

OGDEN COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2015

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Ogden Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Sally Good	President	2015
Matt Van Sickle	Vice President	2015
Tom Cleveland	Board Member	2015
Camille Sloan-Schroeder	Board Member	2017
Pete Bergstrom	Board Member	2017
School Officials		
Brad Jermeland	Superintendent	2015
Kris Van Pelt	Board Secretary	2015
Donnie Bloomberg	District Treasurer	2015
Ahlers & Cooney, P.C.	Attorney	2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the Ogden Community School District:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the Ogden Community School District at 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 14 to the financial statements, Ogden Community School District adopted new accounting guidance related to governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions- an Amendment of GASB Statement No. 27. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information.

U.S generally accepted accounting principles require Management's Discussion and Analysis, Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of the District contributions and Schedule of Funding Progress for the Retiree Health Plan on pages 7 through 16 and 46 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of the 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 Ogden Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of the report, the financial statements for the two year ended June 30, 2014 (which are not presented herein) and expressed an unmodified opinion on those financial statements. Another auditor previously audited, in accordance with standards referred to in the third paragraph of this report, the financial statements for the seven years ended June 30, 2012 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2015 on our consideration of the Ogden Community School District's internal control over financial reporting and 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 Governmental Auditing Standards in considering Ogden Community School District's internal control over financial reporting and compliance.



NOLTE, CORNMAN & JOHNSON, P.C.

December 29, 2015
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

2015 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$6,744,769 in fiscal 2014 to \$6,886,252 in fiscal 2015, while General Fund expenditures increased from \$6,735,551 in fiscal 2014 to \$6,991,334 in fiscal 2015. The District's General Fund balance decreased from \$2,277,443 at June 30, 2014, to \$2,172,361 at June 30, 2015, a 4.61% decrease.
- The fiscal year 2015 General Fund revenue increase was attributable to a increase in State sources. The increase in expenditures was due to the increase in Instructional expenditures.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

Supplementary Information provides detailed information about the nonmajor governmental funds.

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

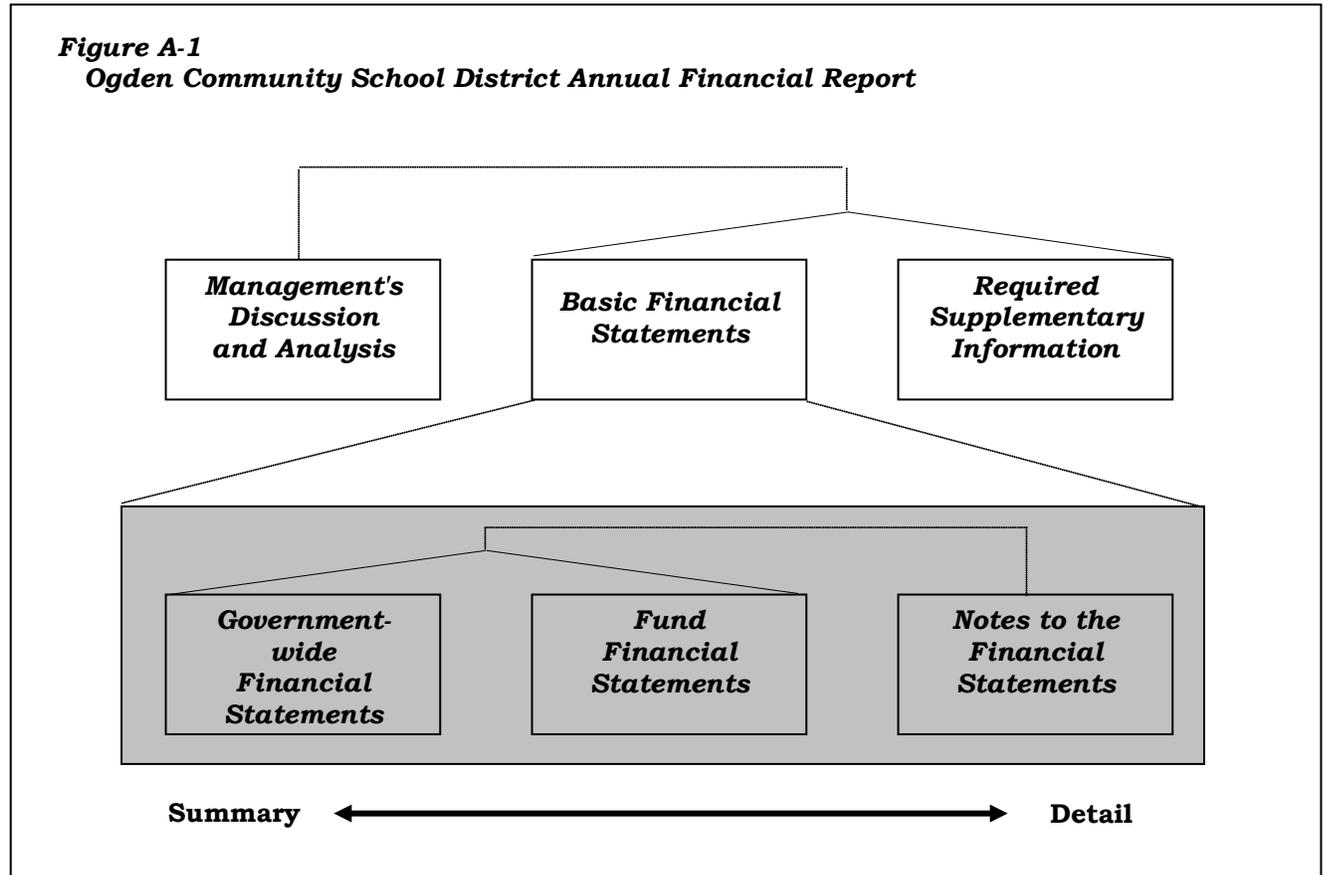


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

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

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business Type Activities		Total District		Total Change
	2014		2014		2014		2013-14
	2015	(Not Restated)	2015	(Not Restated)	2015	(Not Restated)	
Current and other assets	\$ 8,885,448	8,924,079	52,592	26,688	8,938,040	8,950,767	-0.14%
Capital assets	11,263,005	11,339,966	199,758	224,812	11,462,763	11,564,778	-0.88%
Total assets	20,148,453	20,264,045	252,350	251,500	20,400,803	20,515,545	-0.56%
Deferred outflows of resources	498,053	-	13,325	-	511,378	-	100.00%
Long-term obligations	8,038,864	6,402,950	66,296	2,460	8,105,160	6,405,410	26.54%
Other liabilities	1,183,388	954,931	2,509	921	1,185,897	955,852	24.07%
Total liabilities	9,222,252	7,357,881	68,805	3,381	9,291,057	7,361,262	26.22%
Deferred inflows of resources	4,457,807	3,263,754	30,158	-	4,487,965	3,263,754	37.51%
Net position:							
Net investment in capital assets	6,125,452	5,443,265	199,758	224,812	6,325,210	5,668,077	11.59%
Restricted	2,423,502	2,500,960	-	-	2,423,502	2,500,960	-3.10%
Unrestricted	(1,582,507)	1,698,185	(33,046)	23,307	(1,615,553)	1,721,492	-193.85%
Total net position	\$ 6,966,447	9,642,410	166,712	248,119	7,133,159	9,890,529	-27.88%

The District's combined net position decreased by 27.88%, or \$2,757,370, from the prior year. The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net position represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position decreased \$77,458, or 3.10% from the prior year. This was the result of an decrease in fund balance of the Capital Projects Fund during the year.

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 \$3,337,045, or 193.85%. This reduction in unrestricted net position was primarily a result of the District's net pension liability net pension expense recorded in the current year.

