Total state appropriation	19,177	289,025	-
Federal appropriation:			
Part B	47,653	-	-
Title IIA	68,690	-	-
Title I	191,431	-	-
Medicaid	141,623	-	-
Title VIA	2,018	-	-
Total federal appropriation	451,415	-	-
Total due from other governments	$ 888,614	289,025	1,032

Note 15. Deficit Unrestricted Net Position

At June 30, 2015 the District had deficit unrestricted net position of $6,187,398 on its Governmental Activities Statement of Net Position.

Note 16. Reconciliation of Governmental Fund Balances to Net Position

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

	Net investment in Capital Assets	Management Levy	Debt Service	Unassigned/ Unrestricted
Fund balance (Exhibit C)	$ -	233,252	621,587	1,820,608
Captial assets,				
net of accumulated depreciation	18,927,282	-	-	-
Revenue bond capitalized indebtedness	(4,487,000)	-	-	-
General obligation bond capitalized indebtedness	(1,150,000)	-	-	-
School bus lease capitalized indebtedness	(104,996)	-	-	-
Accrued interest payable	-	(45,600)	-	-
Termination benefits payable	-	-	(52,782)	-
Income surtax	-	-	-	443,513
Compensated absences	-	-	-	(65,230)
Net OPEB liability	-	-	-	(98,159)
Pension related deferred outflows	-	-	-	2,242,864
Pension related deferred inflows	-	-	-	(2,943,044)
Net Pension liability	-	-	-	(7,717,005)
Nonspendable	-	-	-	58,487
Assigned for specific purposes	-	-	-	70,568
Net position (Exhibit A)	$ 13,185,286	187,652	568,805	(6,187,398)

Note 17. Accounting Change/Restatement

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

	Governmental Activities	Business type Activities
Net position June 30, 2014, as previously reported	$ 17,580,530	$ 299,227
Net pension liability at June 30, 2014	(10,031,366)	(254,050)
Deferred outflows of resources related to the contributions made after the June 30, 2013 measurement date	1,137,032	28,796
Net position July 1, 2014, as restated	$ 8,686,196	$ 73,973

Required Supplementary Information

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

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
Revenues:						
Local sources	$ 9,420,589	$ 400,879	$ 9,821,468	$ 10,351,979	$ 10,351,979	$ (530,511)
State appropriations	14,829,933	8,722	14,838,655	14,493,567	14,493,567	345,088
Federal appropriations	863,557	648,854	1,512,411	1,581,729	1,581,729	(69,318)
Total revenues	25,114,079	1,058,455	26,172,534	26,427,275	26,427,275	(254,741)
Expenditures/Expenses:						
Instruction	15,744,583	-	15,744,583	15,933,281	16,600,000	855,417
Support services	5,992,581	15,218	6,007,799	6,102,350	6,300,000	292,201
Non-instructional programs	26,802	985,554	1,012,356	1,070,000	1,095,000	82,644
Other expenditures	2,734,814	-	2,734,814	3,266,382	3,266,382	531,568
Total expenditures/expenses	24,498,780	1,000,772	25,499,552	26,372,013	27,261,382	1,761,830
Excess(Deficiency) of revenues over(under) expenditures/expenses	615,299	57,683	672,982	55,262	(834,107)	1,507,089
Other financing uses, net	43,919	-	43,919	5,000	5,000	38,919
Excess(Deficiency) of revenues and other financing uses over(under) expenditures/expenses	659,218	57,683	716,901	60,262	(829,107)	1,546,008
Balances beginning of year	5,094,585	73,973 *	5,168,558	5,136,980	5,136,980	31,578
Balances end of year	$ 5,753,803	$ 131,656	$ 5,885,459	$ 5,197,242	$ 4,307,873	$ 1,577,586

*Proprietary Fund Net Position restated as of July 1, 2014. (See Note 17)

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

MOUNT PLEASANT 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 Government Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except 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, the District adopted one budget amendment, increasing budgeted expenditures by $889,369.

MOUNT PLEASANT 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 liablity		0.195510%
District's proportionate share of the net pension liability	$	7,912,443
District's covered-employee payroll	$	13,764,032
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		57.49%
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.

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	$ 1,229,128	1,165,242	1,018,633	1,108,641	864,738	873,561	777,241	657,098	633,176	654,296
Contributions in relation to the statutorily required contribution	$ (1,229,128)	(1,165,242)	(1,018,633)	(1,108,641)	(864,738)	(873,561)	(777,241)	(657,098)	(633,176)	(654,296)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 13,764,032	13,048,623	11,748,939	13,737,807	12,442,273	12,569,223	12,240,016	10,861,124	11,011,757	11,379,061
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%	6.95%	6.95%	6.35%	6.05%	5.75%	5.75%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Changes of benefit terms:

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

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

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

Changes of assumptions:

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

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

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

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

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

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

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

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
REQUIRED SUPPLEMENTARY INFORMATION

		Employer Contributions for Retiree Health Plan			Schedule of Funding Progress for Retiree Health Plan					
Year Ended June 30,	Actuarial Valuation Date	Annual Required Contributions (ARC) (a)	Contributions Made By District (b)	Contributions Made By District as a Percentage of ARC (b/a)	Actuarial Value of Assets (c)	Actuarial Accrued Liability (AAL) (d)	Unfunded AAL (UAAL) (d-e)	Funded Ratio (c/d)	Covered Payroll (e)	UAAL as a Percentage of Covered Payroll ((d-c)/e)
2009	July 1, 2008	$ 99,254	$ 67,737	68.2%	$ -	$ 966,524	$ 966,524	0.0%	$ 11,264,755	8.6%
2010	July 1, 2008	$ 99,254	$ 61,890	62.4%	$ -	$ 966,524	$ 966,524	0.0%	$ 7,877,183	12.3%
2011	July 1, 2010	$ 120,154	$ 88,701	73.8%	$ -	$ 1,243,262	$ 1,243,262	0.0%	$ 8,625,599	14.4%
2012	July 1, 2010	$ 120,154	$ 103,466	86.1%	$ -	$ 1,243,262	$ 1,243,262	0.0%	$ 10,960,279	11.3%
2013	July 1, 2012	$ 136,895	$ 115,032	84.0%	$ -	$ 1,542,141	$ 1,542,141	0.0%	$ 6,867,831	22.5%
2014	July 1, 2012	$ 136,895	$ 146,380	106.9%	$ -	$ 1,542,141	$ 1,542,141	0.0%	$ 8,418,224	18.3%
2015	July 1, 2014	$ 116,695	$ 129,970	111.4%	$ -	$ 1,225,453	$ 1,225,453	0.0%	$ 9,203,648	13.3%

See Note 10 in the accompanying Notes to the Financial Statements for the plan description, funding policy, annual OPEB Cost and Net OPEB Obligation, funded status and funding progress.

No information available prior to June 30, 2009.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Supplementary Information

Mount Pleasant Community School District

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District's three nonmajor special revenue funds are the Management Fund and the Student Activity Fund.

Management Fund

This fund accounts for property taxes collected to pay property and boiler insurance, fidelity bonds, worker's compensation, liability insurance premiums, unemployment insurance claims and termination (early retirement) incentives.

Student Activity Fund

This fund accounts for funds raised by student groups. Under State Law, the Board retains responsibility for Student Activity Fund's ultimate disposition.

Debt Service Fund

This fund accounts for property taxes collected to pay the District's general obligation bond indebtedness. This fund also accounts for all principal and interest payments on the District's other debt obligations such as revenue bonds and capital leases.

