$4,965,000*
Bondurant-Farrar Community School District, Iowa
General Obligation School Refunding Bonds
Series 2016A

(FAST Closing)
(The Issuer will designate the Bonds as Bank-Qualified as discussed more thoroughly herein)
(Book Entry Only)
(PARITY© Bidding Available)

DATE:	Tuesday, October 11, 2016
TIME:	10:00 am
PLACE:	Office of the Superintendent 300 Garfield St. SW Bondurant, IA 50035
Telephone:	(515)967-7819
Fax:	(515)967-7847

Standard & Poor's Rating: "A+"

* Preliminary, subject to change

PiperJaffray®

3900 Ingersoll Ave., Suite 110
Des Moines, IA 50312
515/247-2340

OFFICIAL BID FORM

TO: Board of Directors of the Bondurant-Farrar Community School District, Iowa (the "Issuer")

Re: $4,965,000* General Obligation School Refunding Bonds, Series 2016A, dated the date of delivery, of the Issuer (the "Bonds")

For all or none of the above Bonds, we will pay you $______ for Bonds bearing interest rates and maturing in each of the stated years as follows:

Coupon	Yield	Due	Coupon	Yield	Due
__________	________	June 1, 2019	__________	________	June 1, 2023
__________	________	June 1, 2020	__________	________	June 1, 2024
__________	________	June 1, 2021	__________	________	June 1, 2025
__________	________	June 1, 2022	__________	________	June 1, 2026

________ We hereby elect to have the following issued as term bonds:

Principal Amount	Month and Year (Inclusive)	Maturity Month and Year
$_____________	_______________ to _______________	_______________
$_____________	_______________ to _______________	_______________
$_____________	_______________ to _______________	_______________
$_____________	_______________ to _______________	_______________

Subject to mandatory redemption requirement in the amounts and at the times shown above

__________ We will not elect to have any bonds issued as term bonds

This bid is for prompt acceptance and for delivery of said Bonds to us in compliance with the Official Terms of Offering, which is made a part of this proposal, by reference. Award will be made on a True Interest Cost Basis (TIC).

According to our computations (the correct computation being controlling in the award), we compute the following (to the dated date):

NET INTEREST COST:$_____________________________

TRUE INTEREST RATE _________________________%
(Computed from the dated date)

____
Account Manager

____
Signature of Account Manager

The foregoing offer is hereby accepted by and on behalf of the Board of Directors of the Bondurant-Farrar Community School District, in the Counties of Jasper and Polk, State of Iowa, this 11th day of October, 2016.

ATTEST: ______________________________________
District Secretary

____
Board President

____

* Preliminary, subject to change

OFFICIAL TERMS OF OFFERING

This section sets forth the description of certain of the terms of the Bonds as well as the terms of offering with which all bidders and bid proposals are required to comply, as follows:

The Bonds to be offered are the following:

GENERAL OBLIGATION SCHOOL REFUNDING BONDS, **SERIES 2016A**, in the principal amount of $4,965,000* dated the date of delivery in the denomination of $5,000 or multiples thereof, and maturing as shown on the front page of the official statement.

ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the Issuer or its designee after the determination of the Successful Bidder. The Issuer may increase or decrease each maturity in increments of $5,000 to produce the savings structure desired by the Issuer. Interest rates specified by the Successful Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the Issuer.

The dollar amount bid by the Successful Bidder may be changed if the aggregate principal amount of the Bonds, as adjusted as described below, is adjusted, however the interest rates specified by the Successful Bidder for all maturities will not change. The Issuer’s financial advisor will make every effort to ensure that the percentage net compensation to the Successful Bidder (the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the Issuer (not including accrued interest), less any bond insurance premium and credit rating fee, if any, to be paid by the Successful Bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to principal amounts shown in the maturity schedule.

Optional Redemption: The Bonds maturing after June 1, 2022, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Interest: Interest on said Bonds will be payable on June 1, 2017 and semiannually on the 1st day of June and December thereafter. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Book Entry System: The Bonds will be issued by means of a book entry system with no physical distribution of certificates made to the public. The Bonds will be issued in fully registered form and one certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Issuer to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The successful bidder, as a condition of delivery of the Bonds, will be required to deposit the certificates with DTC.

Good Faith Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire in the amount of $49,650* for the Bonds, payable to the order of the Issuer, is required for each bid to be considered. If a check is used, it must accompany each bid. If a wire is to be used, it must be received by the Issuer not later than two hours after the time stated for receipt of bids. The Financial Advisor or the Issuer will provide the apparent winning bidder (the “Purchaser”) with wiring instructions, by facsimile and email, within 10 minutes of the stated time when bids are due. If the wire is not received at the time indicated above, the Issuer will abandon its plan to award to the Purchaser, and will contact the next highest bidder received and offer said bidder the opportunity to become the Purchaser, on the terms as outlined in said bidder’s bid, so long as said bidder submits a good faith wire within two hours of the time offered. The Issuer will not award the Bonds to the Purchaser absent receipt of the Deposit prior to action awarding the Bonds. No interest on the Deposit will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its bid, the Deposit will be retained by the Issuer.

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* Preliminary, subject to change

Form of Bids: All bids shall be unconditional for the entire issue of Bonds for a price of not less than 99.00% of par, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations set forth herein. Bids must be submitted on or in substantial compliance with the Official Bid Form provided by the Issuer or through the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bid, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be received after the time specified herein. The time as maintained by the Internet Bid System shall constitute the official time with respect to all Bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the Superintendent, Bondurant-Farrar Community School District, 300 Garfield St. SW, Bondurant, IA 50035.

Internet Bidding: Internet bids must be submitted through Parity® ("the Internet Bid System"). Information about the Internet Bid System may be obtained by calling 212-849-5000.

Each bidder shall be solely responsible for making necessary arrangements to access the Internet Bid System for purpose of submitting its internet bid in a timely manner and in compliance with the requirements of the Official Terms of Offering. The Issuer is permitting bidders to use the services of the Internet Bid System solely as a communication mechanism to conduct the internet bidding and the Internet Bid System is not an agent of the Issuer. Provisions of the Official Terms of Offering shall control in the events of conflict with information provided by the Internet Bid System. The Issuer shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the Internet Bid System. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at the phone number listed on the front cover of this Preliminary Official Statement. Electronic facsimile bids will be sealed and treated as sealed bids. Transmissions received after the deadline shall be rejected. It is the responsibility of the bidder to ensure that the bid is legible, that the bid is received prior to the appointed time, and that the bid is sent to the telecopier number set forth above. The Financial Advisor will, in no instance correct, alter, or in any way change bids submitted through facsimile transmission. Neither the Issuer nor its agents will be responsible for bids submitted by facsimile transmission not received in accordance with the provisions of this Official Terms of Offering. Bidders electing to submit bids via facsimile transmission will bear full and complete responsibility for the transmission of such bid. Neither the Issuer nor its agents will assume liability for the inability of the bidder to reach the above name fax number prior to the time of sale specified above. Time of receipt shall be the time recorded by the facsimile operator.

Rates of Interest: The rates of interest specified in the bidder's proposal must conform to the limitations following:

All Bonds of each annual maturity must bear the same interest rate.

Rates of interest bid may be in multiples of 1/8th, 1/20th, or 1/100th of 1%.