Governmental Accounting Standards Board Statement No.68, Accounting and Financial Reporting for Pensions- an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as July 1, 2014 for governmental activities and business type activities were restated by \$3,331,112 and \$86,815, 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 expenses, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provided a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

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

Figure A-4 Changes in Net Position								
	Governmental Activities		Business Type Activities		Total District		Total Change	
	2015	2014 (Not restated)	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2014-15	
Revenues:								
Program revenues:								
Charges for service	\$ 1,370,561	1,022,754	207,521	191,735	1,578,082	1,214,489	29.94%	
Operating grants, contributions and restricted interest	651,348	582,025	135,427	133,426	786,775	715,451	9.97%	
Capital grants, contributions and restricted interest	25,000	25,000	-	-	25,000	25,000	0.00%	
General revenues:								
Property tax	3,262,487	3,571,281	-	-	3,262,487	3,571,281	-8.65%	
Income surtax	283,970	247,071	-	-	283,970	247,071	14.93%	
Statewide sales, services and use tax	581,629	535,032	-	-	581,629	535,032	8.71%	
Unrestricted state grants	3,022,763	2,903,520	-	-	3,022,763	2,903,520	4.11%	
Unrestricted investment earnings	1,837	2,026	12	7	1,849	2,033	-9.05%	
Other	38,696	24,541	7,018	4,875	45,714	29,416	55.41%	
Total revenues	9,238,291	8,913,250	349,978	330,043	9,588,269	9,243,293	3.73%	
Program expenses:								
Governmental activities:								
Instruction	5,426,179	5,201,603	-	-	5,426,179	5,201,603	4.32%	
Support services	2,380,590	2,188,942	-	-	2,380,590	2,188,942	8.76%	
Non-instructional programs	11,950	7,748	344,570	323,449	356,520	331,197	7.65%	
Other expenses	764,423	851,676	-	-	764,423	851,676	-10.24%	
Total expenses	8,583,142	8,249,969	344,570	323,449	8,927,712	8,573,418	4.13%	
Excess(Deficiency) in revenues over (under) expenses	655,149	663,281	5,408	6,594	660,557	669,875	-1.39%	
Transfers	-	(777)	-	777	-	-	0.00%	
Change in net position	655,149	662,504	5,408	7,371	660,557	669,875	-1.39%	
Net position beginning of year, as restated	6,311,298	8,979,906	161,304	240,748	6,472,602	9,220,654	-29.80%	
Net position end of year	\$ 6,966,447	9,642,410	166,712	248,119	7,133,159	9,890,529	-27.88%	

In fiscal 2015, property tax, income surtax, statewide sales, services and use tax and unrestricted state grants account for 77.40% of the revenue from governmental activities while charges for services and operating grants and contributions account for 97.99% of the revenue from business type activities.

The District's total revenues were approximately \$9.59 million of which approximately \$9.24 million was for governmental activities and approximately \$0.35 million was for business type activities.

As shown in FigureA-4, the District as a whole experienced a 3.73% increase in revenues and a 4.13% increase in expenses. The increase in revenues was primarily due to an increase in income surtax and other revenues received, while expenditures increased primarily due to increases in salaries and benefits paid to employees compared to the prior year.

Governmental Activities

Revenues for governmental activities were \$9,238,291 and expenses were \$8,583,142.

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

	Total Cost of Services			Net Cost of Services		
	2015	2014 (Not Restated)	Change 2014-15	2015	2014 (Not Restated)	Change 2014-15
Instruction	\$ 5,426,179	5,201,603	4.32%	3,668,197	3,842,810	-4.54%
Support services	2,380,590	2,188,942	8.76%	2,340,149	2,162,408	8.22%
Non-instructional programs	11,950	7,748	54.23%	11,950	7,748	54.23%
Other expenses	764,423	851,676	-10.24%	515,937	607,224	-15.03%
Totals	<u>\$ 8,583,142</u>	<u>8,249,969</u>	<u>4.04%</u>	<u>6,536,233</u>	<u>6,620,190</u>	<u>-1.27%</u>

- The cost financed by users of the District's programs was \$1,370,561.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$676,348.
- The net cost of governmental activities was financed with \$3,262,487 in property tax, \$283,970 in income surtax, \$581,629 in statewide sales, services and use tax, \$3,022,763 in unrestricted state grants, \$1,837 in interest income and \$38,696 in other general revenues.

Business-Type Activities

Revenues of the District's business type activities were \$349,978 and expenses were \$344,570. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balance of \$4,216,109, which is less than last year's ending fund balances of \$4,513,238. This decrease is primarily a result of an decrease in the District's Capital Assets fund balance.

Governmental Fund Highlights

- The General Fund balance decreased from \$2,277,443 at June 30, 2014 to \$2,172,361 at June 30, 2015, due in part to the increase in instruction expenditures during fiscal 2015.
- The Management Levy Fund balance increased from \$503,231 at June 30, 2014, to \$832,492 at June 30, 2015, due in part to the increase local source revenues received in fiscal 2015 compared to fiscal 2014.
- The Capital Projects Fund balance decreased from \$1,430,563 at June 30, 2014, to \$928,348 at June 30, 2015. This was due to an increase in capital outlay expenditures compared to the prior year while revenues remained constant from fiscal 2014 to fiscal 2015.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from \$161,304 at June 30, 2014 to \$166,712 at June 30, 2015, representing an increase of 3.35%.

BUDGETARY HIGHLIGHTS

Over the course of the year, Ogden Community School District amended its budget one time to reflect additional support service expenditures incurred during the year.

The District's revenues were \$330,181 more than budgeted revenues, a variance of 3.58%. The most significant variance resulted from the District receiving more in state sources than originally anticipated.

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

In spite of the District budgetary practice, the certified budget was exceeded in the non-instructional programs functional area.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had invested \$11.46 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net decrease of 0.89% from last year. More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation expense for the year was \$494,001.

The original cost of the District's capital assets was \$18.99 million. Governmental funds account for \$18.65 million with the remainder of \$0.34 million in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled \$0 at June 30, 2015, compared to \$202,229 reported at June 30, 2014. This decrease resulted from the completion of a high school roof and Athletic Field project. This project was capitalized as part of the district capital asset listing.

	Governmental Activities		Business Type Activities		Total School District		Total Change
	2015	2014	2015	2014	2015	2014	2014-15
Land	\$ 68,700	83,700	-	-	68,700	83,700	-21.83%
Construction in progress	-	202,229	-	-	-	202,229	100.00%
Buildings	10,014,577	10,165,840	-	-	10,014,577	10,165,840	-1.51%
Land improvements	783,176	420,735	-	-	783,176	420,735	46.28%
Machinery and equipment	396,552	467,462	199,758	224,812	596,310	692,274	-16.09%
Total	\$ 11,263,005	11,339,966	199,758	224,812	11,462,763	11,564,778	-0.89%

Long-Term Debt

At June 30, 2015, the District had \$8,105,160 in general obligation and other long-term debt outstanding. This represents an increase of 26.54% from last year. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

The District had total outstanding General Obligation Bond indebtedness at June 30, 2015 of \$970,000 payable from Debt Service Fund.

The District had total outstanding Revenue Bond indebtedness at June 30, 2015 of \$3,350,000 payable from the Capital Projects: Statewide, Sales, Services and Use Tax Fund.

The District had total outstanding capital loan notes payable at June 30, 2015 of \$665,000 payable from the Capital Projects: Property Plant and Equipment Levy Fund.

The District had total outstanding bus loan payable at June 30, 2015 of \$73,380 payable from the Capital Projects: Property Plant and Equipment Levy Fund.

The District had total outstanding Lighting Lease indebtedness at June 30, 2015 of \$79,173 payable from the Capital Projects: Statewide, Sales, Services and Use Tax Fund.

The District had total outstanding Termination Benefits payable from the Special Revenue, Management Levy Fund of \$58,000 at June 30, 2015.

The District had total outstanding Compensated Absences payable from the General Fund of \$65,973 at June 30, 2015.

The District had outstanding Net OPEB liability at June 30, 2015 of \$342,923. The Governmental Activities accounted for \$340,145 of the total while the Business Type Activities accounted for \$2,778.

The District has outstanding Net Pension Liability at June 30, 2015 of \$2,500,711. The governmental Activities accounted for \$2,437,193 of the total while the Business Type Activates accounted for \$63,518.

Figure A-7							
Outstanding Long-Term Obligations							
	Governmental		Business Type		Total		Total
	Activities		Activities		School District		
	2015	2014	2015	2014	2015	2014	2014-15
General Obligation Bonds	\$ 970,000	1,290,000	-	-	970,000	1,290,000	-24.81%
Revenue Bonds	3,350,000	3,520,000	-	-	3,350,000	3,520,000	-4.83%
Capital Loan Notes	665,000	885,000	-	-	665,000	885,000	-24.86%
Bus Loan	73,380	113,482	-	-	73,380	113,482	-35.34%
Lighting Lease	79,173	88,219	-	-	79,173	88,219	-10.25%
Termination Benefits	58,000	170,561	-	-	58,000	170,561	-65.99%
Compensated Absences	65,973	34,501	-	-	65,973	34,501	91.22%
Net Pension liability	2,437,193	-	63,518	-	2,500,711	-	100.00%
Net OPEB liability	340,145	301,187	2,778	2,460	342,923	303,647	12.93%
Totals	\$ 8,038,864	6,402,950	66,296	2,460	8,105,160	6,405,410	26.54%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- Low state supplemental aid over several years and anticipated decline in student enrollment in the near future may negatively impact the District's spending authority. Contractual increases and program changes cannot be made without thorough consideration of our unspent authorized budget. The District's cash balance will support short term funding shortfalls from the state.
- The District recognizes that the restricted fund balance for categorical funding has a significant impact on the District's unspent balance. The District is continually exploring ways to reduce recurring expenditures in fiscal 2015 and succeeding budget years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Kris Van Pelt, Board Secretary, Ogden Community School District, 732 W Division St, Ogden, Iowa, 50212.