Major Capital Project Accounts

The Capital Project accounts are used to account for all resources used in the acquisition and construction of capital facilities and other capital assets. Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, was implemented during the year ended June 30, 2011. As a result, the Physical Plant and Equipment Levy Fund is considered a Capital Project Fund along with the Statewide Sales Services and Use Tax Fund.

Physical Plant and Equipment Levy Fund

This fund accounts for property taxes collected to pay for purchase and improvement of grounds, purchase of buildings, major repairs, remodeling, reconstruction, improving or expanding the schoolhouses or buildings, expenditures for energy conservation and for equipment purchases. The purchase of transportation vehicles also qualify under the law.

Statewide Sales, Services and Use Tax Fund

This fund accounts for the revenue received from the statewide sales, service and use tax as well as proceeds from the sale of sales tax bond issuances. Expenditures relating to the acquisition, construction, remodeling, repairing, improving or expanding school facilities are authorized by the Code of Iowa.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds				Total
	Management Levy	Student Activity	Total	Debt Service	Nonmajor Governmental Funds
ASSETS					
Cash and pooled investments	$ 234,376	118,681	353,057	613,949	967,006
Receivables:					
Property tax:					
Delinquent	2,107	-	2,107	7,638	9,745
Succeeding year	330,001	-	330,001	400,001	730,002
Accounts	-	9,694	9,694	-	9,694
Due from other governments	-	1,032	1,032	-	1,032
TOTAL ASSETS	$ 566,484	129,407	695,891	1,021,588	1,717,479
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 3,231	7,457	10,688	-	10,688
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	330,001	-	330,001	400,001	730,002
Fund balances:					
Restricted for:					
Management levy purposes	233,252	-	233,252	-	233,252
Student activities	-	121,950	121,950	-	121,950
Debt service	-	-	-	621,587	621,587
Total fund balances	233,252	121,950	355,202	621,587	976,789
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 566,484	129,407	695,891	1,021,588	1,717,479

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

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

	Special Revenue Funds				Total
	Management Levy	Student Activity	Total	Debt Service	Nonmajor Governmental Funds
REVENUES:					
Local sources:					
Local tax	$ 230,659	-	230,659	860,558	1,091,217
Other	15,235	301,815	317,050	5,538	322,588
State sources	3,610	-	3,610	6,824	10,434
TOTAL REVENUES	249,504	301,815	551,319	872,920	1,424,239
EXPENDITURES:					
Current:					
Instruction:					
Other	-	274,658	274,658	-	274,658
Support services:					
Administration	224,469	-	224,469	-	224,469
Operation and maintenance of plant	79,445	-	79,445	-	79,445
Transportation	23,782	-	23,782	-	23,782
Long-term debt:					
Principal	-	-	-	1,589,944	1,589,944
Interest and fiscal charges	-	-	-	170,736	170,736
TOTAL EXPENDITURES	327,696	274,658	602,354	1,760,680	2,363,034
Excess(Deficiency) of revenues over(under) expenditures	(78,192)	27,157	(51,035)	(887,760)	(938,795)
Other financing sources:					
Transfer in	-	-	-	909,679	909,679
Change in fund balances	(78,192)	27,157	(51,035)	21,919	(29,116)
Fund balances beginning of year	311,444	94,793	406,237	599,668	1,005,905
Fund balances end of year	$ 233,252	121,950	355,202	621,587	976,789

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECT ACCOUNTS
JUNE 30, 2015

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
ASSETS			
Cash and pooled investments	$ 1,676,152	362,694	2,038,846
Receivables:			
Property tax:			
Delinquent	-	2,662	2,662
Succeeding year	-	848,331	848,331
Due from other governments	289,025	-	289,025
TOTAL ASSETS	$ 1,965,177	1,213,687	3,178,864
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 67,173	-	67,173
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	848,331	848,331
Fund balances:			
Restricted for:			
School infrastructure	1,898,004	-	1,898,004
Physical plant and equipment levy	-	365,356	365,356
Total fund balances	1,898,004	365,356	2,263,360
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,965,177	1,213,687	3,178,864

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
REVENUES:			
Local sources:			
Local tax	$ -	297,689	297,689
Other	14,570	2,716	17,286
State sources	1,860,402	4,630	1,865,032
TOTAL REVENUES	1,874,972	305,035	2,180,007
EXPENDITURES:			
Current:			
Support services:			
Administration	286,703	-	286,703
Operation and maintenance of plant	43,926	2,400	46,326
Capital outlay	36,077	128,473	164,550
TOTAL EXPENDITURES	366,706	130,873	497,579
Excess of revenues over expenditures	1,508,266	174,162	1,682,428
Other financing uses:			
Transfer out	(909,679)	-	(909,679)
Change in fund balances	598,587	174,162	772,749
Fund balances beginning of year	1,299,417	191,194	1,490,611
Fund balances end of year	$ 1,898,004	365,356	2,263,360

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

Statistical Section

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Mt. Pleasant Community School District

Statistical Section

(Unaudited)

This part of the Mt. Pleasant Community School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents | Page

Financial Trends — 72-87
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity — 88-91
These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.

Debt Capacity — 92-98
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information — 99-103
These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place and to help make comparisons over time and with other governments.

Operating Information — 104-108
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

Schedule 1
Mt. Pleasant Community School District

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities:					
Net investment in capital assets	$ 5,709,341	$ 6,347,734	$ 6,151,005	$ 7,732,192	$ 8,343,346
Restricted	247,556	1,353,216	1,950,528	1,836,673	2,152,791
Unrestricted	1,803,653	1,391,261	2,061,504	1,240,982	638,859
Total governmental activities net position	$ 7,760,550	$ 9,092,211	$ 10,163,037	$ 10,809,847	$ 11,134,996
Business type activities:					
Net investment in capital assets	$ 90,109	$ 72,109	$ 56,504	$ 41,427	$ 33,757
Restricted	-	-	-	-	-
Unrestricted	(48,777)	(2,744)	31,202	87,509	136,272
Total business type activities net position	$ 41,332	$ 69,365	$ 87,706	$ 128,936	$ 170,029
Primary government:					
Net investment in capital assets	$ 5,799,450	$ 6,419,843	$ 6,207,509	$ 7,773,619	$ 8,377,103
Restricted	247,556	1,353,216	1,950,528	1,836,673	2,152,791
Unrestricted	1,754,876	1,388,517	2,092,706	1,328,491	775,131
Total primary government net position	$ 7,801,882	$ 9,161,576	$ 10,250,743	$ 10,938,783	$ 11,305,025

Notes: District implemented GASB statements No. 68 and No. 71 during fiscal year 2015.
District implemented GASB statement No. 63 during fiscal year 2013.
Prior to fiscal year 2013, the term "net assets" was used rather than "net position".
Source: School District financial records.