Rates must be in level or ascending order.

Delivery: The Bonds will be delivered to the Purchaser via FAST delivery with the Paying Agent holding the Bonds on behalf of DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within sixty days after the sale. Should delivery be delayed beyond sixty days from date of sale for any reason except failure of performance by the Purchaser, the Purchaser may withdraw his bid and thereafter his interest in and liability for the Bonds will cease. (When the Bonds are ready for delivery, the Issuer may give the successful bidder five working days notice of the delivery date and the Issuer will expect payment in full on that date, otherwise reserving the right at its option to determine that the bidder has failed to comply with the offer of purchase.)

Certificate of Purchaser: The Purchaser will be required to certify to the Issuer immediately after the opening of bids: (i) the initial public offering price of each maturity of the Bonds (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds (not less than 10% of each maturity) were sold to the public; or (ii) if less than 10% of any maturity has been sold, the price for that maturity determined as of the time of the sale based upon the reasonably expected initial offering price to the public; and (iii) that the initial public offering price does not exceed their fair market value of the Bonds on the sale date. The Purchaser will also be required to provide a certificate satisfactory to the Issuer and Bond Counsel at closing confirming the information required by this paragraph.

Official Statement: The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Notes, and any other information required by law or deemed appropriate by the Issuer, shall constitute a "Final Official Statement" of the Issuer with respect to the Notes, as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). By awarding the Notes to any underwriter or underwriting syndicate submitting an Official Bid Form therefore, the Issuer agrees that, no more than seven (7) business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Notes are awarded one ".pdf" copy of the Official Statement and the addendum described in the preceding sentence to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Issuer shall treat the senior managing underwriter of the syndicate to which the Notes are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Notes agrees thereby that if its bid is accepted by the Issuer, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Notes for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

CUSIP Numbers: It is anticipated that CUSIP numbers will be printed on the Bonds. In no event will the Issuer be responsible for or Bond Counsel review or express any opinion of the correctness of such numbers, and incorrect numbers on said Bonds shall not be cause for the purchaser to refuse to accept delivery of the Bonds. The fee will be paid for by the Issuer.

Responsibility of Bidder: It is the responsibility of the bidder to deliver its signed, completed bid prior to the time of sale as posted on the front cover of the official statement. Neither the Issuer nor its Financial Advisor will assume responsibility for the collection of or receipt of bids. Bids received after the appointed time of sale will not be opened.

Continuing Disclosure: In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of the Rule, the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Bond Resolution and pursuant to a Continuing Disclosure Certificate, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix C to this Official Statement.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the Issuer to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

For more information see the Continuing Disclosure section herein.

Bond Insurance: Application has not been made for municipal bond insurance. Should the Bonds qualify for the issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. Any increased costs of issuance on the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the Issuer has requested and received a rating on the Bonds from a municipal bond rating service, the Issuer will pay that rating fee. Any other rating service fees shall be the responsibility of the Purchaser.

Requested modifications to the Bond Resolution or other issuance documents shall be accommodated by the Issuer at its sole discretion. In no event will modifications be made regarding the investment of funds created under the Bond Resolution or other issuance documents without prior Issuer consent, in its sole discretion. Either the Purchaser or the insurer must agree, in the insurance commitment letter or separate agreement acceptable to the Issuer in its sole discretion, to pay any future continuing disclosure costs of the Issuer associated with any rating changes assigned to the municipal bond insurer after closing (for example, if there is a rating change on the municipal bond insurer that require a material event notice filing by the Issuer, the Purchaser or the municipal bond insurer must agree to pay the reasonable costs associated with such filing). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 13, 2016

NEW ISSUE - DTC BOOK ENTRY ONLY Rating: "A+"

Assuming compliance with certain covenants, in the opinion of Ahlers & Cooney, P.C., Bond Counsel, under present law and assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is included in adjusted current earnings for the purpose of determining the alternative minimum tax imposed on such corporations. Interest on the Bonds is not exempt from present Iowa income taxes. The Bonds will be designated as "qualified tax-exempt obligations". See "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein for a more detailed discussion.

$4,965,000*
Bondurant-Farrar Community School District, Iowa
General Obligation School Refunding Bonds
Series 2016A

Dated: Date of Delivery

The General Obligation School Refunding Bonds, Series 2016A described above (the "Bonds") are issuable as fully registered Bonds in the denomination of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee of the Depository Trust Company, New York, NY ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by Bankers Trust Company as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds.

Interest on the Bonds is payable on June 1, and December 1 in each year, beginning June 1, 2017 to the registered owners thereof. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

The Bonds maturing after June 1, 2022 may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

MATURITY SCHEDULE

Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **	Bonds Due	Amount*	Rate *	Yield *	Cusip #'s **
June 1, 2019	$595,000			098059 FB9	June 1, 2023	$620,000			098059 FF0
June 1, 2020	600,000			098059 FC7	June 1, 2024	630,000			098059 FG8
June 1, 2021	605,000			098059 FD5	June 1, 2025	645,000			098059 FH6
June 1, 2022	615,000			098059 FE3	June 1, 2026	655,000			098059 FJ2

$________________ ______% Term bond due Priced to yield CUSIP # _________

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of an opinion as to legality, validity and tax exemption by Ahlers & Cooney, P.C., Des Moines, Iowa, Bond Counsel. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about December 1, 2016. The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

The Date of this Official Statement is ______, 2016

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* *Preliminary, subject to change*

** *CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.*

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. The Issuer considers the Official Statement to be "near final" within the meaning of Rule 15c2-12 of the Securities Exchange Commission. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTIONS 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THESE SECURITIES IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THESE SECURITIES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SECURITIES OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

FORWARD-LOOKING STATEMENTS

This Official Statement, including Appendix A, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget" or similar words. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

OFFICIAL STATEMENT
BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT, IOWA
$4,965,000* GENERAL OBLIGATION SCHOOL REFUNDING BONDS, SERIES 2016A

INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Bondurant-Farrar Community School District, Iowa (the "Issuer"), in connection with the sale of the Issuer's General Obligation School Refunding Bonds, Series 2016A (the "Bonds"). The Bonds are being issued for the crossover advance refunding of principal and interest on the 2017-2026 maturities and interest on the 2027 and 2028 maturities of the Issuer's outstanding General Obligation School Bonds, dated July 1, 2008. See "**SOURCES AND USES OF FUNDS**" herein.

This Preliminary Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain pricing and other information which is to be made available through a final Official Statement.

This Introductory Statement is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety.

The Bonds are general obligations of the Issuer, payable from and secured by a continuing annual ad-valorem tax levied against the property valuation of the Issuer. See "**THE BONDS – Source of Security for the Bonds**" herein.

All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

THE BONDS

General

The Bonds are dated as of the date of delivery and will bear interest at the rates to be set forth on the cover page herein, interest payable on June 1 and December 1 in each year, beginning on June 1, 2017, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable by check or draft of the Paying Agent mailed to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the Interest Payment Date, to the addresses appearing on the registration books maintained by the Paying Agent or to such other address as is furnished to the Paying Agent in writing by a registered owner.

Authorization for the Issuance

The Bonds are being issued pursuant to the Code of Iowa, 2015, as amended, Chapter 298.