Basic Financial Statements

OGDEN COMMUNITY SCHOOL DISTRICT
 STATEMENT OF NET POSITION
 JUNE 30, 2015

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and pooled investments	\$ 5,049,128	31,482	5,080,610
Receivables:			
Property tax:			
Delinquent	23,015	-	23,015
Succeeding year	3,300,626	-	3,300,626
Income surtax	252,049	-	252,049
Accounts	2,273	8,605	10,878
Inventories	-	12,505	12,505
Due from other governments	258,357	-	258,357
Capital assets, net of accumulated depreciation	11,263,005	199,758	11,462,763
TOTAL ASSETS	20,148,453	252,350	20,400,803
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	498,053	13,325	511,378
LIABILITIES			
Intergovernmental payable	7,067	-	7,067
Accounts payable	377,518	2,509	380,027
Salaries and benefits payable	732,079	-	732,079
Accrued interest payable	66,724	-	66,724
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	320,000	-	320,000
Revenue bonds payable	175,000	-	175,000
Capital loan notes payable	220,000	-	220,000
Lighting lease payable	9,551	-	9,551
Bus loan payable	38,723	-	38,723
Compensated absences payable	65,973	-	65,973
Portion due after one year:			
General obligation bonds payable	650,000	-	650,000
Revenue bonds payable	3,175,000	-	3,175,000
Capital loan notes payable	445,000	-	445,000
Lighting lease payable	69,622	-	69,622
Bus loan payable	34,657	-	34,657
Termination benefits payable	58,000	-	58,000
Net pension liability	2,437,193	63,518	2,500,711
Net OPEB liability	340,145	2,778	342,923
TOTAL LIABILITIES	9,222,252	68,805	9,291,057
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	3,300,626	-	3,300,626
Pension related deferred inflows	1,157,181	30,158	1,187,339
TOTAL DEFERRED INFLOWS OF RESOURCES	4,457,807	30,158	4,487,965
NET POSITION			
Net investment in capital assets	6,125,452	199,758	6,325,210
Restricted for:			
Categorical funding	501,254	-	501,254
Debt service	440,101	-	440,101
Management levy purposes	774,492	-	774,492
School infrastructure	449,273	-	449,273
Physical plant and equipment	177,987	-	177,987
Student activities	80,176	-	80,176
Public education and recreation levy	219	-	219
Unrestricted	(1,582,507)	(33,046)	(1,615,553)
TOTAL NET POSITION	\$ 6,966,447	166,712	7,133,159

SEE NOTES TO FINANCIAL STATEMENTS.

**OGDEN COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	\$ 3,088,085	765,595	107,718	-	(2,214,772)	-	(2,214,772)
Special	1,018,143	170,626	86,483	-	(761,034)	-	(761,034)
Other	1,319,951	420,917	206,643	-	(692,391)	-	(692,391)
	<u>5,426,179</u>	<u>1,357,138</u>	<u>400,844</u>	<u>-</u>	<u>(3,668,197)</u>	<u>-</u>	<u>(3,668,197)</u>
Support services:							
Student	182,375	-	-	-	(182,375)	-	(182,375)
Instructional staff	178,521	-	-	-	(178,521)	-	(178,521)
Administration	441,022	-	-	-	(441,022)	-	(441,022)
Operation and maintenance of plant	1,303,411	13,423	-	25,000	(1,264,988)	-	(1,264,988)
Transportation	275,261	-	2,018	-	(273,243)	-	(273,243)
	<u>2,380,590</u>	<u>13,423</u>	<u>2,018</u>	<u>25,000</u>	<u>(2,340,149)</u>	<u>-</u>	<u>(2,340,149)</u>
Non-instructional programs:							
Community service operations	11,950	-	-	-	(11,950)	-	(11,950)
Long-term debt interest	151,302	-	-	-	(151,302)	-	(151,302)
Other expenditures:							
AEA flowthrough	248,486	-	248,486	-	-	-	-
Depreciation(unallocated)*	364,635	-	-	-	(364,635)	-	(364,635)
	<u>613,121</u>	<u>-</u>	<u>248,486</u>	<u>-</u>	<u>(364,635)</u>	<u>-</u>	<u>(364,635)</u>
Total governmental activities	<u>8,583,142</u>	<u>1,370,561</u>	<u>651,348</u>	<u>25,000</u>	<u>(6,536,233)</u>	<u>-</u>	<u>(6,536,233)</u>
Business type activities:							
Non-instructional programs:							
Food service operations	344,570	207,521	135,427	-	-	(1,622)	(1,622)
Total business type activities	<u>344,570</u>	<u>207,521</u>	<u>135,427</u>	<u>-</u>	<u>-</u>	<u>(1,622)</u>	<u>(1,622)</u>
Total	<u>\$ 8,927,712</u>	<u>1,578,082</u>	<u>786,775</u>	<u>25,000</u>	<u>(6,536,233)</u>	<u>(1,622)</u>	<u>(6,537,855)</u>
General Revenues and Transfers:							
Property tax levied for:							
General purposes					\$ 2,554,062	-	2,554,062
Capital outlay					379,717	-	379,717
Debt service					328,708	-	328,708
Income surtax					283,970	-	283,970
Statewide sales, services and use tax					581,629	-	581,629
Unrestricted state grants					3,022,763	-	3,022,763
Unrestricted investment earnings					1,837	12	1,849
Other general revenues					38,696	7,018	45,714
Total general revenues and transfers					<u>7,191,382</u>	<u>7,030</u>	<u>7,198,412</u>
Change in net position					655,149	5,408	660,557
Net position beginning of year, as restated					<u>6,311,298</u>	<u>161,304</u>	<u>6,472,602</u>
Net position end of year					<u>\$ 6,966,447</u>	<u>166,712</u>	<u>7,133,159</u>

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

SEE NOTES TO FINANCIAL STATEMENTS.

OGDEN COMMUNITY SCHOOL DISTRICT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2015

	General	Management Levy	Capital Projects	Nonmajor	Total
ASSETS					
Cash and pooled investments	\$ 2,925,313	828,966	1,006,905	287,944	5,049,128
Receivables:					
Property tax					
Delinquent	14,290	3,526	2,671	2,528	23,015
Succeeding year	2,052,821	500,000	389,832	357,973	3,300,626
Income surtax	252,049	-	-	-	252,049
Accounts	948	-	-	1,325	2,273
Due from other governments	167,438	-	90,919	-	258,357
TOTAL ASSETS	\$ 5,412,859	1,332,492	1,490,327	649,770	8,885,448
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Intergovernmental payable	\$ 7,067	-	-	-	7,067
Accounts payable	196,482	-	172,147	8,889	377,518
Salaries and benefits payable	732,079	-	-	-	732,079
Total liabilities	935,628	-	172,147	8,889	1,116,664
Deferred inflows or resources:					
Unavailable revenues:					
Succeeding year property tax	2,052,821	500,000	389,832	357,973	3,300,626
Income surtax	252,049	-	-	-	252,049
Total deferred inflows of resources	2,304,870	500,000	389,832	357,973	3,552,675
Fund balances:					
Restricted for:					
Categorical funding	501,254	-	-	-	501,254
Debt service	-	-	301,088	205,737	506,825
Management levy	-	832,492	-	-	832,492
School infrastructure	-	-	449,273	-	449,273
Physical plant and equipment	-	-	177,987	-	177,987
Student activities	-	-	-	76,952	76,952
Public education and recreation levy	-	-	-	219	219
Unassigned:					
General	1,671,107	-	-	-	1,671,107
Total fund balances	2,172,361	832,492	928,348	282,908	4,216,109
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	\$ 5,412,859	1,332,492	1,490,327	649,770	8,885,448

SEE NOTES TO FINANCIAL STATEMENTS.