Fiscal Year				
2011	2012	2013	2014	2015
$ 9,043,962	$ 9,807,221	$ 11,571,551	$ 12,360,317	$ 13,185,286
2,584,447	3,008,599	1,990,258	2,652,456	3,705,758
1,061,522	2,170,628	2,574,020	2,567,757	(6,187,398)
$ 12,689,931	$ 14,986,448	$ 16,135,829	$ 17,580,530	$ 10,703,646
$ 59,719	$ 71,565	$ 68,427	$ 97,374	$ 119,175
-	-	-	-	-
149,309	189,058	203,778	201,853	12,481
$ 209,028	$ 260,623	$ 272,205	$ 299,227	$ 131,656
$ 9,103,681	$ 9,878,786	$ 11,639,978	$ 12,457,691	$ 13,304,461
2,584,447	3,008,599	1,990,258	2,652,456	3,705,758
1,210,831	2,359,686	2,777,798	2,769,610	(6,174,917)
$ 12,898,959	$ 15,247,071	$ 16,408,034	$ 17,879,757	$ 10,835,302

Schedule 2
Mt. Pleasant Community School District

Expenses, Program Revenues and Net (Expense) Revenue
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses:					
Governmental activities:					
Instruction	$ 11,128,026	$ 11,645,465	$ 12,636,384	$ 13,771,319	$ 13,749,865
Student services	429,673	386,643	526,929	482,974	698,211
Instructional staff services	361,439	435,568	330,420	324,646	336,783
Administration services	1,767,827	1,939,513	2,147,607	2,122,448	2,031,328
Operation and maintenance of plant	1,339,952	1,323,762	1,576,173	1,531,198	1,396,604
Student transportation services	682,855	724,258	764,414	763,569	763,319
Community sevices	27,854	27,378	26,397	7,083	7,378
Capital outlay	272,975	336,751	-	-	120,303
Long-term debt interest	400,449	623,004	640,498	637,329	460,908
AEA flowthrough	615,215	673,277	698,323	757,620	828,781
Depreciation (unallocated)	356,087	387,080	389,793	584,212	574,475
Total governmental activities expenses	17,382,352	18,502,699	19,736,938	20,982,398	20,967,955
Business type activities:					
Administration services	-	437	93	-	-
Operation and maintenance of plant	-	12,588	13,136	12,590	12,557
Food service operations	820,338	840,053	878,877	886,126	916,962
Total busines type activities expenses	820,338	853,078	892,106	898,716	929,519
Total primary government expenses	$ 18,202,690	$ 19,355,777	$ 20,629,044	$ 21,881,114	$ 21,897,474
Program revenues:					
Governmental activities:					
Charges for service:					
Instruction	$ 1,449,860	$ 1,534,144	$ 1,583,057	$ 1,620,662	$ 1,631,675
Support services	1,941	1,683	4,749	3,356	8,601
Operating grants and contributions	1,902,569	2,072,239	2,531,911	3,185,199	4,254,559
Capital grants and contributions	-	10,346	-	-	-
Total governmental activities program revenues	3,354,370	3,618,412	4,119,717	4,809,217	5,894,835

(Continued on the following page.)

Fiscal Year				
2011	2012	2013	2014	2015
$ 14,227,774	$ 14,160,410	$ 14,585,510	$ 14,849,915	$ 15,360,049
443,594	460,169	437,648	481,568	575,364
345,115	344,939	334,186	299,866	354,803
2,126,717	2,413,853	2,957,167	2,721,104	2,649,082
1,574,399	1,616,628	1,225,695	1,711,217	1,577,244
836,875	775,099	1,131,205	986,772	956,674
24,477	25,581	25,656	23,523	26,802
-	-	-	-	-
430,341	366,951	254,008	195,048	152,852
838,640	771,909	771,905	796,816	809,584
571,062	571,063	624,916	626,678	641,535
21,418,994	21,506,602	22,347,896	22,692,507	23,103,989
-	-	-	-	-
14,076	14,521	13,967	14,176	15,218
948,119	930,864	974,206	1,006,892	985,554
962,195	945,385	988,173	1,021,068	1,000,772
$ 22,381,189	$ 22,451,987	$ 23,336,069	$ 23,713,575	$ 24,104,761
$ 1,725,682	$ 1,774,697	$ 1,863,808	$ 1,794,346	$ 1,863,039
10,548	3,027	3,310	3,106	2,953
3,367,291	3,401,690	3,341,523	2,350,003	2,054,854
-	-	-	-	-
5,103,521	5,179,414	5,208,641	4,147,455	3,920,846

Schedule 2
Mt. Pleasant Community School District

Expenses, Program Revenues and Net (Expense) Revenue (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Business type activities:					
Charges for services:					
Food service operations	472,689	492,724	495,727	473,593	437,439
Operating grants and contributions	335,301	387,883	413,756	465,693	532,809
Total business type program revenues	807,990	880,607	909,483	939,286	970,248
Total primary government program revenues	$ 4,162,360	$ 4,499,019	$ 5,029,200	$ 5,748,503	$ 6,865,083
Net (expense) revenue:					
Governmental activities	$ (14,027,982)	$ (14,884,287)	$ (15,617,221)	$ (16,173,181)	$ (15,073,120)
Business type activities	(12,348)	27,529	17,377	40,570	40,729
Total primary government net expense	$ (14,040,330)	$ (14,856,758)	$ (15,599,844)	$ (16,132,611)	$ (15,032,391)

Source: School District financial records.

Fiscal Year				
2011	2012	2013	2014	2015
419,699	423,071	393,527	403,500	394,566
574,992	571,398	603,862	639,900	657,576
994,691	994,469	997,389	1,043,400	1,052,142
$ 6,098,212	$ 6,173,883	$ 6,206,030	$ 5,190,855	$ 4,972,988
$ (16,315,473)	$ (16,327,188)	$ (17,139,255)	$ (18,545,052)	$ (19,183,143)
32,496	49,084	9,216	22,332	51,370
$ (16,282,977)	$ (16,278,104)	$ (17,130,039)	$ (18,522,720)	$ (19,131,773)

Schedule 3
Mt. Pleasant Community School District

General Revenues and Total Change in Net Position
LastTen Fiscal Years
(accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Net (expense) revenue:					
Governmental activities	$ (14,027,982)	$ (14,884,287)	$ (15,617,221)	$ (16,173,181)	$ (15,073,120)
Business type activities	(12,348)	27,529	17,377	40,570	40,729
Total primary government net expense	(14,040,330)	(14,856,758)	(15,599,844)	(16,132,611)	(15,032,391)
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Property taxes levied for general purposes	4,627,430	4,350,685	4,482,593	4,511,106	4,765,665
Property taxes levied for debt service	889,960	881,673	872,322	873,366	895,035
Property taxes levied for capital projects	-	-	-	220,780	210,651
Income surtax	-	449,635	448,100	484,706	488,136
Statewide sales, services and use tax	1,000,109	1,209,486	1,096,004	1,303,249	1,248,383
Unrestricted state grants	8,080,458	8,702,151	8,959,110	9,191,822	7,597,781
Nonspecific program federal grants	-	-	-	-	-
Other	1,178	108,618	114,167	135,567	163,859
Unrestricted investment earnings	221,770	513,700	472,921	99,395	28,759
Significant donation from private sources	-	-	242,830	-	-
Total governmental activities	14,820,905	16,215,948	16,688,047	16,819,991	15,398,269
Business type activities:					
Other	-	-	-	-	-
Unrestricted investment earnings	268	504	964	660	364
Total business type activities	268	504	964	660	364
Total primary government	14,821,173	16,216,452	16,689,011	16,820,651	15,398,633
Change in net position:					
Governmental activities	792,923	1,331,661	1,070,826	646,810	325,149
Business type activities	(12,080)	28,033	18,341	41,230	41,093
Total primary government	$ 780,843	$ 1,359,694	$ 1,089,167	$ 688,040	$ 366,242

Note: District implemented GASB statement No. 63 during fiscal year 2013.
Prior to fiscal year 2013, the term "net assets" was used rather than "net position".
Source: School District financial records.