Book Entry Only System

The following information concerning The Depository Trust Company ("DTC"), New York, New York and DTC's book-entry system has been obtained from sources the Issuer believes to be reliable. However, the Issuer takes no responsibility as to the accuracy or completeness thereof and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The Depository Trust Company ("DTC"), New York, NY will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for the Securities in the aggregate principal amount of such issue, and will be deposited with DTC.

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* Preliminary, subject to change

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S equity issues, corporate and municipal debt issues and money market instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participations include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC").

DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered in the transaction. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to taken certain steps to augment transmission to them notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit have agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial owners may wish to provide their names and addresses to the registrar and request that copies of the notices by provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participants in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or successor securities depository). In that event Security certificates will be printed and delivered to DTC.

The Issuer cannot and does not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal of or interest and premium, if any, on the Bonds, (ii) certificates representing an ownership interest or other confirmation of beneficial ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities Exchange Commission, and the current "Procedures" of DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Issuer nor the Paying Agent will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (2) the payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (3) the delivery by DTC or any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to owners of Bonds; (4) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC as a Bondholder.

Transfer and Exchange

In the event that the Book Entry System is discontinued, any Bond may, in accordance with its terms, be transferred by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal corporate office of the Registrar accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Registrar. Whenever any Bond or Bonds shall be surrendered for transfer, the Registrar shall execute and deliver a new Bond or Bonds of the same maturity, interest rate, and aggregate principal amount.

Bonds may be exchanged at the principal corporate office of the Registrar for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate; provided, however, that the Registrar is not required to transfer or exchange any Bonds which have been selected for prepayment and is not required to transfer or exchange any Bonds during the period beginning 15 days prior to the selection of Bonds for prepayment and ending the date notice of prepayment is mailed. The Registrar may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. All Bonds surrendered pursuant to the provisions of this and the preceding paragraph shall be canceled by the Registrar and shall not be redelivered.

Prepayment

Optional Prepayment: The Bonds maturing after June 1, 2022, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Notice of Prepayment. Prior to the redemption of any Bonds under the provisions of the Resolution, the Registrar shall give written notice not less than thirty (30) days prior to the redemption date to each registered owner thereof. Written notice shall be effective upon the date of transmission to the owner of record of the Bond.

Mandatory Sinking Fund Redemption The Bonds maturing on _______are subject to mandatory redemption (by lot, as selected by the Registrar) on ____ 1 and _______ in each of the years _____ through _____ at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

____ Term Bond	
Mandatory Sinking Fund Date	Principal Amount
	$
(maturity)	

Selection of Bonds for Redemption Bonds subject to redemption will be selected in such order of maturity as the Issuer may direct. If less than all of the Bonds of a single maturity are to be redeemed, the Issuer will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant's interest in such maturity to be redeemed and each Participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent.

Source of Security for the Bonds

These Bonds are general obligations of the Issuer. The Bonds are payable from general ad valorem property taxes, without limitation as to levy rate, levied against all taxable property of the District.

BONDHOLDERS' RISKS

Tax Levy Procedures

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad-valorem tax levied against all of the property valuation within the Issuer. As part of the budgetary process of the Issuer each fiscal year the Issuer will have an obligation to request a debt service levy to be applied against all of the property within the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service on the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the Issuer and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

2013 Property Tax Legislation

During its 2013 session the Iowa Legislature enacted, and the Governor signed, Senate File 295 ("SF295"). Among other things, SF295 reduces the limit on the annual assessed value growth with respect to residential and agricultural property from 4% to 3%, reduces as a rollback the taxable value applicable to commercial, industrial and railroad property to 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, and provides a partial exemption on telecommunications property. SF295 also creates a new separate classification for multiresidential properties which were previously taxed as commercial properties, and assigns an incremental rollback percentage over several years for multiresidential properties such that the multiresidential rollback determination will match that for residential properties in the 2022 assessment year. As a result of SF295, local governments expect to experience reductions in property tax revenues over the next several fiscal years. SF295 includes state-funded replacement moneys for a portion of the expected reduction in property tax revenues to the local governments, but such replacement funding is limited in both amount and duration of availability. There can be no assurance the state-funded replacement moneys will be provided by the state, if at all, during the term the Bonds remain outstanding. The Issuer does not expect the state replacement funding to fully address the property tax reductions resulting from SF295 during the term the Bonds remain outstanding. While SF295 does not limit the legal obligation or the amount the Issuer may be required to levy for payments of debt service on the Bonds there can be no assurances that SF295 will not have a material adverse impact with respect to the Issuer's financial position.

Changes in Property Taxation

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect property tax revenues available to pay the Bonds. Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in properly taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Bonds and the security for the Bonds.

Matters Relating to Enforceability of Agreements
Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Bond Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Bond Resolution. The remedies available to the owners of the Bonds upon an event of default under the Bond Resolution, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Bond Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Bond Resolution or the Loan Agreement, including principal of and interest on the Bonds.

Secondary Market
There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, and secondary marketing practices in connection with a particular Bond or Bonds issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

Pension
Pursuant to GASB Statement No. 68, the School reported a liability of $5,364,071 as of June 30, 2015 for its proportionate share of the net pension liability for Iowa Public Employee Retirement System ("IPERS"). The net pension liability is the amount by which the total actuarial liability exceeds the pension plan's net assets or fiduciary net position (essentially the market value) available for paying benefits. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The School's proportion of the net pension liability was based on the School's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. As of June 30, 2015, the School's collective proportion was 0.1107606%, which is an increase of 0.007063% from its proportion measured June 30, 2013. **See School's Audited Financial Statements for Fiscal Year Ending June 30, 2015, Appendix D, for additional information.**

Rating
Standard & Poor's Corporation ("S&P") has assigned a rating of "A+" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of S&P's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Forward-Looking Statements
This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and the actual results. These differences could be material and could impact the availability of funds of the Issuer to pay debt service when due on the Bonds.

Pending Federal Tax Legislation
From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals are pending in Congress that could, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market

value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

DTC-Beneficial Owners
Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through indirect Participants. Neither the Issuer nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See "**THE BONDS– Book-Entry Only System**."

Other Factors
An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment.

Summary
The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

LITIGATION

The District encounters litigation occasionally as a course of business. However, no litigation currently exists that is not believed to be covered by current insurance carriers and no litigation has been proposed that questions the validity of these bonds.

ACCOUNTANT

The accrual-basis financial statements of the Issuer included as APPENDIX D to this Official Statement have been examined by Hunt & Associates, PC to the extent and for the periods indicated in their report thereon. Such financial statements have been included herein without permission of said CPA, and said CPA expresses no opinion with respect to the Bonds or the Official Statement.

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by ____ (the "Underwriter"). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Bonds at an aggregate purchase price of $_________ plus accrued interest to the Closing Date.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

THE PROJECT

The Bonds are being issued for the crossover advance refunding of principal and interest on the 2017-2026 maturities and interest on the 2027 and 2028 maturities of the Issuer's outstanding General Obligation School Bonds, dated July 1, 2008.