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

Total fund balances of governmental funds(page 20)	\$	4,216,109
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		11,263,005
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.		(66,724)
Other long-term assets are not available to pay current year expenditures and therefore, are recognized as deferred inflows of resources in the governmental funds.		252,049
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	\$ 498,053	
Deferred inflows of resources	<u>(1,157,181)</u>	(659,128)
Long-term liabilities, including general obligation bonds payable, revenue bonds payable, capital loan notes payable, lighting lease payable, bus loan payable, termination benefits payable, compensated absences payable, net pension liability and other postemployment benefits payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		<u>(8,038,864)</u>
Net position of governmental activities(page 18)	\$	<u><u>6,966,447</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

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

	General	Management Levy	Capital Projects	Nonmajor	Total
REVENUES:					
Local sources:					
Local tax	\$ 2,274,181	501,233	379,717	359,405	3,514,536
Tuition	895,420	-	-	-	895,420
Other	159,421	17,895	25,638	450,607	653,561
State sources	3,372,742	2,018	583,158	1,448	3,959,366
Federal sources	183,487	-	-	-	183,487
Total revenues	<u>6,885,251</u>	<u>521,146</u>	<u>988,513</u>	<u>811,460</u>	<u>9,206,370</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular	3,069,790	100,008	-	-	3,169,798
Special	1,020,553	-	-	-	1,020,553
Other	910,588	-	-	423,924	1,334,512
	<u>5,000,931</u>	<u>100,008</u>	<u>-</u>	<u>423,924</u>	<u>5,524,863</u>
Support services:					
Student	185,776	-	-	-	185,776
Instructional staff	162,734	-	-	-	162,734
Administration	549,048	-	-	2,160	551,208
Operation and maintenance of plant	646,065	86,325	30,236	29,543	792,169
Transportation	198,294	5,552	25,918	28,848	258,612
	<u>1,741,917</u>	<u>91,877</u>	<u>56,154</u>	<u>60,551</u>	<u>1,950,499</u>
Non-instructional programs:					
Community service operations	-	-	-	11,950	11,950
Capital outlay	-	-	877,113	-	877,113
Long-term debt:					
Principal	-	-	-	759,148	759,148
Interest and fiscal charges	-	-	-	153,609	153,609
	<u>-</u>	<u>-</u>	<u>-</u>	<u>912,757</u>	<u>912,757</u>
Other expenditures:					
AEA flowthrough	248,486	-	-	-	248,486
Total expenditures	<u>6,991,334</u>	<u>191,885</u>	<u>933,267</u>	<u>1,409,182</u>	<u>9,525,668</u>
Excess(Deficiency) of revenues over(under) expenditures	(106,083)	329,261	55,246	(597,722)	(319,298)
Other financing sources(uses):					
Transfer in	-	-	-	578,629	578,629
Transfer out	-	-	(578,629)	-	(578,629)
Sale of equipment	1,001	-	-	-	1,001
Sale of real property	-	-	21,168	-	21,168
Total other financing sources(uses)	<u>1,001</u>	<u>-</u>	<u>(557,461)</u>	<u>578,629</u>	<u>22,169</u>
Change in fund balances	(105,082)	329,261	(502,215)	(19,093)	(297,129)
Fund balances beginning of year	<u>2,277,443</u>	<u>503,231</u>	<u>1,430,563</u>	<u>302,001</u>	<u>4,513,238</u>
Fund balances end of year	<u>\$ 2,172,361</u>	<u>832,492</u>	<u>928,348</u>	<u>282,908</u>	<u>4,216,109</u>

SEE NOTES TO FINANCIAL STATEMENTS.

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

Change in fund balances - total governmental funds(page 22)	\$	(297,129)
<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>		
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Depreciation expense exceeded capital outlay expenditures in the current year as follows:</p>		
Capital outlay	\$ 395,783	
Depreciation expense	(468,494)	
Loss on disposal	<u>(4,250)</u>	(76,961)
<p>Income surtax accounts receivable is not available to finance expenditures of the current year period and is recognized as deferred inflows of resources in the governmental funds.</p>		
		31,921
<p>Repayments of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
		759,148
<p>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.</p>		
		2,307
<p>Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance at an entity-wide basis.</p>		
		(41,059)
<p>The Current year District share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflows of resources in the Statement of Net Position</p>		
		138,955
<p>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.</p>		
Termination benefits	112,561	
Compensated absences	(31,472)	
Pension Expension	95,836	
Other postemployment benefits	<u>(38,958)</u>	<u>137,967</u>
Change in net position of governmental activities(page 19)	\$	<u><u>655,149</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

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

		<u>Business Type</u> <u>Activities:</u> <u>Enterprise</u> <u>Fund</u> <u>School</u> <u>Nutrition</u>
ASSETS		
Cash and pooled investments	\$	31,482
Accounts receivable		8,605
Inventories		12,505
Capital assets, net of accumulated depreciation		199,758
TOTAL ASSETS		<u>252,350</u>
 Deferred Outflows of Resources		
Pension related deferred outflows		<u>13,325</u>
 LIABILITIES		
Accounts payable		2,509
Net Pension liability		63,518
Net OPEB liability		2,778
TOTAL LIABILITIES		<u>68,805</u>
 Deferred Inflows of Resources		
Pension related deferred inflows		<u>30,158</u>
 NET POSITION		
Invested in capital assets		199,758
Unrestricted		(33,046)
TOTAL NET POSITION	\$	<u><u>166,712</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

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

	Business Type Activities: Enterprise Fund	Governmental Activities: Internal Service Fund
	School Nutrition	Health Reimbursement Arrangements
OPERATING REVENUE:		
Local sources:		
Charges for service	\$ 207,521	-
Contributions	237	-
Miscellaneous	7,018	4,500
Total operating revenues	<u>214,776</u>	<u>4,500</u>
OPERATING EXPENSES:		
Non-instructional programs:		
Food service operations:		
Salaries	112,140	-
Benefits	29,350	-
Services	3,172	-
Supplies	174,854	-
Depreciation	25,054	-
	<u>344,570</u>	<u>-</u>
Other enterprise operations:		
Benefits	-	45,559
Total non-instructional programs	<u>344,570</u>	<u>-</u>
Total operating expenses	<u>344,570</u>	<u>45,559</u>
OPERATING LOSS	<u>(129,794)</u>	<u>(41,059)</u>
NON-OPERATING REVENUES:		
State sources	2,978	-
Federal sources	132,212	-
Interest on investments	12	-
Total non-operating revenues	<u>135,202</u>	<u>-</u>
Change in net position	5,408	(41,059)
Net position beginning of year	<u>161,304</u>	<u>41,059</u>
Net position end of year	<u>\$ 166,712</u>	<u>-</u>

SEE NOTES TO FINANCIAL STATEMENTS.

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

	Business Type Activities: Enterprise Fund	Governmental Activities: Internal Service Fund
	School Nutrition	Health Reimbursement Arrangements
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 201,033	-
Cash received from miscellaneous sources	7,255	4,500
Cash payments to employees for services	(147,636)	(45,559)
Cash payments to suppliers for goods or services	(148,439)	-
Net cash used in operating activities	<u>(87,787)</u>	<u>(41,059)</u>
Cash flows from non-capital financing activities:		
State grants received	2,978	-
Federal grants received	107,350	-
Net cash provided by non-capital financing activities	<u>110,328</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	12	-
Net increase(decrease) in cash and cash equivalents	22,553	(41,059)
Cash and cash equivalents at beginning of year	<u>8,929</u>	<u>41,059</u>
Cash and cash equivalents at end of year	<u>\$ 31,482</u>	<u>-</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (129,794)	(41,059)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Commodities used	24,862	-
Depreciation	25,054	-
Decrease in inventories	3,137	-
Increase in accounts receivable	(6,488)	-
Increase in accounts payable	1,588	-
Increase in other postemployment benefits	318	-
Decrease in net pension liability	(32,656)	-
Increase in deferred outflows of resources	(3,966)	-
Increase in deferred inflows of resources	30,158	-
Net cash used in operating activities	<u>\$ (87,787)</u>	<u>(41,059)</u>

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

During the year ended June 30, 2015, the District received Federal commodities valued at \$24,862.

SEE NOTES TO FINANCIAL STATEMENTS.

OGDEN COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The Ogden Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the City of Ogden, Iowa, and the predominate agricultural territory in Boone County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Ogden 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 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 Boone County Assessors' Conference Board.