Fiscal Year				
2011	2012	2013	2014	2015
$ (16,315,473)	$ (16,327,188)	$ (17,139,255)	$ (18,545,052)	$ (19,183,143)
32,496	49,084	9,216	22,332	51,370
(16,282,977)	(16,278,104)	(17,130,039)	(18,522,720)	(19,131,773)
5,445,689	5,651,578	5,936,906	5,835,489	5,695,616
892,518	815,110	830,319	843,454	297,689
45,865	35,379	49,996	168,105	860,558
332,558	404,296	450,258	463,663	457,797
1,445,699	1,572,096	1,725,564	1,778,016	1,860,402
8,917,273	9,501,654	9,073,313	10,668,081	11,799,047
406,642	223,488	-	-	-
339,195	361,004	158,308	174,470	161,235
44,969	59,100	63,972	58,475	68,249
-	-	-	-	-
17,870,408	18,623,705	18,288,636	19,989,753	21,200,593
4,557	-	-	2,453	4,324
1,946	2,511	2,366	2,237	1,989
6,503	2,511	2,366	4,690	6,313
17,876,911	18,626,216	18,291,002	19,994,443	21,206,906
1,554,935	2,296,517	1,149,381	1,444,701	2,017,450
38,999	51,595	11,582	27,022	57,683
$ 1,593,934	$ 2,348,112	$ 1,160,963	$ 1,471,723	$ 2,075,133

Schedule 4
Mt. Pleasant Community School District

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund:					
Restricted	$ -	$ -	$ -	$ -	$ -
Nonspendable	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	1,641,979	118,731	2,046,662	171,267	338,643
Unreserved	1,533,868	2,145,298	1,913,073	1,335,070	555,724
Total General Fund	$ 3,175,847	$ 2,264,029	$ 3,959,735	$ 1,506,337	$ 894,367
All other governmental funds:					
Restricted, reported in:					
Capital projects funds	$ -	$ -	$ -	$ -	$ -
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Reserved	64,518	1,124,223	1,498,615	1,521,840	1,571,995
Unreserved, reported in:					
Capital projects funds	143,353	6,349,145	237,914	(160,301)	145,320
Special revenue funds	193,461	165,769	122,858	99,175	233,770
Total all other governmental funds	$ 401,332	$ 7,639,137	$ 1,859,387	$ 1,460,714	$ 1,951,085

Source: School District financial records.

* Reclassification of fund balances due to GASB 54 implementation.

Fiscal Year				
2011*	2012*	2013*	2014*	2015*
$ 254,325	$ 269,553	$ 244,084	$ 296,206	$ 563,991
57,123	34,829	47,614	21,461	58,487
98,691	95,136	89,361	82,826	70,568
848,823	1,932,921	2,231,538	2,197,576	1,820,608
-	-	-	-	-
-	-	-	-	-
$ 1,258,962	$ 2,332,439	$ 2,612,597	$ 2,598,069	$ 2,513,654
$ 562,268	$ 847,087	$ 946,345	$ 1,490,611	$ 2,263,360
212,085	327,422	374,787	406,237	355,202
1,668,385	1,682,137	605,812	599,668	621,587
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
$ 2,442,738	$ 2,856,646	$ 1,926,944	$ 2,496,516	$ 3,240,149

Schedule 5
Mt. Pleasant Community School District

Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Federal sources:					
Federal sources:	$ 660,048	$ 616,687	$ 693,821	$ 913,764	$ 2,048,716
Total federal sources	660,048	616,687	693,821	913,764	2,048,716
State sources:					
State sources:	9,322,979	10,147,236	10,748,576	11,448,667	9,747,664
Total state sources	9,322,979	10,147,236	10,748,576	11,448,667	9,747,664
Intermediate sources:					
Intermediate sources:	-	1,139	-	1,875	1,975
Total intermediate sources	-	1,139	-	1,875	1,975
Local sources:					
Local taxes	6,517,499	6,854,304	6,862,384	7,338,111	7,534,374
Tuition	917,245	1,113,416	1,193,270	1,167,990	1,242,638
Other revenues	756,326	1,025,721	1,021,965	755,872	642,206
Total local sources	8,191,070	8,993,441	9,077,619	9,261,973	9,419,218
Total revenues	$ 18,174,097	$ 19,758,503	$ 20,520,016	$ 21,626,279	$ 21,217,573

Source: School District financial records.

Fiscal Year				
2011	2012	2013	2014	2015
$ 1,530,036	$ 1,269,797	$ 955,840	$ 960,157	$ 863,557
1,530,036	1,269,797	955,840	960,157	863,557
11,107,240	11,818,132	11,411,885	13,798,472	14,829,933
11,107,240	11,818,132	11,411,885	13,798,472	14,829,933
-	-	-	-	-
-	-	-	-	-
8,232,171	8,490,420	8,979,067	7,290,729	7,304,300
1,283,406	1,326,814	1,464,655	1,427,114	1,460,664
881,130	909,917	671,854	640,754	655,625
10,396,707	10,727,151	11,115,576	9,358,597	9,420,589
$ 23,033,983	$ 23,815,080	$ 23,483,301	$ 24,117,226	$ 25,114,079

Schedule 6
Mt. Pleasant Community School District

Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Instruction	$ 11,127,651	$ 11,684,960	$ 12,675,586	$ 13,753,740	$ 13,506,558
Student services	434,672	386,392	526,678	482,393	697,827
Instructional staff services	361,439	435,568	330,420	349,276	336,067
Administration services	1,798,910	1,917,398	2,134,939	2,103,492	2,011,631
Operation and maintenance of plant services	1,334,449	1,314,755	1,572,644	1,661,882	1,391,044
Student transportation services	997,830	690,738	709,105	626,887	668,127
Community services	22,452	22,276	26,397	7,083	24,599
AEA Flowthrough	615,215	673,277	698,323	757,620	828,781
Capital outlay/construction	623,208	2,261,377	6,544,556	1,138,698	167,001
Debt service:					
Principal	742,099	799,377	762,991	1,230,127	1,337,506
Interest	365,451	426,575	671,417	668,902	486,910
Total expenditures	$ 18,423,376	$ 20,612,693	$ 26,653,056	$ 22,780,100	$ 21,456,051
Debt service as a percentage of noncapital expenditures	6.40%	6.32%	5.69%	9.09%	9.29%

Source: School District financial records.