SOURCES AND USES OF FUNDS *

Sources of Funds		
	Bond Proceeds	$
	Reoffering Premium	
Total Sources of Funds		$
Uses of Funds		
	Deposit to escrow fund	$
	Costs of Issuance	
	Underwriter's Discount	
Total Uses of Funds		$

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* Preliminary, subject to change

TAX EXEMPTION AND RELATED CONSIDERATIONS

Tax Exemption

Federal tax law contains a number of requirements and restrictions that apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond proceeds and facilities financed with Bond proceeds, and certain other matters. The School has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the School's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, the interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is included in adjusted current earnings for the purpose of determining the alternative minimum tax imposed on such corporations.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

The interest on the Bonds is not exempt from present Iowa income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Qualified Tax Exemption Obligations

Neither the Issuer nor any entities issuing obligations on behalf of the Issuer has, as of the date of this Preliminary Official Statement, issued any obligations in calendar year 2016. The Issuer expects to issue not more than $5,035,000 General Obligation Bonds, Series 2016B, during calendar year 2016.

The Issuer will designate the Bonds as qualified tax-exempt obligations under Section 265(b)(3)(B) of the Code.

Discount and Premium Bonds

The initial public offering price of certain Bonds may be less than the amount payable on such Bonds at maturity ("Discount Bonds"). Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds may be greater than the amount of such Bonds at maturity ("Premium Bonds"). Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Other Tax Advice

In addition to the income tax consequences described above, potential investors should consider the additional tax consequences of the acquisition, ownership, and disposition of the Bonds. For instance, state income tax law may differ substantially from state to state, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to federal tax issues and with respect to the various state tax consequences of an investment in Bonds.

Audits

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the School as a taxpayer and the bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Reporting and Withholding

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Tax Legislation

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may be considered by the Iowa legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Some legislative proposals may carry retroactive effective dates, that, if enacted, could alter or amend the tax matters referred to in this section or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal or state tax legislation.

The Opinion

The FORM OF LEGAL OPINION, in substantially the form set out in APPENDIX B to this Preliminary Official Statement, will be delivered at closing.

Bond Counsel’s opinion is not a guarantee of a result, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the School described in this section. No ruling has been sought from the Service with respect to the matters addressed in the opinion of Bond Counsel and Bond Counsel’s opinion is not binding on the Service, nor does the rendering of the opinion guarantee the outcome of any legal dispute that may arise out of the transaction. Bond Counsel assumes no obligation to update its opinion after the issue date to reflect any further action, fact or circumstance, or change in law or interpretation, or otherwise.

Enforcement

There is no bond trustee or similar person to monitor or enforce the terms of the resolution for issuance of the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the School and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

The owners of the Bonds cannot foreclose on property within the boundaries of the School or sell such property in order to pay the debt service on the Bonds. In addition, the enforceability of the rights and remedies of owners of the Bonds may be subject to limitation as set forth in Bond Counsel's opinion. The opinion will state, in part, that the obligations of the School with respect to the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, to the exercise of judicial discretion in appropriate cases and to the exercise by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

Bond Counsel Review

Bond Counsel has approved the language included in this "Tax Exemption and Related Considerations" Section, but has not otherwise participated in the preparation of this Preliminary Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has not examined, nor attempted to examine or verify, any of the financial or statistical statements or data contained in this Preliminary Official Statement, and will express no opinion with respect thereto.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE).

FINANCIAL ADVISOR

The Issuer has retained Piper Jaffray & Co. as financial advisor (the “Financial Advisor”) in connection with the issuance of the Bonds. The Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the Official Statement. The Financial Advisor is not a public accounting firm and has not been engaged by the Issuer to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards.

CONTINUING DISCLOSURE

For the purpose of complying with Rule 15c2-12 of the Securities Exchange Commission, as amended and interpreted from time to time (the “Rule”), the Issuer will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds to provide reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the “Disclosure Covenants”). The information to be provided on an annual basis, and the events as to which notice is to be given, if material, is summarized below under the caption “APPENDIX C - Form of Continuing Disclosure Certificate” herein for more information. This covenant is being made by the Issuer to assist the Underwriter(s) in complying with the Rule.

Breach of the Disclosure Covenants will not constitute a default or an “Event of Default” under the Bonds or Resolution, respectively. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the Issuer to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

Pursuant to the Rule, in the last five years, the Issuer believes it has complied in all material respects with regard to its prior Disclosure Covenants; provided, however, that for fiscal years ending June 30, 2011 and 2012, the Issuer filed its annual audited financial statements when they became available which was after the date provided in the Issuer’s prior undertakings. For those same fiscal years, the Issuer did not timely file a notice that the audit would be filed when available nor did the Issuer file unaudited financial information. Since the audited financial statements were filed, the Issuer did not post unaudited financial statements for those years.

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I have reviewed the information contained within the Official Statement of the Community School District, State of Iowa, and to the best of our knowledge, information and belief said Official Statement does not contain any material misstatements of fact nor omissions of any material fact which is necessary to make the statements and information herein, in light of the circumstances under which they were made, not misleading regarding the issuance of $4,965,000* General Obligation School Refunding Bonds, Series 2016A.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT, STATE OF IOWA

/s/ Cari Aylsworth
Business Manager

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* Preliminary, subject to change

APPENDIX A - INFORMATION ABOUT THE ISSUER
BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT, IOWA
DISTRICT OFFICIALS

PRESIDENT	Kristin Swift
BOARD MEMBERS	Steve Davis Tom Looft Chris Freese Sue Ugulini
SUPERINTENDENT	Rich Powers
BUSINESS MANAGER:	Cari Aylsworth
DISTRICT ATTORNEY	Ahlers & Cooney, P.C.

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General Information

The Bondurant-Farrar Community School District is located in central Iowa in the northeastern corner of the Des Moines metropolitan area. Included within the District's 85.2 square miles is the rapidly growing community of Bondurant. Similar to the growth being experienced by other Des Moines metropolitan suburbs, Bondurant's residential sector is rapidly expanding. The southern boundaries of the City of Bondurant and the Bondurant Community School District are adjacent to Adventureland Park, a theme amusement park; Prairie Meadows, a popular thoroughbred horse racing and gaming facility and numerous recently constructed commercial establishments including restaurants and lodging. It is ideally located at the intersection of U.S. Interstate 80 and U.S. Highway 65 and 5 miles from Interstate 35.

Transportation facilities are provided by U.S. Interstate 80, U.S. Highway 65, Iowa Highway 330 and 117 as well as numerous paved county roads. Scheduled commercial airline service is available at the Des Moines International Airport. Casey's General Store Corporate offices and Tone Brothers Inc., are anchors that have located in the Ankeny Industrial Park only four miles west of the District. Commercial banking services within the District are provided by a Bondurant branch office of Legacy Bank of Altoona.

Continuing education centers within commuting distance include: Drake University, Grand View College and Des Moines University all in Des Moines; Iowa State University of Science and Technology, Ames; Simpson College, Indianola; and Area XI Des Moines Area Community College, Ankeny. The DMACC campus is located just seven miles west of Bondurant.