B. Basis of Presentation

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

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

The District also reports the following nonmajor proprietary funds:

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

The Internal Service, Health Service Arrangements Fund is used to account for the flexible health and childcare benefits program offered by the District. The Internal Service Fund is charged back to the Governmental funds and shown combined in the Statement of Net Position and the Statement of Activities.

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

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

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

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

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

Property tax 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. 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.

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

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

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

Asset Class	Amount
Land	\$ 1,000
Buildings	1,000
Land improvements	1,000
Intangibles	25,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,000

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

Asset Class	Estimated Useful Lives (In Years)
Buildings	25-50 years
Land improvements	20 years
Intangibles	3-10 years
Machinery and equipment	5-20 years

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

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

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2014. The compensated absences liability attributable to the governmental activities will be primarily paid by the General Fund.

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

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

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 period or soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of unspent federal grant proceeds as well as property tax receivable and other receivables not collected within sixty days after year end.

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

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

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

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

Unassigned - All amounts not included in other spendable classifications.

E. Budgets and Budgetary Accounting

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

Note 2. Cash, Cash Equivalents and Pooled Investments

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

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

Note 3. Interfund Transfers

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	313,741
Debt Service	Capital Projects: Physical Plant and Equipment Levy	264,888
Total		<u>\$ 578,629</u>

Of the transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund Fund to the Debt Service Fund \$313,741 was needed to pay principal and interest payments on the District’s revenue bonded and lighting lease indebtedness.

Of the transfer from the Capital Projects: Physical, Plant and Equipment Levy Fund to the Debt Service Fund, \$264,888 was needed for principal and interest payments on the District’s bus loan and capital loan indebtedness.

Note 4. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 83,700	-	15,000	68,700
Construction in progress	202,229	373,584	575,813	-
Total capital assets not being depreciated	<u>285,929</u>	<u>373,584</u>	<u>590,813</u>	<u>68,700</u>
Capital assets being depreciated:				
Buildings	14,917,365	154,133	-	15,071,498
Land improvements	1,052,850	421,680	-	1,474,530
Machinery and equipment	2,011,209	37,199	8,500	2,039,908
Total capital assets being depreciated	<u>17,981,424</u>	<u>613,012</u>	<u>8,500</u>	<u>18,585,936</u>
Less accumulated depreciation for:				
Buildings	4,751,525	305,396	-	5,056,921
Land improvements	632,115	59,239	-	691,354
Machinery and equipment	1,543,747	103,859	4,250	1,643,356
Total accumulated depreciation	<u>6,927,387</u>	<u>468,494</u>	<u>4,250</u>	<u>7,391,631</u>
Total capital assets being depreciated, net	<u>11,054,037</u>	<u>144,518</u>	<u>4,250</u>	<u>11,194,305</u>
Governmental activities capital assets, net	<u>\$ 11,339,966</u>	<u>518,102</u>	<u>595,063</u>	<u>11,263,005</u>
	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business type activities:				
Machinery and equipment	\$ 344,151	-	-	344,151
Less accumulated depreciation	119,339	25,054	-	144,393
Business type activities capital assets, net	<u>\$ 224,812</u>	<u>(25,054)</u>	<u>-</u>	<u>199,758</u>

Depreciation expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	\$ 21,111
Special	2,616
Other	9,515
Support services:	
Support staff	19,342
Administration	1,278
Operation and maintenance of plant	4,239
Transportation	45,758
	<u>103,859</u>
Unallocated depreciation	<u>364,635</u>
	<u>468,494</u>
Business type activities:	
Food service operations	<u>25,054</u>

Note 5. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2015, are summarized as follows:

	Balance Beginning of Year Restated	Additions	Deletions	Balance End of Year	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 1,290,000	-	320,000	970,000	320,000
Revenue Bonds	3,520,000	-	170,000	3,350,000	175,000
Capital Loan Notes	885,000	-	220,000	665,000	220,000
Lighting Lease	88,219	-	9,046	79,173	9,551
Bus Loan	113,482	-	40,102	73,380	38,723
Termination Benefits	170,561	-	112,561	58,000	-
Compensated Absences	34,501	65,972	34,501	65,972	65,972
Net Pension Liability	3,690,210	-	1,253,017	2,437,193	-
Net OPEB Liability	301,187	38,958	-	340,145	-
Total	<u>\$ 10,093,160</u>	<u>104,930</u>	<u>2,159,227</u>	<u>8,038,863</u>	<u>829,246</u>
<u>Business Type Activities:</u>					
Net Pension Liability	\$ 96,174	-	32,656	63,518	-
Net OPEB Liability	2,460	318	-	2,778	-
Total	<u>\$ 98,634</u>	<u>318</u>	<u>32,656</u>	<u>66,296</u>	<u>-</u>

General Obligation Bonds

Details of the Districts June 30, 2015 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Refunding Bond Issue Dated April 29, 2013				
	Rate	Principal	Interest	Total	
2016	0.55 %	\$ 320,000	6,960	326,960	
2017	0.70	325,000	5,200	330,200	
2018	0.90	325,000	2,925	327,925	
Total		<u>\$ 970,000</u>	<u>15,085</u>	<u>985,085</u>	

Revenue Bonds

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

Year Ending June 30,	Bond Issue Dated April 1, 2011				
	Rate	Principal	Interest	Total	
2016	3.00 %	\$ 175,000	122,988	297,988	
2017	3.00	180,000	117,737	297,737	
2018	3.00	185,000	112,338	297,338	
2019	3.00	190,000	106,787	296,787	
2020	3.13	200,000	101,088	301,088	
2021-2025	3.38-3.88	1,095,000	400,075	1,495,075	
2026-2030	4.00-4.25	1,325,000	170,943	1,495,943	
Total		<u>\$ 3,350,000</u>	<u>1,131,956</u>	<u>4,481,956</u>	

The District has pledged future statewide sales, services and use tax revenues to repay the \$3,920,000 bonds issued in April 2011. The bonds were issued for the purpose of financing school renovations. The bonds are payable solely from the proceeds of statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 56% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$4,481,956. For the current year, \$170,000 of principal and \$128,087 in interest was paid on the bonds and total statewide sales, services and use tax revenues were \$581,629.

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

- a) \$301,088 of the proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The balance of the proceeds shall be deposited to the project account. This reserve account is included as part of the Statewide Sales, Services and Use Tax Fund.
- b) Monthly transfers from the statewide sales, services and use tax shall be placed in the revenue account.

- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfers to the sinking account may be transferred to the project account to be used for any lawful purpose.

Capital Loan Notes

Details of the District's June 30, 2015 capital loan note indebtedness that will be paid from the Capital Projects: Physical Plant and Equipment Levy Fund are as follows:

Year Ending June 30,	Refunding Capital Loan Note Issue Dated April 29, 2013				
	Rate	Principal	Interest	Total	
2016	0.55 %	\$ 220,000	4,775	224,775	
2017	0.70	220,000	3,565	223,565	
2018	0.90	225,000	2,025	227,025	
Total		\$ 665,000	10,365	675,365	

Bus Loan

Details of the District's June 30, 2015 bus loan indebtedness that will be paid from the Capital Projects: Physical Plant and Equipment Levy are as follows:

Year Ending June 30,	Bus Loan Dated April 29, 2013				
	Rate	Principal	Interest	Total	
2016	4.75 %	\$ 38,723	3,274	41,997	
2017	4.75	34,657	1,935	36,592	
Total		\$ 73,380	5,209	78,589	

Lighting Lease

During the year ended June 30, 2013, the District entered into a lease purchase agreement for the purchase of lighting equipment. The lease bears an annual interest rate of 5.45% and is payable from the Capital Projects: Statewide Sales, Services and Use Tax Fund. Details of the District's indebtedness under the lease agreement as of June 30, 2015 are as follows.

Year Ending June 30,	Lighting Lease Dated June 8, 2012				
	Rate	Principal	Interest	Total	
2016	5.45 %	\$ 9,551	4,424	13,975	
2017	5.45	10,085	3,891	13,976	
2018	5.45	10,649	3,327	13,976	
2019	5.45	11,244	2,732	13,976	
2020	5.45	11,872	2,103	13,975	
2021-2022	5.45	25,772	2,180	27,952	
Total		\$ 79,173	18,657	97,830	

Termination Benefits

In January 2013, the District approved a voluntary early retirement for employees. The plan was only offered to employees for one year. Eligible employees must be at least age fifty-seven by the date of retirement and employees must have completed fifteen years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement benefit for each eligible licensed employee is equal to 20% of the employee's base salary on the last day of employment. The early retirement benefit for each eligible certified employee is equal to 20% of the employee's regular wages during the employee's last year of employment. Payments to retirees will be made on July 20th and January 20th, of the succeeding fiscal year. Early retirees who received health and dental insurance in the school year preceding retirement can elect for the District to pay up to \$500 per month toward the employee's continuation on the District's health insurance plan. Employees may elect to continue dental and vision insurance at their own expense.