Fiscal Year				
2011	2012	2013	2014	2015
$ 14,300,205	$ 14,291,461	$ 14,527,363	$ 14,894,788	$ 15,744,583
443,279	460,015	433,351	482,119	585,171
344,529	344,653	335,353	299,971	355,394
2,116,233	2,409,334	2,620,698	2,710,096	2,713,551
1,462,682	1,432,554	1,473,657	1,622,745	1,587,414
1,145,357	716,655	1,128,809	791,448	751,051
24,477	25,581	25,656	23,523	26,802
838,640	771,909	771,905	796,816	809,584
177,369	178,614	409,502	145,808	164,550
1,348,916	1,293,328	1,707,024	1,586,824	1,589,944
440,876	416,274	301,191	211,552	170,736
$ 22,642,563	$ 22,340,378	$ 23,734,509	$ 23,565,690	$ 24,498,780
8.58%	8.29%	9.24%	8.26%	7.74%

Schedule 7
Mt. Pleasant Community School District

Other Financing Sources and Uses and Change in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	Fiscal Year				
	2006	2007	2008	2009	2010
Excess(Deficiency) of revenues over (under) expenditures	$ (249,279)	$ (854,190)	$ (6,133,040)	$ (1,153,821)	$ (238,478)
Other financing sources (uses):					
General long-term debt issued	-	8,500,000	-	-	-
Accrued interest	-	31,778	-	6,546	2,851
Refunding debt issued	1,740,000	-	-	4,025,000	1,440,000
Payment to refunding escrow agent	(1,693,753)	-	-	(3,970,000)	(1,445,000)
Premium on bonds	-	-	-	-	29,872
Discount on bonds	-	-	-	-	(4,962)
Issuance cost on refunding bonds	-	-	-	-	(15,178)
Proceeds on school bus lease	420,238	86,875	82,355	-	-
Proceeds from computer lease	84,122	88,488	45,285	149,944	87,680
Sale of equipment	1,178	6,904	8,283	3,333	21,616
Transfers in	204,023	452,339	932,565	993,095	979,534
Transfers out	(204,023)	(452,339)	(932,565)	(993,095)	(979,534)
Total other financing sources (uses)	551,785	8,714,045	135,923	214,823	116,879
Change in fund balances	$ 302,506	$ 7,859,855	$ (5,997,117)	$ (938,998)	$ (121,599)

Source: School District financial records.

Fiscal Year				
2011	2012	2013	2014	2015
$ 391,420	$ 1,474,702	$ (251,208)	$ 551,536	$ 615,299
-	-	-	-	-
-	-	-	-	-
-	-	6,054,000	-	-
-	-	(6,832,394)	-	-
-	-	-	-	-
-	-	(50,556)	-	-
-	-	-	-	-
410,761	-	319,253	-	-
44,279	-	86,365	-	-
9,788	12,683	24,996	3,508	43,919
989,666	902,289	1,794,523	945,021	909,679
(989,666)	(902,289)	(1,794,523)	(945,021)	(909,679)
464,828	12,683	(398,336)	3,508	43,919
$ 856,248	$ 1,487,385	$ (649,544)	$ 555,044	$ 659,218

Schedule 8
Mt. Pleasant Community School District

Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Actual Value: Residental Property	Actual Value: Commercial Property	Actual Value: Other Property	Less Exemptions	Total Taxable Value	Total Direct Rate (a)
2006	331,993,945	106,405,100	103,957,626	173,993,761	368,362,910	13.58049
2007	346,115,250	110,001,950	100,904,209	189,124,708	367,896,701	13.88995
2008	340,745,221	111,235,430	111,968,071	193,011,276	370,937,446	14.08369
2009	374,669,276	117,554,912	119,112,495	215,902,020	395,434,663	13.84339
2010	383,119,780	123,781,582	122,053,393	213,159,236	415,795,519	13.83363
2011	401,130,776	127,653,860	126,782,640	219,742,064	435,825,212	13.83363
2012	416,578,410	126,800,790	159,016,841	253,702,189	448,693,852	14.25931
2013	429,977,140	136,722,160	177,707,840	275,179,572	469,227,568	14.29787
2014	434,164,870	136,645,020	197,499,763	283,122,748	485,186,905	13.87299
2015	418,088,001	137,200,340	242,464,366	313,214,043	484,538,664	13.99535

Source: Henry County Auditor

Notes: Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year year are applied to the following fiscal year. Assessed value equals estimated actual value.

(a) Per $1,000 of assessed value.

Schedule 9
Mt. Pleasant Community School District

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed value)
(Unaudited)

Fiscal Year Ended June 30	District Direct Rates					Overlapping Rates					
	General Purposes	Capital Purposes	Debt Service	Management	Total	County	Community College	City of Mt. Pleasant	Town of Salem	Town of Rome	Town of Westwood
2006	10.73185	0.00000	2.31375	0.53489	13.58049	8.86528	0.98258	12.64000	11.95950	8.37000	6.00344
2007	10.96833	0.00000	2.27900	0.64262	13.88995	9.38846	0.98827	12.24086	12.53413	8.37443	6.00328
2008	11.12868	0.00000	2.21121	0.74380	14.08369	9.52311	0.98858	12.24000	12.50264	8.33147	6.19117
2009	10.63622	0.54000	2.08109	0.58608	13.84339	9.41582	0.97944	12.23999	11.75264	8.20078	6.22516
2010	10.72152	0.48000	2.03871	0.59340	13.83363	9.44303	0.99868	12.23999	11.14490	7.90441	6.01639
2011	11.66698	0.10011	1.94804	0.69161	14.40674	9.72726	1.01355	12.24142	11.16701	8.10000	6.00024
2012	11.75222	0.07000	1.73186	0.70523	14.25931	9.69088	1.01878	12.18806	11.27914	8.09453	6.00000
2013	11.88941	0.10147	1.68518	0.62181	14.29787	9.81360	1.01676	12.17986	11.15362	8.10000	7.62550
2014	11.33646	0.33000	1.65574	0.55079	13.87299	9.71751	1.01523	12.18244	13.20649	8.10000	7.30350
2015	11.23790	0.59000	1.69277	0.47468	13.99535	9.68627	1.03893	12.18480	12.69533	8.10000	7.30344

Source: Henry County Auditor

Notes: Assessed value equals estimated value.

Schedule 10
Mt. Pleasant Community School District

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

	2015			2006		
Taxpayer	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Wal-Mart Property, Inc.	$ 22,708,296	1	4.69%	$ 17,671,350	1	4.80%
Wal-Mart Real Estate Business Trust	8,951,139	2	1.85%	6,251,910	5	1.70%
BNSF Railway	7,514,917	3	1.55%	4,508,433	7	1.22%
KCM Properties, LLC	6,281,721	4	1.30%			
Becks Superior Hybrids, Inc.	4,314,600	5	0.89%			
Iowa Telecommunications Services	4,225,374	6	0.87%	7,135,584	3	1.94%
WCK Mt. Pleasant LC	3,648,348	7	0.75%	4,464,910	8	1.21%
Acces Energy Cooperative	3,287,007	8	0.68%			
Gregory Shottenkirk	3,240,189	9	0.67%			
Protein Processing LLC	2,848,383	10	0.59%			
Wal-Mart Stores East				8,163,410	2	2.22%
Interstate Power and Light				7,097,716	4	1.93%
Pioneer Hi-Bred International				4,755,710	6	1.29%
Hearth and Home Technologies				4,136,880	9	1.12%
Ceco Corporation				3,516,420	10	0.95%
Total	$ 67,019,974		13.84%	$ 67,702,323		18.38%

Source: Henry County Auditor

Schedule 11
Mt. Pleasant Community School District

Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	$ 5,019,988	$ 4,983,521	99.27%	$ 3,766	$ 4,987,287	99.35%
2007	5,216,886	5,214,241	99.95%	2,645	5,216,886	100.00%
2008	5,375,911	5,354,915	99.61%	1,496	5,356,411	99.64%
2009	5,596,581	5,595,867	99.99%	714	5,596,581	100.00%
2010	5,873,154	5,870,010	99.95%	3,144	5,873,154	100.00%
2011	6,391,272	6,384,072	99.89%	4,561	6,388,633	99.96%
2012	6,503,447	6,413,000	98.61%	6,042	6,419,042	98.70%
2013	6,816,008	6,733,491	98.79%	5,278	6,738,769	98.87%
2014	6,770,433	6,762,735	99.89%	2,074	6,764,809	99.92%
2015	6,827,084	6,799,779	99.60%	-	6,799,779	99.60%

Source: Henry County Treasurer and District records.