District Facilities

Presented below is a recap of the existing facilities of the District:

Building	Construction Date	Grades Served
High School	2010	9-12
Middle School	1954, 1970, 1973, 1991	6-8
Anderson Elementary	1973, 1990, 2001	PK, 3-5
Morris Elementary	2014	K-2

Source: Bondurant-Farrar CSD

Enrollment

Total enrollment in the District in the fall of the past five school years has been as follows:

Count Date	Fiscal Year	Enrollment
October-15	2016-17	1,813.6
October-14	2015-16	1,697.1
October-13	2014-15	1,595.9
October-12	2013-14	1,466.7
October-11	2012-13	1,390.8

Source: Iowa Department of Education

Open Enrollment

The District has and may have in the future certain students enrolling into or enrolling out of the District. Open enrollment is currently closed to new applications in this District due to space limitations. The open enrolled in students reflected in this table reflected those that have been grandfathered in from prior to the closure of open enrollment Presented below are open enrollment results for the periods outlined:

Fiscal Year	Enrolled In	Enrolled Out	Net
2016-17	132.0	51.9	80.1
2015-16	123.0	53.5	69.5
2014-15	117.0	52.6	64.4
2013-14	120.0	41.4	78.6
2012-13	121.0	37.5	83.5

Source: Iowa Department of Education

Staff

Presented below is a list of the District's 269 employees.

Administrators:	15	Other	7
Teachers:	137	Nurses:	4
Teacher Aides:	39	Guidance:	5
Custodians:	20	Secretaries:	7
Food Service:	18	Transportation:	17

Source: Bondurant-Farrar CSD

District Funds

The District is organized and operates pursuant to Chapter 274 of the Code. The District maintains various funds. Presented below is a description of each fund.

The General Fund

The General Fund receives those revenues of the District not specifically required to be deposited in other funds. General fund revenues are obtained from ad-valorem taxation in the District, State foundation aid payments and minimal federal sources. In addition, revenues generated as miscellaneous revenues including, but not limited to, general fund investment income, tuition income and revenues from ticket sales are deposited in the general fund. The bulk of the general fund revenues are derived from local and State foundation aid sources.

The District receives a mix of property tax and State foundation aid based on a formula which takes into account District enrollment, District property valuations and District costs per pupil. The description of the formula is found in Chapter 257.1 of the Code and reads as follows:

> "For a budget year, each school district in the State is entitled to receive foundation aid in an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district, and the combined district cost per pupil, whichever is less."

The Code allowed for an "State Percentage of Growth," defined as ". . . the amount by which State cost per pupil and district cost per pupil will increase from one budget year to the next" which is calculated on or before October 1 of each year by the Department of Management of the State.

Presented below is the State percentage of growth the District has received (in total dollars) for the period indicated:

Fiscal Year	Allowable Growth
2017	$1,013,931
2016	780,008
2015	1,005,824
2014	807,484
2013	466,501

Source: Bondurant-Farrar CSD and Iowa Department of Education

Presented below is the District's per pupil cost for the period indicated:

Fiscal Year	District Per Pupil Cost	State Average Per Pupil Cost
2017	$6,591	$6,591
2016	6,446	6,446
2015	6,366	6,366
2014	6,121	6,121
2013	6,001	6,001

Source: Bondurant-Farrar CSD and Iowa Department of Education

The District has generated a revenue mix in the operating fund as follows:

Fiscal Year	Property Tax Revenues	State Aid Revenues
2017	$3,874,033	$12,470,269
2016	3,720,193	11,237,322
2015	2,999,160	10,509,165
2014	2,806,988	9,024,258
2013	2,957,344	8,274,016

Source: Bondurant-Farrar CSD and Iowa Department of Education

Additional General Fund State and Local Revenues

Instructional Support:

Districts are allowed to fund additional educational programs or enhanced current programs under the instructional support program, which allows a district to generate 10% of the total regular program district cost for the budget year. These revenues can be locally generated from either ad valorem taxation, income surtax or both. In addition, revenues are appropriated by the State and provided to each district depending on formula. The District can participate in the instructional support program by generating local revenues after either (i) scheduling and holding a hearing and an election on the proposed funding, programs, and mix of funding, which requires 50% approval of those voting at a special district election and allows the program to be funded for a period of up to ten years; or (ii) for a period of up to five years, after scheduling and holding a hearing on the programs and mix of funding, which after a 28 day period, the voters of the District can either force an election or a rescission of the action to participate in the program, for a period of up to five years.

Presented below is a summary of the instructional support levy for the periods indicated:

Fiscal Year	ISL Property Tax	ISL State Aid	ISL Income Surtax
2017	$364,156	$0	$269,258
2016	359,759	0	244,868
2015	320,230	0	225,030
2014	312,261	0	198,748
2013	304,067	0	185,687

Source: Bondurant-Farrar CSD and Iowa Department of Education

Management Levy:

A District can levy for certain costs relating to payment of employee benefits, tort insurance and early retirement outside of the General Operating Levy. These revenues are generated through a property tax, and there is no limitation on the tax rate or amount. Presented below is the management fund levies for the period indicated:

Fiscal Year	Management Levy
2017	$275,000
2016	211,142
2015	420,001
2014	419,999
2013	300,000

Source: Bondurant-Farrar CSD and Iowa Department of Education

Educational Improvement Program

The District can schedule and hold an election on funding the educational improvement program if the District's per pupil cost is in excess of 110% of the State average per pupil cost, which takes 50% approval and is funded by a combination of property tax and income surtax.

Cash Reserve Levy

The District can certify as a part of its general fund levy but in addition to the property tax levied as a part of each of the above general fund levies. This levy covers cash-flow needs and funds programs when the above revenue sources are reduced. This is levied annually at the discretion of the Board of Directors. The District has levied the following in cash reserve for the period indicated:

Fiscal Year	Regular Cash Reserve	Cash Reserve - SBRC
2017	$0	$367,382
2016	320,000	0
2015	0	0
2014	0	13,980
2013	0	300,538
2012	300,000	468,235

Source: Bondurant-Farrar CSD and Iowa Department of Education

The School Infrastructure Fund

Physical Plant & Equipment Levies

The District can, at Board discretion, annually levy on ad valorem tax of $.33 per $1,000 of assessed valuation for certain capital, land costs etc. In addition, upon voter approval, the District can institute a property tax or property tax/income surtax combination that generates $1.34 per $1,000 of assessed valuation. The District has historically levied the Board discretionary Physical Plant and Equipment Levy. On October 23, 2007, the voters of the District authorized a Physical Plant and Equipment Property Tax Levy that generals $1.34 per $1,000 of assessed valuation, for a ten year period beginning with fiscal year ending June 30, 2009.

Debt Service Levy

The debt service levy is an ad valorem tax levied for the payment of bonds and interest and is approved at a special election of the District with minimum of 60% in favor of the proposal.

Capital Projects Fund

This fund is used to account for the revenues received from the statewide school infrastructure sales, services and use tax revenues. Principal and interest on the Bonds will be paid from revenues received into this fund.

Historic and Potential State and Federal Actions that impact current and future District Budgets

The District's operating budget is subject to change based on events outside of its control, including State and Federal funding. There may be changes in funding that are unknown or unanticipated at this time. Presented below is a discussion of some of the known changes that might impact the District's operating budget:

State Funding

After the appropriation of State Aid (and after the adoption of the District's budget for a particular fiscal year), the Governor and the General Assembly have the ability to rescind all or a portion of the appropriation. Certain areas of the State's budget are exempt from these potential cuts, however, K-12 and community college funding are not exempt from rescission. Historically, rescissions were imposed in an "across-the-board" fashion, and all state funding was reduced in a percentage format. This had the potential to impact schools with low valuation per pupil much greater than schools with high per pupil valuations. In the 2002 General Assembly, the formula for rescission was altered for K-12 funding, such that all future rescissions, if any, would be applied to K-12 education on a "per-pupil" basis.