At June 30, 2015, the District has obligations to six participants with a total liability of \$58,000. Actual early retirement expenditures for the year ended June 30, 2015 totaled \$112,561. The cost of early retirement payments expected to be paid are recorded as a long-term liability of the Governmental Activities in the Government-wide financial statements.

Note 6. Pension Plan

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

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

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

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

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

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2015 were \$373,878.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the District reported a liability of \$2,500,711 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 .061790 percent, which was an increase of .005083 from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$132,583. 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	\$ 27,178	\$ -
Changes of assumptions	110,362	-
Net difference between projected and actual earnings on pension plan investments	-	953,699
Changes in proportion and differences between District contributions and proportionate share of contributions	-	233,640
District contributions subsequent to the measurement date	373,838	-
Total	<u>\$ 511,378</u>	<u>\$ 1,187,339</u>

\$373,838 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	\$ (260,878)
2017	(260,878)
2018	(260,878)
2019	(260,878)
2020	(6,287)
	<u>\$ (1,049,799)</u>

There were no non-employer contributing entities at IPERS.

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

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

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

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

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

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

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

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

	1% Decrease (-6.5%)	Discount Rate (-7.5%)	1% Increase (-8.5%)
District's proportionate share of the net pension liability	\$ 4,725,023	\$ 2,500,711	\$ 623,161

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 \$67,161 for legally required employer contributions and \$44,974 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 7. Other Postemployment Benefits(OPEB)

Plan Description - The District operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. There are 51 active members in the plan. Participants must be age 55 or older at retirement.

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

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

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

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	\$ 45,598
Interest on net OPEB obligation	7,591
Adjustment to annual required contribution	(13,913)
Annual OPEB cost	<u>39,276</u>
Contributions made	<u>-</u>
Increase in net OPEB obligation	39,276
Net OPEB obligation beginning of year	<u>303,647</u>
Net OPEB obligation end of year	<u><u>\$ 342,923</u></u>

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

For the year ended June 30, 2015, the District contributed \$0 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 are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 46,143	0.00 %	\$ 268,111
2014	35,536	0.00	303,647
2015	39,276	0.00	342,923

Funded Status and Funding Progress - As of July 1, 2012, the most recent actuarial valuation date for the period July 1, 2014 through June 30, 2015, the actuarial accrued liability was \$363,857 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$363,857. The covered payroll (annual payroll of active employees covered by the plan) was \$2,626,966, and the ratio of the UAAL to covered payroll was 13.9%. As of June 30, 2014, 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, 2012 actuarial valuation date, the frozen entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6.0%.

Mortality rates are from the 94 Group Annuity Mortality Table, Projected to 2000, applied on a gender-specific basis. Annual retirement probabilities were developed based upon sample rates varying by age and employee type.

Projected claim costs of the medical plan are \$589 for single family plans and \$1,472 for Family plans. The salary increase is assumed to be The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Note 8. Risk Management

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

Note 9. 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 \$248,486 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 10. Categorical Funding

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

Program	Amount
Limited english proficiency weighting	\$ 34,503
Home school assistance program	83,158
At-risk supplemental weighting	65,736
Gifted and talented	130,958
Dropout and dropout prevention	31,495
Beginning teacher mentoring and induction	666
Teacher salary supplement	11,076
Successful progression for early readers	31,632
Professional development for model core curriculum	56,535
Iowa Early Intervention Block Grant	4,431
Professional development	49,446
Teacher leadership grants	1,618
Total	<u>\$ 501,254</u>

Note 11. Deficit Unassigned Fund Balance

The district has a deficit unrestricted net position of \$ 33,046 in the Business Type Activity, Enterprise: School Nutrition Fund and a deficit unrestricted net position in its Governmental Activities of \$ 1,582,507 at June 30, 2015

Note 12. Budget Overexpenditure

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

Note 13. Reconciliation of Governmental Fund Balances to Net Position

Reconciliation of certain governmental fund balances to net position is the following:

	Invested in Capital Assets	Management Levy	Debt Service	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	832,492	506,825	1,667,883
Invested in capital assets, net of accumulated depreciation	11,263,005	-	-	-
General obligation bond capitalized indebtedness	(970,000)	-	-	-
Revenue bond capitalized indebtedness	(3,350,000)	-	-	-
Capital loan note capitalized indebtedness	(665,000)	-	-	-
Lighting lease capitalized indebtedness	(79,173)	-	-	-
Bus loan capitalized indebtedness	(73,380)	-	-	-
Termination benefits	-	(58,000)	-	-
Accrued interest payable	-	-	(66,724)	-
Income Surtax	-	-	-	252,049
Pension Related deferred Inflows	-	-	-	(1,157,181)
Pension Related deferred outflows	-	-	-	498,053
Compensated absences	-	-	-	(65,973)
Net Pension Liability	-	-	-	(2,437,193)
Net OPEB liability	-	-	-	(340,145)
Net position (Exhibit A)	<u>\$ 6,125,452</u>	<u>774,492</u>	<u>440,101</u>	<u>(1,582,507)</u>

Note 14. 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	\$ 9,642,410	\$ 248,119
Net pension liability at June 30, 2014	(3,690,210)	(96,174)
Deferred outflows of resources related to the contributions made after the June 30, 2013 measurement date	359,098	9,359
Net position July 1, 2014, as restated	<u>\$ 6,311,298</u>	<u>\$ 161,304</u>

OGDEN COMMUNITY SCHOOL DISTRICT

Required Supplementary Information

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

	Governmental	Proprietary	Total Actual	Budgeted Amounts		Final to Actual Variance
	Funds	Fund		Original	Final	
	Actual	Actual				
Revenues:						
Local sources	\$ 5,063,517	214,788	5,278,305	5,539,470	5,539,470	(261,165)
State sources	3,959,366	2,978	3,962,344	3,387,831	3,387,831	574,513
Federal sources	183,487	132,212	315,699	298,866	298,866	16,833
Total revenues	<u>9,206,370</u>	<u>349,978</u>	<u>9,556,348</u>	<u>9,226,167</u>	<u>9,226,167</u>	<u>330,181</u>
Expenditures/Expenses:						
Instruction	5,524,863	-	5,524,863	5,136,494	5,588,261	63,398
Support services	1,950,499	-	1,950,499	2,183,434	2,183,434	232,935
Non-instructional programs	11,950	344,570	356,520	330,000	332,865	(23,655)
Other expenditures	2,038,356	-	2,038,356	2,052,425	2,052,425	14,069
Total expenditures/expenses	<u>9,525,668</u>	<u>344,570</u>	<u>9,870,238</u>	<u>9,702,353</u>	<u>10,156,985</u>	<u>286,747</u>
Excess(Deficiency) of revenues under expenditures/expenses	(319,298)	5,408	(313,890)	(476,186)	(930,818)	616,928
Other financing sources, net	<u>22,169</u>	-	<u>22,169</u>	-	-	<u>22,169</u>
Excess(Deficiency) of revenues and other financing sources over(under) expenditures/ expenses	(297,129)	5,408	(291,721)	(476,186)	(930,818)	639,097
Balance beginning of year, as restated	<u>4,513,238</u>	<u>161,304</u>	<u>4,674,542</u>	<u>4,754,549</u>	<u>4,754,549</u>	<u>(80,007)</u>
Balance end of year	<u>\$ 4,216,109</u>	<u>166,712</u>	<u>4,382,821</u>	<u>4,278,363</u>	<u>3,823,731</u>	<u>559,090</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

OGDEN 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 functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides 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 budget expenditures by \$454,632.

During the year ended June 30, 2015, expenditures in the non-instructional programs functional area exceeded the amounts budgeted.