Schedule 12
Mt. Pleasant Community School District

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds	Less: Amounts Available for Debt Service (c)	Total Bonds	Percent of Actual Taxable Value of Property to Total Bonds (a)	Percent of Actual Taxable Value of Property to General Obligation Bonds (a)	Per Capita (b)
2006	$ 7,295,000	-	$ 64,518	$ 7,230,482	1.90%	1.90%	$549
2007	6,705,000	8,500,000	1,124,223	14,080,777	3.70%	1.47%	$1,068
2008	6,120,000	8,500,000	1,498,615	13,121,385	3.38%	1.19%	$995
2009	5,570,000	8,105,000	1,521,840	12,153,160	2.94%	0.98%	$922
2010	4,855,000	7,695,000	1,571,995	10,978,005	2.53%	0.76%	$833
2011	4,165,000	7,270,000	1,668,385	9,766,615	2.15%	0.55%	$741
2012	3,455,000	6,825,000	1,682,137	8,597,863	1.92%	0.40%	$661
2013	2,720,000	5,746,000	605,812	7,860,188	1.60%	0.43%	$604
2014	1,950,000	5,121,000	599,667	6,471,333	1.27%	0.27%	$497
2015	1,150,000	4,487,000	621,587	5,015,413	1.00%	0.10%	$386

Source: School District financial records and Henry County Auditor.

Notes:

(a) Actual taxable value of property includes Tax Increment Financing valuation. Assessed value equals estimated actual value.
(b) See Schedule 17 for population data.
(c) Information includes debt reserve amount in Capital Projects Fund.

Schedule 13
Mt. Pleasant Community School District

Outstanding Debt by Type
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities: General Obligation Bonds	Governmental Activities: Revenue Bonds	Governmental Activities: Capital Leases	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2006	$ 7,295,000	$ -	$ 457,748	7,752,748	3.64%	$ 588
2007	6,705,000	8,500,000	423,734	15,628,734	7.21%	1,186
2008	6,120,000	8,500,000	373,383	14,993,383	6.29%	1,137
2009	5,570,000	8,105,000	293,200	13,968,200	6.18%	1,060
2010	4,855,000	7,695,000	163,374	12,713,374	5.91%	977
2011	4,165,000	7,270,000	384,498	11,819,498	5.29%	909
2012	3,455,000	6,825,000	246,170	10,526,170	4.47%	809
2013	2,720,000	5,476,000	452,764	8,648,764	3.56%	665
2014	1,950,000	5,121,000	260,940	7,331,940	N/A	564
2015	1,150,000	4,487,000	104,996	5,741,996	N/A	441

Source: School District financial records.

Notes: N/A = not available. Details of the District's outstanding debt can be found in Note 7 in the notes to the financial state
(a) See Schedule 17 for personal income and population data. These ratios are calculated using personal income and population for the prior year calendar year.

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Schedule 14
Mt. Pleasant Community School District

Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
City of Mount Pleasant	$ 18,919,882	100.00%	$ 18,919,882
Henry County	880,000	64.59%	568,392
Jefferson County	1,145,120	0.38%	4,351
Lee County	7,778,810	0.36%	28,004
Van Buren County	-	0.02%	-
Great Prairie Area Education Agency (b)	575,000	12.78%	73,485
Southeastern Community College	7,328,546	21.25%	1,557,316
Subtotal, overlapping debt			21,151,430
District direct debt			5,741,996
Total direct and overlapping debt			$ 26,893,426

Source: Taxable value data used to estimate applicable percentages provided by the County Auditor. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(a) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Schedule 15
Mt. Pleasant Community School District

Legal Debt Margin Information
Last Ten Fiscal Years

(Unaudited)

	2006	2007	2008	2009	2010
Debt limit	$ 28,010,989	$ 29,061,485	$ 32,544,596	$ 20,922,175	$ 21,684,311
Total net debt applicable to limit	7,295,000	15,205,000	14,620,000	13,675,000	12,550,000
Legal debt margin	$ 20,715,989	$ 13,856,485	$ 17,924,596	$ 7,247,175	$ 9,134,311
Total net debt applicable to the limit as a percentage of debt limit	26.04%	52.32%	44.92%	65.36%	57.88%

Source: School District financial records and Henry County Auditor.

Notes:
(a) Actual assessed value includes Tax Increment Financing
(b) Code of Iowa Section 296.1

Legal Debt Margin Calculation for Fiscal Year 2015

Actual assessed value (a)	$ 484,538,664
Debt limit (5% of assessed value) (b)	$ 24,226,933
Debt applicable to limit	5,637,000
Legal debt margin	$ 18,589,933

2011	2012	2013	2014	2015
$ 22,715,965	$ 23,357,224	$ 23,721,110	$ 24,510,096	$ 24,226,933
11,435,000	10,280,000	8,466,000	7,071,000	5,637,000
$ 11,280,965	$ 13,077,224	$ 15,255,110	$ 17,493,096	$ 18,589,933
50.34%	44.01%	35.69%	28.85%	23.27%

Schedule 16
Mt. Pleasant Community School District

Pledged-Revenue Coverage
Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Sales Tax Revenue Bonds			
		Debt Service		
	Revenue	Principal	Interest	Coverage
2006	$ -	$ -	$ -	-
2007	1,209,486	-	-	-
2008	1,096,004	-	375,557	2.92
2009	1,303,249	395,000	338,767	1.78
2010	1,248,383	410,000	322,668	1.70
2011	1,445,699	425,000	305,968	1.98
2012	1,572,096	445,000	288,568	2.14
2013	1,725,564	773,000	195,100	1.78
2014	1,783,249	625,000	116,272	2.41
2015	1,874,972	634,000	103,272	2.54

Source: School District financial records.

Schedule 17
Mt. Pleasant Community School District

Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Calendar Year	Population (a)	Personal Income (b)	Adjusted Gross Income Per Tax Return (b)	Per Capita Personal Income	Unemployment Rate (c)
2006	13,182	216,898,921	30,268	16,454	5.40
2007	13,182	238,288,427	32,266	18,077	4.70
2008	13,182	225,912,502	31,147	17,138	5.20
2009	13,182	215,068,300	30,168	16,315	8.20
2010	13,009	223,261,384	30,901	17,162	9.00
2011	13,009	232,951,715	31,668	17,907	7.50
2012	13,009	235,658,927	32,036	18,115	6.50
2013	13,009	243,193,401	33,025	18,694	5.60
2014	13,009	N/A	N/A	N/A	5.00
2015	13,009	N/A	N/A	N/A	4.10

Notes:
N/A = not available.
(a) U.S. Department of Commerce, Bureau of Census
(b) Iowa Department of Revenue
(c) Iowa Workforce Development as of the month of June county-wide

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Schedule 18
Mt. Pleasant Community School District

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2015			2006		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wal-Mart Distribution	600	1	6.87%	867	1	8.76%
Alaniz MetroGroup	550	2	6.30%	500	3	5.05%
West Liberty Foods	448	3	5.13%	250	7	2.52%
Department of Corrections, State of Iowa	397	4	4.55%	400	4	4.04%
Mt. Pleasant Community School District	325	5	3.72%	265	6	2.68%
Veyance Technologies	250	6	2.86%	188	10	1.90%
Henry County Health Center	245	7	2.81%	330	5	3.33%
MackayMitchell Envelope Co.	184	8	2.11%	218	8	2.20%
Hearth & Home	175	9	2.00%	600	2	6.06%
WalMart Supercenter	123	10	1.41%			
Ceco Building Division				200	9	2.02%
Total	3,297		37.77%	3,818		38.56%