Historically, the Governor has rescinded state aid since 1980, presented below are the most recent cuts and the fiscal years affected:

Fiscal Year	Percentage Rescission
2010	10.00%
2009	1.50
2004	2.50
2002	4.30

Source: Iowa Department of Management; Historic Funding and school aid files; aid and levy worksheets

Note – reduction in state aid impacts only the general fund operating account of a district. The revenues pledged for the repayment of these Bonds are not impacted in any away by reductions in State Aid.

Federal Funding
Federal legislation with respect to student achievement in future years may result in sanctions that could have financial implications for the general fund operating budget. The "No Child Left Behind" act of 2001, superseded by the Every Student Succeeds act, applies sanctions to under-performing schools that, if the school remains under-performing (as defined by the act) allows the parents of pupils in the school to move to another school, transferring their funding to the new school. This act applies to individual school facilities and does not necessarily apply to school districts, however, the revenue impact to a school district could be material if the school district has a school facility that under-performs and starts to lose enrollment.

Pensions

Plan Description. Iowa Public Employees' Retirement System ("IPERS") membership is mandatory for employees of the Issuer. The Issuer's employees are provided with pensions through a cost-sharing multiple employer defined pension plan administered by IPERS. IPERS benefits are established under Iowa Code, Chapter 97B and the administrative rules thereunder. The Issuer's employee who completed seven years of covered service or has reached the age of 65 while in IPERS covered employment becomes vested. If the Issuer's employee retires before normal retirement age, the employees' monthly retirement benefit will be permanently reduced by an early-retirement reduction. IPERS provides pension benefits as well as disability benefits to Issuer employees and benefits to the employees' beneficiaries upon the death of the eligible employee. See "APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS" for additional information on IPERS. Additionally, copies of IPERS annual financial report may be obtained from www.ipers.org. Moreover, IPERS maintains a website at www.ipers.com. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Contributions. Although the actuarial contribution rates are calculated each year, the contribution rates were set by state law through June 30, 2012 and did not necessarily coincide with the actuarially calculated contribution rate. As a result, from June 30, 2002 through June 30, 2013, the rate allowed by statute was less than the actuarially required rate. Effective July 1, 2012, as a result of a 2010 law change, IPERS contribution rates for the Issuer and its employees are established by IPERS following the annual actuarial valuation (which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization method.) State statute, however, limits the amount rates can increase or decrease each year to one (1) percentage point. Therefore, any difference between the actuarial contribution rates and the contributions paid is due entirely to statutorily set contributions that may differ from the actual contribution rates. As a result, while the contribution rate in the fiscal year ended June 30, 2014 equaled the actuarially required rate, there is no guarantee, due to this statutory limitation on rate increases, that the contribution rate will meet or exceed the actuarially required rate in the future.

In fiscal year 2015, pursuant to the IPERS' required rate, the Issuer's employees contributed 5.95% of pay and the Issuer contributed 8.93% for a total rate of 14.88 percent. The Issuer's contributions to IPERS for the year ended June 30, 2015 were $905,547 which amount is not less than its actuarially determined calculated annual actuarial valuation. The Issuer's share of the contribution, payable from the applicable funds of the Issuer, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The Issuer has always made its full required contributions to IPERS.

The following table sets forth the contributions made by the Issuer and its employees to IPERS for the period indicated. The Issuer cannot predict the levels of funding that will be required in the future.

Table 1 – Issuer and Employees Contribution to IPERS.

	Issuer Contribution		Issuer Employees' Contribution	
Fiscal Year	Amount Contributed	% of covered Payroll	Amount Contributed	% of Covered Payroll
2011	459,632	6.95%	$297,358	4.50%
2012	590,443	8.07	393,628	5.38
2013	676,645	8.67	451,097	5.78
2014	790,347	8.93	526,605	5.95
2015	905,547	8.93	603,360	5.95
2016 (1)	966,973	8.93	644,289	5.95

(1) unaudited
SOURCE: The Issuer

The Issuer cannot predict the levels of funding that will be required in the future as any IPERS unfunded pension benefit obligation could be reflected in future years in higher contribution rates. The investment of moneys, assumptions underlying the same and the administration of IPERS is not subject to the direction of the Issuer. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of IPERS ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, adjustments, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAAL could be substantial in the future, requiring significantly increased contributions from the Issuer which could affect other budgetary matters.

The following table sets forth certain information about the funding status of IPERS that has been extracted from the comprehensive annual financial reports of IPERS for the fiscal years ended June 30, 2015 through, and including, 2011 (collectively, the "IPERS CAFRs (2011-2015)"), and the actuarial valuation reports provided to IPERS by Cavanaugh MacDonald Consulting, LLC (collectively, the "IPERS Actuarial Reports (2011-2015)"). Additional information regarding IPERS and its latest actuarial valuations can be obtained by contacting IPERS administrative staff.

Table 2 – Funding Status of IPERS

Valuation Date	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2011	22,575,309,199	22,772,000	28,257,080,114	5,681,770,915	79.89	28,234,308,114	.08	6,574,872,719	86.42
2012	23,530,094,461	23,025,000	29,446,197,486	5,916,103,025	79.91	29,423,172,486	.07	6,786,158,720	87.18
2013	24,711,096,187	24,757,000	30,498,342,320	5,787,246,133	81.02	30,473,585,320	.08	6,880,131,134	84.12
2014	26,460,428,085	28,039,000	32,004,456,088	5,544,028,003	82.68	31,976,417,088	.09	7,099,277,280	78.09
2015	27,915,379,103	28,430,000	33,370,318,731	5,454,939,628	83.65	33,341,888,731	.09	7,326,348,141	74.46

Source: IPERS CAFRs (2011-2015) and IPERS Actuarial Reports (2011-2015)
For a description of the assumptions used when calculating the funding status of IPERS for the fiscal year ended June 30, 2015, see IPERS CAFRs (2011-2015)

Table 3 – Recent returns of IPERS

According to IPERS, the market value investment return on program assets is as follows:

Fiscal Year Ended June 30	Investment Return %
2011	19.91%
2012	3.73
2013	10.12
2014	15.88
2015	3.96

Bond Counsel, Disclosure Counsel, the Issuer, and the Financial Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the material available from IPERS as discussed above or included on the IPERS website, including, but not limited to, updates of such information on the Auditor of State's website or links to other websites through the IPERS website.

Net Pension Liabilities.

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The Issuer was required to implement GASB 68 in their year end June 30, 2015 financial statements.

At June 30, 2015, the Issuer reported a liability of $5,364,071 for its proportional share of the IPERS 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 discount rate used to measure the total pension liability was 7.5%. The Issuer's proportion of the net pension liability was based on the Issuer's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. See "APPENDIX D–AUDITED FINANCIAL STATEMENTS OF THE ISSUER–NOTES TO THE FINANCIAL STATEMENTS" for additional information related to the Issuer's deferred outflows and inflows of resources related to pensions, actuarial assumptions, discount rate and discount rate sensitivity.