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

		2015
District's proportion of the net pension liability		0.061790%
District's proportionate share of the net pension liability	\$	2,500,711
District's covered-employee payroll	\$	4,186,311
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		59.74%
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: Only the current year fiscal year is being presented using a June 30,2014 measurement date because 10-year data is not yet available.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Statutorily required contribution	\$ 373,838	368,441	374,768	350,493	286,610	289,610	234,758	236,148	215,919	207,704
Contributions in relation to the statutorily required contribution	\$ (373,838)	(368,441)	(374,768)	(350,493)	(286,610)	(289,610)	(234,758)	(236,148)	(215,919)	(207,704)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 4,186,311	4,125,879	4,322,584	4,343,160	4,123,885	4,167,050	3,696,976	3,903,273	3,755,113	3,612,244
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

OGDEN COMMUNITY SCHOOL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION LIABILITY
YEAR END JUNE 30, 2015

Changes of benefit terms:

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

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

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

Changes of assumptions:

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

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

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

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

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

OGDEN COMMUNITY SCHOOL INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PENSION LIABILITY
YEAR END JUNE 30, 2015

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.

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

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial	Unfunded	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a
			Accrued Liability (AAL) (b)	AAL (UAAL) (b-a)			Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	\$ -	\$ 667,691	\$ 667,691	0.0 %	2,248,000	29.7 %
2011	July 1, 2009	-	626,693	626,693	0.0	2,025,000	30.9
2012	July 1, 2009	-	563,060	563,060	0.0	2,133,000	26.4
2013	July 1, 2012	-	619,360	619,360	0.0	2,467,590	25.1
2014	July 1, 2012	-	367,055	367,055	0.0	2,646,127	13.9
2015	July 1, 2012	-	363,857	363,857	0.0	2,626,966	13.9

See Note 7 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.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Supplementary Information

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

	Special Revenue				
	Student Activity	Public Education and Recreation Levy	Total	Debt Service	Total
ASSETS					
Cash and pooled investments	\$ 84,516	3	84,519	203,425	287,944
Receivables:					
Property tax:					
Delinquent	-	216	216	2,312	2,528
Succeeding year	-	31,513	31,513	326,460	357,973
Accounts	1,325	-	1,325	-	1,325
TOTAL ASSETS	\$ 85,841	31,732	117,573	532,197	649,770
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 8,889	-	8,889	-	8,889
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	-	31,513	31,513	326,460	357,973
Total liabilities	8,889	31,513	40,402	326,460	366,862
Fund balances:					
Restricted for:					
Student activities	76,952	-	76,952	-	76,952
Public education and recreation levy	-	219	219	-	219
Debt Service	-	-	-	205,737	205,737
Total liabilities	76,952	219	77,171	205,737	282,908
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 85,841	31,732	117,573	532,197	649,770

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Special Revenue				
	Public Education and Recreation			Debt	
	Student Activity	Levy	Total	Levy	Total
REVENUES:					
Local sources:					
Local tax	\$ -	30,697	30,697	328,708	359,405
Other	450,483	37	450,520	87	450,607
State sources	-	124	124	1,324	1,448
TOTAL REVENUES	450,483	30,858	481,341	330,119	811,460
EXPENDITURES:					
Current:					
Instruction:					
Other	423,924	-	423,924	-	423,924
Support services:					
Administration	2,160	-	2,160	-	2,160
Operation and maintenance of plant	-	29,543	29,543	-	29,543
Transportation	28,848	-	28,848	-	28,848
Non-instructional programs:					
Community service operations	-	11,950	11,950	-	11,950
Other expenditures:					
Long-term Debt:					
Principal	-	-	-	759,148	759,148
Interest and fiscal charges	-	-	-	153,609	153,609
TOTAL EXPENDITURES	454,932	41,493	496,425	912,757	1,409,182
Deficiency of revenues under expenditures	(4,449)	(10,635)	(15,084)	(582,638)	(597,722)
Other financing sources(uses):					
Transfer in	-	-	-	578,629	578,629
Total other financing sources(uses)	-	-	-	578,629	578,629
Change in fund balances	(4,449)	(10,635)	(15,084)	(4,009)	(19,093)
Fund balances beginning of year	81,401	10,854	92,255	209,746	302,001
Fund balances end of year	\$ 76,952	219	77,171	205,737	282,908

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

OGDEN 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	\$ 829,957	176,948	1,006,905
Receivables:			
Property tax:			
Delinquent	-	2,671	2,671
Succeeding year	-	389,832	389,832
Due from other governments	90,919	-	90,919
TOTAL ASSETS	\$ 920,876	569,451	1,490,327
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 170,515	1,632	172,147
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	389,832	389,832
Fund balances:			
Restricted for:			
Debt service	301,088	-	301,088
School infrastructure	449,273	-	449,273
Physical plant and equipment	-	177,987	177,987
Total fund balances	750,361	177,987	928,348
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 920,876	569,451	1,490,327

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Capital Project Funds		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
REVENUES:			
Local sources:			
Local tax	\$ -	379,717	379,717
Other	25,604	34	25,638
State sources	581,629	1,529	583,158
TOTAL REVENUES	607,233	381,280	988,513
EXPENDITURES:			
Current:			
Support services:			
Operation and maintenance of plant	-	30,236	30,236
Transportation	25,918	-	25,918
Capital outlay	826,761	50,352	877,113
TOTAL EXPENDITURES	852,679	80,588	933,267
Excess (deficiency) of revenues over (under) expenditures	(245,446)	300,692	55,246
Other financing Sources (uses):			
Proceeds from sale of real property	-	21,168	21,168
Transfers out	(313,741)	(264,888)	(578,629)
Change in fund balances	(559,187)	56,972	(502,215)
Fund balances beginning of year	1,309,548	121,015	1,430,563
Fund balances end of year	\$ 750,361	177,987	928,348

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

Account	Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfer	Balance End of Year
DRAMA	\$ -	4,478	4,282	-	196
BOYS/GIRLS CROSS COUNTRY	-	2,297	3,053	756	-
BOYS/GIRLS GOLF	-	-	877	877	-
CHEERLEADERS	-	11,101	11,097	-	4
BOYS BASKETBALL	-	4,900	3,987	-	913
FOOTBALL	1,739	19,791	12,840	(8,690)	-
BASEBALL	2,982	14,722	13,388	-	4,316
BOYS TRACK	-	1,308	1,153	(155)	-
WRESTLING	-	4,317	5,131	814	-
GIRLS BASKETBALL	-	4,504	4,982	197	-
VOLLEYBALL	-	5,168	3,738	(1,430)	-
SOFTBALL	3,113	9,422	10,586	-	1,949
GIRLS TRACK	-	2,439	1,001	(1,438)	-
MIDDLE SCHOOL MISC. ATHLETICS	1,118	4,427	6,679	1,134	-
MISCELLANEOUS ATHLETICS	-	5,025	15,941	14,782	3,585
MIDDLE SCHOOL ATHLETIC RESALE	-	910	1,194	284	-
ORLANDO MUSIC TRIP	671	106,928	107,599	-	-
HIGH SCHOOL DESIGN GROUP	3,090	-	3,090	-	-
MIDDLE SCHOOL STUDENT COUNCIL	800	2,978	1,995	256	2,039
SENIORS	145	1,716	2,052	274	83
JUNIORS	622	1,348	2,012	1,983	1,941
SOPHOMORES	2,257	2,357	1,513	(948)	2,153
FRESHMAN	1,309	2,237	984	(1,309)	1,253
BOYS "O" CLUB	3,437	971	2,466	-	1,942
GIRLS "O" CLUB	2,826	1,824	3,723	-	927
DC/NYC TRIP	31,165	178,888	182,534	-	27,519
ENGLISH CLUB	49	-	-	-	49
CHARACTER EDUCATION	-	144	-	(144)	-
MIDDLE FUNDRAISING	10,498	19,704	23,259	(1,674)	5,269
ELEMENTARY FUNDRAISING	3,668	2,981	3,712	143	3,080
RSA CLUB	238	-	-	-	238
HIGH SCHOOL YEARBOOK	(3,224)	7,013	-	-	3,789
ACTIVITY TICKETS	-	5,665	-	(5,665)	-
STUDENT COUNCIL	4,913	5,562	6,399	-	4,076
CONCESSIONS	-	13,429	11,062	(2,367)	-
ART CLUB	135	-	-	-	135
CMS CLUB	9,344	140	971	2,367	10,880
INTERNATIONAL CLUB	3	-	-	-	3
MIDDLE SCHOOL CONCESSIONS	500	1,634	1,566	-	568
HTM CLASS FUNDRAISER	-	111	66	-	45
INTEREST	3	44	-	(47)	-
TOTALS	\$ 81,401	450,483	454,932	-	76,952