Source: Mt. Pleasant Chamber of Commerce

Schedule 19
Mt. Pleasant Community School District

Full-Time Equivalent District Employees By Type
Last Ten Fiscal Years
(Unaudited)

	2006	2007	2008	2009	2010
Supervisory:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Supervisor of Instruction	1.0	1.0	1.0	1.0	1.0
Principals	4.0	4.0	4.0	4.0	4.3
Assistant principals	2.0	2.0	2.0	2.0	2.0
All other administrators	4.8	4.8	4.8	4.8	4.8
Total supervisory	12.8	12.8	12.8	12.8	13.1
Instruction:					
Regular program teachers	136.1	136.8	137.4	136.2	136.1
Special Education teachers	21.0	21.5	21.5	21.5	21.5
Paraeducators, Regular	25.0	25.0	25.0	25.0	26.0
Paraeducators, Special Education	41.0	44.0	44.0	44.0	43.0
Total instruction	223.1	227.3	227.9	226.7	226.6
Student services:					
Guidance counselors	3.0	3.0	3.0	3.0	3.0
Social worker	0.0	0.0	0.0	1.0	1.0
Nurses	2.0	2.0	2.0	2.0	2.0
Media Spcialists	1.0	1.0	1.0	1.0	1.0
Total student services	6.0	6.0	6.0	7.0	7.0
Support and administration:					
Clerical/secretarial	17.7	17.7	17.7	17.7	17.7
Custodial and Maintenance	20.0	19.0	19.0	19.0	19.0
Food Service	18.0	18.0	18.0	18.0	18.0
Bus Drivers	19.0	19.0	19.0	19.0	19.0
Total support and administration	74.7	73.7	73.7	73.7	73.7
Total	316.6	319.8	320.4	320.2	320.4

Source: District records

Full-Time Equivalent Employees as of June 30					Percentage Change
2011	2012	2013	2014	2015	2006-2015
1.0	1.0	1.0	1.0	1.0	0.0%
1.0	1.0	1.0	1.0	1.0	0.0%
4.3	5.3	5.3	5.0	5.0	25.0%
2.0	2.0	2.0	2.0	2.0	0.0%
4.8	4.8	4.8	4.0	5.0	4.2%
13.1	14.1	14.1	13.0	14.0	9.4%
133.0	132.8	131.8	131.7	140.5	3.2%
21.5	20.5	23.2	22.8	22.8	8.6%
27.0	26.0	24.0	24.7	24.5	-2.0%
43.0	40.0	42.5	47.3	41.8	2.0%
224.5	219.3	221.5	226.5	229.6	2.9%
3.0	3.0	3.0	3.0	5.0	66.7%
1.0	1.0	1.0	1.0	1.0	100.0%
2.0	2.0	2.0	2.0	2.0	0.0%
1.0	1.0	1.0	1.0	1.0	0.0%
7.0	7.0	7.0	7.0	9.0	50.0%
17.7	17.7	17.7	17.7	17.0	-4.0%
19.0	19.6	18.6	18.6	20.0	0.0%
18.0	18.0	18.0	18.0	18.5	2.8%
19.0	19.0	19.0	19.0	19.0	0.0%
73.7	74.3	73.3	73.3	74.5	0.3%
318.3	314.7	315.9	319.8	327.1	3.3%

Schedule 20
Mt. Pleasant Community School District

Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Enrollment (1)	Operating Expenditures (2)	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil
2006	2,192	$ 16,131,439	$ 7,359	4.34%	$ 17,832,352	$ 7,930
2007	2,190	17,056,907	7,789	5.84%	18,502,699	8,449
2008	2,161	18,674,092	8,641	10.95%	19,736,938	9,133
2009	2,147	19,742,373	9,195	6.41%	20,982,398	9,773
2010	2,133	19,464,634	9,125	(0.76)%	20,967,955	9,830
2011	2,092	20,675,402	9,883	8.30%	21,418,994	10,239
2012	2,006	20,452,162	10,195	3.16%	21,506,602	10,721
2013	2,081	21,316,792	10,244	0.47%	22,347,896	10,739
2014	2,069	21,621,506	10,450	2.02%	22,692,507	10,968
2015	2,186	22,573,550	10,326	(1.18)%	23,103,989	10,569

Source: School District financial records and Iowa Department of Education.

Notes: N/A = not available.
(1) Average daily membership
(2) Operating expenditures are total governmental expenditures less debt service and capital outlays.

Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Open Enrolled Students In	Open Enrolled Students Out	Percentage of Sudents Receiving Free or Reduced-Priced Meals
4.71%	157.1	13.95	138.60	60.80	28.60%
6.54%	158.3	13.83	163.10	59.30	32.20%
8.10%	158.9	13.60	153.20	55.50	36.00%
7.00%	159.2	13.49	132.50	63.90	41.55%
0.59%	164.6	12.96	141.30	53.80	42.48%
4.15%	159.6	13.11	143.20	48.40	44.28%
4.71%	153.8	13.04	142.90	61.50	45.07%
0.17%	154.8	13.44	148.40	77.10	45.40%
2.13%	156.3	13.24	150.90	65.10	43.73%
-3.64%	163.3	13.39	136.60	69.30	47.36%

Schedule 21
Mt. Pleasant Community School District

School Building Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
School	2006	2007	2008	2009	2010
Elementary:					
Harlan (1955)					
Square feet	37,410	37,410	37,410	37,410	37,410
Capacity	275	275	275	275	275
Enrollment	246	246	246	228	240
Lincoln (1950)					
Square feet	35,935	35,935	35,935	35,935	35,935
Capacity	275	275	275	275	275
Enrollment	256	256	256	249	234
Salem (1963)					
Square feet	13,617	13,617	13,617	13,617	13,617
Capacity	140	140	140	140	140
Enrollment	112	112	112	106	103
Van Allen (1963)					
Square feet	39,550	39,550	39,550	39,550	39,550
Capacity	440	440	440	440	440
Enrollment	391	391	391	376	365
Middle:					
Mt. Pleasant Middle School (1909)					
Square feet	67,370	67,370	67,370	73,087	73,087
Capacity	525	525	525	550	550
Enrollment	483	483	483	487	483
High:					
Mt. Pleasant High School (2000)					
Square feet	115,000	115,000	115,000	115,000	115,000
Capacity	750	750	750	750	750
Enrollment	676	676	676	659	650
Other District Facilities:					
Bus Garage (1963)					
Square feet	2,266	2,266	2,266	2,266	2,266
Central Receiving/ Building and Grounds/ Alternative High School (1976)	11,666	11,666	11,666	11,666	11,666
Athletic Complex (1979)					
Square feet	10,000	10,000	10,000	10,000	10,000
Wrestling Room (2008)					
Square feet	-	-	3,200	3,200	3,200