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.

GASB 45

In June 2004, the Governmental Accounting Standards Board ("GASB") issued GASB 45, which addresses how state and local governments are required to account for and report their costs and obligations related to other post employment benefits ("OPEB"), defined to include post retirement healthcare benefits. GASB 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension establishes financial reporting standards designed to measure, recognize and display OPEB costs. OPEB costs would become measurable on an accrual basis of accounting, and contribution rates (actuarially determined) would be prescribed for funding such costs. The provisions of GASB 45 do not require governments to fund their OPEBs. The Issuer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however the unfunded actuarial liability is required to be amortized over future periods. In accordance with the requirements of GASB 45, the Issuer's financial statements must comply with these provisions no later than the fiscal year ending June 30, 2010.

Consistent with Iowa Code section 509A.13, the Issuer offers post-retirement health and dental benefits are available to all fulltime employees of the Issuer who retire before attaining age 65. The group health insurance plan provided to full time Issuer employees allows retirees to continue medical coverage until they reach age 65. Although retirees pay 100% of the "cost of coverage", the pre-age 65 group of retirees is grouped with the active employees when determining the cost of coverage. The computation creates an implicit rate subsidy that would not exist if the cost of the coverage for this group (pre-age 65 retirees) was computed separately and paid 100% by that group.

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 100 active and 12 retired members in the plan. Employees must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with 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 Costs and Net OPEB Obligation - The District's annual OPEB costs is calculated based on the annual required contribution of the District (ARC), 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 June 30, 2015, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual Required Contribution	$93,729
Interest on net OPEB obligation	11,259
Adjustment to annual required contribution	35,434
Annual OPEB costs (expense)	69,554
Contributions made	67,351
Increase in net OPEB obligation	2,203
Net OPEB obligation – beginning of year	450,369
Net OPEB obligation – end of year	452,572

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

For the year ended June 30, 2015, the District contributed $67,351 to the medical plan.

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

Fiscal Year ended	Annual OPEB Cost	Percentage of Annual OPEB cost contributed	Net OPEB obligation
June 30, 2012	$184,203	30.0%	344,961
June 30, 2013	69,817	24.4	397,770
June 30, 2014	67,759	22.4	450,369
June 30, 2015	69,554	96.8	452,572

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 $459,878, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $459,878. The covered payroll (annual payroll of active employees covered by the plan) was $3,009,153, and the ratio of the UAAL to the covered payroll was 15.3%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare 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 process presented above, will present multi year trend information about whether other actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

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

As of July 1, 2012, actuarial valuation date, the entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The ultimate medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table, projected to 2000, applied on a 2/3 female, 1/3 male basis.

The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

Source: District's 2015 Independent Audited Financial Statement

Investment of Public Funds

The District invests its funds pursuant to Chapter 12B of the Code. Presented below is the District's investing activities as of July 31, 2016.

Type of Investment	Amount Invested
Local Bank Deposit Accounts	$1,809,827.58
Local Bank Money Market	0
ISJIT Money Market	5,414,693.91

Source: Bondurant-Farrar CSD

Anticipatory Warrants

The District has issued anticipatory warrants as outlined below:

Fiscal Year	Principal of Warrant Issued
2011B	$0
2011A	0
2010B	0
2010A	1,714,000
2009B	802,000
2009A	700,000
2008B	0
2008A	1,355,000
2007B	0
2007A	758,000

Source: Iowa School Cash Anticipation Program

Population

Presented below are population figures for the periods indicated for the city of Bondurant:

Year	Bondurant
2015	5,493
2010	3,860
2000	1,846
1990	1,584
1980	1,243
1970	462
1960	389
1950	328

Source: U.S. Census

Population by Age

Presented below is the 2010 Census figures according to age group for Polk and Jasper Counties and the State of Iowa:

Age Group	Polk County	Jasper County	State of Iowa
Under 19 years of age	28.1%	25.0	26.9%
20 to 24 years of age	6.7	4.9	7.0
25 to 44 years of age	29.5	24.7	24.5
45 to 64 years of age	24.9	28.9	26.7
65 to 84 years of age	9.2	14.0	12.4
85 and over	1.6	2.5	2.3
Median age	34.7	41.6	38.1

Source: U.S. Census

Major Employers

Presented below is a summary of the largest employers in Bondurant:

Employer	Business	Approximate Employees
Bondurant-Farrar CSD	Education	269
Diamond Crystal Specialty Food	Food preparation	78
Farmers Elevator Company	Wholesale grain	35
GTL Transportation	Freight transportation	30
Midwest Underground Supply	Construction, mining machinery	16
CSI Chemical Corporation	Nitrogenous fertilizer mfg	15

Presented below are some other major employers located within an easy commuting distance to the District

Employer	Business	Approximate Employees
Adventureland, Inc.	Amusement park/hotel	1,500
Prairie Meadows Race Track & Casino	Horse track and casino	1,300
Hy-Vee	Grocery store	437
Bass Pro Shop	Outdoor Sporting goods store	290
Ziegler Corporation	Farm equipment	282
Wal-Mart	Discount store	280
Marzetti Frozen Pasta	Frozen foods	210
Target	Discount store	200
Menards	Home improvement store	182
Lowes	Home improvement store	140

Some additional major employers in the Des Moines metropolitan area include:

Employer	Business	Approximate Employees
Wells Fargo	Financial Services	14,500
State of Iowa	State Government	8,800
Mercy Medical Center	Healthcare	7,055
UnityPoint Health	Healthcare	6,435
Principal Financial Group	Insurance	6,184
Des Moines Public Schools	Education	4,642
Nationwide/Allied Insurance	Insurance	4,282
John Deere	Agriculture	3,089
DuPont Pioneer	Seed manufacturing	3,000

Source: Locationone.com

Unemployment Statistics

The State of Iowa Department of Job Service reports unemployment unadjusted rates as follows (June 2016):

National Average:	4.90%
State of Iowa:	4.00%
Des Moines MSA	3.80%

Source: Iowa Workforce Development

Historical Employment Statistics

Presented below are the historical unemployment rates for the years indicated for Polk and Jasper Counties and the State of Iowa.