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Modified Accrual Basis									
	Years Ended June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Local sources:										
Local tax	\$ 3,514,536	3,822,981	4,697,740	4,819,602	4,600,341	4,298,936	3,724,784	3,420,954	3,462,969	3,159,100
Tuition	895,420	654,110	620,059	570,273	613,464	517,543	525,364	591,169	631,539	601,446
Other	653,561	518,170	575,239	588,732	702,207	523,916	558,748	639,445	761,285	585,767
Intermediate sources	-	-	-	-	-	-	4,100	-	-	-
State sources	3,959,366	3,770,241	3,351,452	3,454,426	3,361,391	2,914,496	3,459,209	3,424,108	3,377,645	3,398,630
Federal sources	183,487	152,377	202,975	351,527	315,600	525,742	226,529	140,196	144,518	133,928
Total	\$ 9,206,370	8,917,879	9,447,465	9,784,560	9,593,003	8,780,633	8,498,734	8,215,872	8,377,956	7,878,871
Expenditures:										
Instruction:										
Regular	\$ 3,169,798	3,032,929	3,112,504	3,281,736	3,189,626	3,219,909	3,174,180	2,997,905	2,871,069	2,788,368
Special	1,020,553	914,766	796,357	840,823	819,529	819,316	827,996	780,523	732,927	691,607
Other	1,334,512	1,217,333	1,287,137	1,284,883	1,438,256	1,197,561	1,163,346	1,145,803	1,192,718	953,419
Support services:										
Student	185,776	134,412	141,091	136,099	135,890	127,297	158,562	177,496	167,385	164,512
Instructional staff	162,734	162,394	152,006	179,910	185,868	242,139	193,578	223,407	172,427	178,040
Administration	551,208	632,750	801,711	679,081	645,080	711,898	718,872	753,519	676,545	673,181
Operation and maintenance of plant	792,170	807,403	726,576	750,425	656,255	722,610	741,325	736,196	671,385	674,148
Transportation	258,612	218,243	337,267	424,942	342,511	334,651	325,124	331,405	338,826	308,142
Non-instructional programs	11,950	7,748	7,398	-	32,415	24,839	36,464	23,196	27,429	54,806
Capital outlay	877,113	266,892	808,021	2,597,211	586,836	351,769	1,591,511	490,629	272,948	176,549
Long-term debt:										
Principal	759,148	761,725	654,774	595,000	1,230,000	651,000	649,655	563,443	542,311	511,000
Interest and fiscal charges	153,609	163,750	271,411	247,322	188,126	206,846	229,919	221,534	245,894	262,985
Other expenditures:										
AEA flow-through	248,486	244,452	240,882	242,102	271,535	261,003	239,624	229,281	225,505	218,628
Total	\$ 9,525,669	8,564,797	9,337,135	11,259,534	9,721,927	8,870,838	10,050,156	8,674,337	8,137,369	7,655,385

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.

Certified Public Accountants

(a professional corporation)

117 West 3rd Street North, Newton, Iowa 50208-3040

Telephone (641) 792-1910

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

To the Board of Education of the Ogden Community School District:

We have audited 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, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Ogden Community School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 29, 2015.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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

Ogden Community School District's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls 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 Ogden Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



NOLTE, CORNMAN & JOHNSON, P.C.

December 29, 2015
Newton, Iowa

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

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

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

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

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

Response – The District will continue to review our procedures and implement additional controls where possible.

Conclusion – Response accepted.

I-B-15 Student Activity Fund-Fundraisers - We noted during our audit that the District maintains fundraisers in the Student Activity Fund, however they are not approved by the Board. We recommend that all fundraisers be approved by Board.

Recommendation - Districts should have policies and/or procedures in place to address fund-raising activity including:

- a. The Board or its designee should approve all District-sponsored fundraising activity.
- b. The Board may also adopt a policy to require Board approval of all fundraising activity including fundraising activities of affiliated organizations such as Booster Clubs and the PTO.
- c. Boards should establish procedures for fund-raising activity for District sponsored fund-raisers as well as fund-raisers sponsored by outside groups and organizations to help ensure consistency and accountability over fund-raising activities.
- d. The Board should determine the extent, if any, of administrative support to be provided for District-sponsored and affiliated organization fundraising activity including the cost and/or expense associated with staff time used in collecting payments; preparing, printing and/or assembling mailings; postage; etc.
- e. Fund-raising activity should be clearly designated as District-sponsored and/or sponsored by an outside group or affiliated organization to clearly establish responsibility and accountability.
- f. If District-sponsored, the District should account for the fund-raising activity.

Response - The District will follow board policy to require Board approval of all fundraising activities and take the necessary action.

Conclusion - Response accepted.

I-C-15 Supporting Documentation - Noted that building secretaries are not giving students receipts for money turned in to the office for student activity fundraisers. The secretaries keep a list of who turns in checks and for what amount, but no such list is maintained for cash brought in by students. The lack of documentation for cash turned into the office does not allow the district to determine that all money collected for the fundraiser was being deposited, nor does it allow the district to tell who paid in cash should any disagreement arise.

Recommendation - The district should give receipts for all money that is turned into the office for fundraisers and other purposes. This will allow that district to reconcile the amount of receipts turned into the building offices and will help to ensure that all money turned into the office is being deposited.

Response - The District will implement a procedure to ensure documentation of amounts collected reconcile.

Conclusion - Response accepted.

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

Other Matters:

I-D-15 Deficit Lunch Account Balances - During our audit we noted multiple negative student lunch account balances on the Districts financial statements at June 30, 2015. Some of these negative amounts appeared to be excessive.

Recommendation - The District should develop policies regarding the treatment of negative account balances aimed at discouraging accounts from becoming excessively negative. The District may also wish to investigate alternatives to bring negative accounts back to a positive balance.

Response - The District will continue to monitor negative meal account balances and have taken action with regards to collection

Conclusion - Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

II-A-15 Certified Budget - District expenditures for the year ended June 30, 2015 exceeded the certified budgeted amounts in the non-instructional program functional area.

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

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

Conclusion – Response accepted.

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

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

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

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

II-F-15 Certified Enrollment - We noted a variance in the basic enrollment data certified to the department of Education. The number of resident students was overstated by 1.0 students

Recommendation - The Iowa Department of Education and the Department of Management should be contacted to resolve this matter.

Response - The District's auditors will contact the Iowa Department of Education and Department of Management on our behalf to resolve this matter.

Conclusion - Response accepted.

- II-G-15 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- II-H-15 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- II-I-15 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- II-J-15 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- II-K-15 Statewide Sales, Services and Use Tax - No instances of non-compliance with the use of the statewide sales and 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		\$ 1,309,548
Revenues:		
Sales tax revenues	\$ 581,629	
Other local revenues	25,604	607,233
		1,916,781
Expenditures:		
School infrastructure construction	641,962	
Equipment	186,538	
Other	24,179	
Transfers to other funds:		
Debt service fund	313,741	1,166,420
		1,166,420
Ending balance		\$ 750,361

As a result of the statewide sales, services and use tax revenue received during the year ended June 30, 2015 the district reduced the following levies:

	Rate of Reduction Per \$1,000 of Taxable Valuation	Property Tax Dollars Reduced
Debt service levy	\$ 0.00400	\$ 1,000

II-L-15 Financial Condition - The District has the following deficit balances at June 30, 2015. The District has a deficit unrestricted net position of \$ 33,046 in the Business Type Activity, Enterprise: School Nutrition Fund. The District also had a deficit unrestricted net position in its Governmental Activities of \$ 1,582,507.

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 on Net Position. The District's governmental activities net pension liability was \$2,500,711 at June 30, 2015.

Conclusion - Response accepted.

II-M-15 Student Activity Fund - In accordance with 298A.8 of the Code of Iowa and Iowa Administrative Code 281-12.6(1), the purpose of the Student Activity Fund is to account for financial transactions related to the cocurricular and extracurricular activities offered as a part of the education program for students. However, we noted expenditures which do not appear to be related to cocurricular or extracurricular activities.

Instructional Items Purchased: We noted a Middle School Fundraising Account with in the Student Activity Fund. In this account we noted expenditures related to the purchase of 11 ipad minis that would be used a part of a sixth grade science classroom. These expenditures appear to be for instructional purposes and would be more appropriate handled in a different fund.

Recommendation – The District should review the propriety of the revenues and expenditures that are approved in the Student Activity Fund. The Expenditures for the eleven Ipad Minis appear to be instructional in nature and would be more appropriately accounted for in the General Fund.

Response – The District will monitor expenditure requests from the Student Activity Fund.

Conclusion – Response accepted.