Source: District records

Fiscal Year				
2011	2012	2013	2014	2015
37,410	37,410	37,410	37,410	37,410
275	275	275	275	275
253	252	246	246	246
35,935	35,935	35,935	35,935	35,935
275	275	275	275	275
254	247	265	265	265
13,617	13,617	13,617	13,617	13,617
140	140	140	140	140
127	123	117	117	117
39,550	39,550	39,550	39,550	39,550
440	440	440	440	440
319	279	244	244	244
73,087	73,087	73,087	73,087	73,087
550	550	550	550	550
523	497	485	485	485
115,000	115,000	115,000	115,000	115,000
750	750	750	750	750
676	657	659	659	659
2,266	2,266	2,266	2,266	2,266
11,666	11,666	11,666	11,666	11,666
10,000	10,000	10,000	10,000	10,000
3,200	3,200	3,200	3,200	3,200

Schedule 22
Mt. Pleasant Community School District

Certified Staff Salaries
Last Ten Fiscal Years
(Unaudited)

School Year	Minimum	Maximum	Average
2014-2015	$32,190	$68,565	$50,882
2013-2014	31,515	67,127	50,653
2012-2013	30,785	65,572	50,549
2011-2012	30,285	64,507	48,043
2010-2011	29,960	63,815	50,351
2009-2010	29,735	63,336	49,950
2008-2009	29,335	62,484	47,598
2007-2008	28,235	60,141	46,368
2006-2007	27,415	58,394	45,579
2005-2006	26,265	55,944	43,013

Source: School District financial records.

Notes: - The above table does not include extra duty pay.
- Average salary includes supplemental Phase payments

Single Audit Section

MOUNT PLEASANT COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

GRANTOR/PROGRAM	CFDA NUMBER	GRANT NUMBER	EXPENDITURES
INDIRECT:			
DEPARTMENT OF AGRICULTURE:			
IOWA DEPARTMENT OF EDUCATION:			
SPECIALTY CROP BLOCK GRANT PROGRAM - FARM BILL	10.170	FY 15	$ 500
SCHOOL NUTRITION CLUSTER PROGRAMS:			
SCHOOL BREAKFAST PROGRAM	10.553	FY 15	84,612
NATIONAL SCHOOL LUNCH PROGRAM	10.555	FY 15	537,970 *
SPECIAL MILK PROGRAM FOR CHILDREN	10.556	FY 15	112
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	10.559	FY 15	4,429
			627,123
CHILD AND ADULT CARE FOOD PROGRAM	10.558	FY 15	5,715
FRESH FRUIT AND VEGETABLE PROGRAM	10.582	FY 15	16,016
DEPARTMENT OF EDUCATION:			
IOWA DEPARTMENT OF EDUCATION:			
TITLE I PROGRAMS:			
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	4536-G	353,174
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	4536-GC	58,448
			411,622
TITLE I PROGRAM FOR NEGLECTED AND DELINQUENT CHILDREN	84.013	4536-D	21,014
ENGLISH LANGUAGE ACQUISITION STATE GRANTS (TITLE III)	84.365	FY 15	2,031
IMPROVING TEACHER QUALITY STATE GRANTS (TITLE IIA)	84.367	FY 15	68,690
GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES (TITLE VIA)	84.369	FY 15	10,090
GREAT RIVER AREA EDUCATION AGENCY:			
SPECIAL EDUCATION - GRANTS TO STATES (PART B)	84.027	FY 15	95,305
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES	84.048	FY 15	26,279
TOTAL			$ 1,284,385

* Includes $91,337 of non-cash awards.

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Mount Pleasant Community School District and is presented in conformity with 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 financial statements.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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NOLTE, CORNMAN & JOHNSON P.C.

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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
Mount Pleasant 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 Mount Pleasant 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 9, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mount Pleasant 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 Mount Pleasant Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mount Pleasant 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 may exist that were not identified.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control 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 Mount Pleasant 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 that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

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

Mount Pleasant Community School District's Responses to Findings

Mount Pleasant Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Mount Pleasant Community School District's responses were not subjected to the auditing procedures applied in the audit or 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 Mount Pleasant Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Nolte, Cornman & Johnson PC

NOLTE, CORNMAN & JOHNSON, P.C.

December 9, 2015
Newton, Iowa

NOLTE, CORNMAN & JOHNSON P.C.

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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
Mount Pleasant Community School District

Report on Compliance for Each Major Federal Program

We have audited Mount Pleasant 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 Mount Pleasant Community School District's major federal programs for the year ended June 30, 2015. Mount Pleasant 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 Mount Pleasant 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 Mount Pleasant 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 Mount Pleasant Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Mount Pleasant 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 Mount Pleasant 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 Mount Pleasant 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 Mount Pleasant 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. We did not identify and deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. A deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct 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 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.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control 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.

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 PC

NOLTE, CORNMAN & JOHNSON, P.C.

December 9, 2015
Newton, Iowa

MOUNT PLEASANT 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) No material weaknesses in internal control over financial reporting were noted.

(c) The audit did not disclose any non-compliance which is material to the financial statements.

(d) No material weaknesses in internal control over major programs were noted.

(e) An unmodified opinion was issued on compliance with requirements applicable to each major program.

(f) The audit disclosed no 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 10.556 - Special Milk Program for Children
  - CFDA Number 10.559 - Summer Food Service Program for Children
- **Individual Program:**
  - 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) Mount Pleasant Community School District qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No material weaknesses in internal control over financial reporting were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No material weaknesses in internal control over the major programs were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-15 Certified Budget - District disbursements for the year ended June 30, 2015, did not exceed the amounts budgeted.

IV-B-15 Questionable Disbursements - We noted during our audit that the District purchased a gift card to be given as prizes in the Student Activity Fund. Giving cash or gift cards does not appear to meet public purpose as defined in the Attorney General's opinion dated April 25, 1979.

Recommendation - Gift cards are not an appropriate District purchase since Iowa Code Section 279.29 requires districts to "audit and allow" all bills. Gift cards do not provide the board with the ability to perform the required function of approval of the final purchase. The District should refrain from purchasing gift cards to be given as prizes, gifts or incentives.

Response - The District will refrain from purchasing gift cards as student prizes.

Conclusion - Response accepted.

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 - No business transactions between the District and District officials or employees were noted.

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 - We noted no variances in the basic enrollment data certified to the Department of Education.

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 used to supplant rather than supplement other funds.

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

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report

(CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2015, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		$ 1,299,417
Revenues:		
Sales tax revenues	$ 1,860,402	
Other local revenues	14,570	1,874,972
Expenditures/transfer out:		
School infrastructure construction	31,547	
Equipment	228,272	
Other	106,887	
Transfer to other funds:		
Debt service fund	909,679	1,276,385
Ending balance		$ 1,898,004

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

IV-M-15 Financial Condition - The District had a deficit unrestricted net position in the District's governmental activities of $6,187,398 at June 30, 2015.

Recommendation - The District should continue to monitor their governmental activities and investigate ways to bring this deficit back to a positive balance.

Response - The District's governmental activities went deficit due to the implementation of GASB Statement No. 68 and No. 71 in fiscal year 2015 which require the District to show its proportionate share of the IPERS funding deficit as a liability on the Statement of Net Position. The District's governmental activities net pension liability was $7,717,005 at June 30, 2015. The District will investigate ways to bring this deficit balance back to a positive balance.

Conclusion - Response accepted.

IV-N-15 Athletic Official Contracts - We noted during our audit that the Board President was not signing contracts with athletic officials for District sporting events. According to Chapter 291.1 of the Code of Iowa, the Board President shall sign all contract entered into by the District.

Recommendation - The District should have the Board president sign all contracts entered into by the District to be in compliance with Chapter 291.1 of the Code of Iowa.

Response - The District will have the President sign athletic official contracts.

Conclusion - Response accepted.