Calendar Year	Polk County	Jasper County	State of Iowa
2015	3.60%	3.80%	3.70%
2014	4.40	4.60	4.40
2013	4.80	5.60	4.60
2012	5.40	7.00	5.20
2011	6.10	7.90	5.90

Source: Iowa Workforce Development

Retail Sales

Presented below are retail sales statistics for the City of Bondurant, for the period indicated:

Year Ended	Retail Sales	Number of Permits
2015	$16,820,932	107
2014	14,581,326	101
2013	13,909,237	99
2012	14,479,853	102
2011	12,995,046	103

Source: Iowa Department of Revenue

Median Family Income

Polk and Jasper Counties had an estimated median family income of $59,844 and $52,340, compared to $52,716 for the State of Iowa. The following table represents the distribution of family incomes for the Counties according to the 2009-2014 American Community Survey 5 year estimated table:

	Polk County		Jasper County	
Household Income	Number of Households	Percent of Households	Number of Households	Percent of Households
Under $10,000	9,984	5.7%	767	5.2%
10,000 to 14,000	6,817	3.9%	683	4.7%
15,000 to 24,999	15,166	8.7%	1,677	11.4%
25,000 to 34,999	16,792	9.6%	1,792	12.2%
35,000 to 49,999	23,548	13.5%	2,134	14.6%
50,000 to 74,999	34,799	19.9%	3,079	21.0%
75,000 to 99,999	24,699	14.1%	2,142	14.6%
100,000 to 149,999	26,037	14.9%	1,768	12.1%
150,000 to 199,999	9,293	5.3%	412	2.8%
200,000 or more	7,624	4.4%	204	1.4%

Source: U.S. Census

Legislation

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the "Act"), which the Governor signed into law on June 12, 2013. Among other things, the Act (i) reduces the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property, from the current 4% to 3%, (ii) assigns a "rollback" (the percentage of a property's value that is subject to tax) to commercial, industrial and railroad property of 95% for the 2013 assessment year and 90% for the 2014 assessment year and all years thereafter, (iii) creates a new property tax classification for multi-residential properties (mobile home parks, manufactured home communities, land-lease communities, assisted living facilities and property primarily used or intended for human habitation containing three or more separate dwelling units) ("Multi-residential Property") that begins in the 2015 assessment year, and assigns a declining rollback percentage of 3.75% to such properties for each subsequent year until 2021 assessment year (the rollback percentage for Multi-residential Properties will be equal to the residential rollback percentage in 2022 assessment year and thereafter) and (iv) exempts a specified portion of the assessed value of telecommunication properties.

The Act includes a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment districts, resulting from the new rollback for commercial and industrial property. Prior to Fiscal Year 2017-18, the appropriation is a standing unlimited appropriation, but beginning in fiscal year 2017-18 the standing appropriation cannot exceed the actual fiscal year 2016-17 appropriation amount. The appropriation does not replace losses to local governments resulting from the Act's provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3% from 4%, the gradual transition for Multi-residential Property from the commercial rollback percentage (100% of Actual Value in Fiscal Year 2013-14) to the residential rollback percentage (currently 54.4002% of Actual Valuation), or the reduction in the percentage of telecommunications property that is subject to taxation.

Given the wide scope of the statutory changes, and the State of Iowa's discretion in establishing the annual replacement amount that is appropriated each year commencing in fiscal year 2017-18, the impact of the Act on the Issuer's future property tax collections is uncertain and the Issuer is unable to accurately assess the financial impact of the Act's provisions on the Issuer's future operations.

In Moody's Investor Service US Public Finance Weekly Credit Outlook, dated May 30, 2013, Moody's Investor Service ("Moody's") projected that local governments in the State of Iowa are likely to experience modest reductions in property tax revenues starting in fiscal year 2014-15 as a result of the Act, with sizeable reductions possible starting in fiscal year 2017-18. According to Moody's, local governments that may experience disproportionately higher revenue losses include regions that have a substantial commercial base, a large share of Multi-residential Property (such as college towns), or significant amounts of telecommunications property.

Notwithstanding any decrease in property tax revenues that may result from the Act, Iowa Code section 76.2 provides that when an Iowa political subdivision issues general obligation bonds, "the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or the auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditors to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full."

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the Issuer.

Property Tax Assessment

In compliance with section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Assessed or Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential and commercial property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Assessed or Taxable Valuation. The rollback percentages for residential, agricultural and commercial valuations are as follows:

Fiscal Year	Residential Rollback	Ag. Land & Buildings	Commercial
2016-17	55.6259	46.1068	90.0000
2015-16	55.7335	44.7021	90.0000
2014-15	54.4002	43.3997	95.0000
2013-14	52.8166	59.9334	100.0000
2012-13	50.7518	57.5411	100.0000
2011-12	48.5299	69.0152	100.0000

Source: Iowa Department of Revenue

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. For example, the assessments finalized on January 1, 2015 are used to calculate tax liability for the tax year starting July 1, 2016 through June 30, 2017. Presented below are the historic property valuations of the Issuer by class of property.

Property Valuations

Actual Valuation					
Valuation as of January	2015	2014	2013	2012	2011
Fiscal Year	2016-17	2015-16	2014-15	2013-14	2012-13
Residential:	402,793,844	375,304,900	348,563,548	333,027,614	323,106,810
Agricultural Land:	62,737,490	63,645,340	64,884,650	52,977,880	53,359,980
Ag Buildings:	2,380,460	3,156,410	3,143,410	2,874,520	2,807,780
Commercial:	37,532,132	42,091,175	31,425,635	31,425,516	31,784,680
Industrial:	3,301,449	2,845,844	2,799,254	2,759,251	2,719,060
Multiresidential:	7,204,430				
Personal RE:	0	0	0	0	0
Railroads:	2,050,227	1,798,173	1,652,591	1,556,651	1,338,184
Utilities:	4,760,269	5,133,443	5,706,659	6,272,306	6,479,058
Other:	0	0	0	0	0
Total Valuation:	522,760,301	493,975,285	458,175,747	430,893,738	421,595,552
Less Military:	475,964	464,852	483,372	483,372	474,112
Net Valuation:	522,284,337	493,510,433	457,692,375	430,410,366	421,121,440
TIF Valuation:	48,554,025	45,764,011	45,634,503	46,318,339	41,950,290
Utility Replacement:	21,384,924	21,640,196	13,595,202	15,210,548	14,679,953

Taxable Valuation					
Valuation as of January	2015	2014	2013	2012	2011
Fiscal Year	2016-17	2015-16	2014-15	2013-14	2012-13
Residential:	218,860,008	203,874,834	183,932,166	169,811,989	160,037,409
Agricultural Land:	28,926,238	28,450,808	28,159,741	31,751,477	30,703,832
Ag Buildings:	1,097,549	1,410,984	1,364,235	1,722,802	1,615,707
Commercial:	32,319,682	36,559,694	29,156,602	31,425,516	31,784,680
Industrial:	2,915,949	2,510,544	2,631,604	2,759,251	2,719,060
Multiresidential:	6,178,825				
Personal RE:	0	0	0	0	0
Railroads:	1,845,205	1,618,356	1,569,962	1,556,651	1,338,184
Utilities:	4,760,269	5,133,443	5,706,659	6,272,306	6,479,058
Other:	0	0	0	0	0
Total Valuation:	296,903,725	279,558,663	252,520,969	245,299,992	234,677,930
Less Military:	475,964	464,852	483,372	483,372	474,112
Net Valuation:	296,427,761	279,093,811	252,037,597	244,816,620	234,203,818
TIF Valuation:	46,406,577	43,756,431	44,699,122	46,318,339	41,796,790
Utility Replacement:	9,876,205	11,007,452	6,561,267	6,914,713	6,588,143

Valuation Year	Actual Valuation w/ Utilities	% Change in Actual Valuation	Taxable Valuation w/ Utilities	% Change in Taxable Valuation
2015	592,223,286	5.58%	352,710,543	5.65%
2014	560,914,640	8.51%	333,857,694	10.08%
2013	516,922,080	5.08%	303,297,986	1.76%
2012	491,939,253	2.97%	298,049,672	5.47%
2011	477,751,683	2.37%	282,588,751	2.45%

Source: Iowa Department of Management

Tax Rates

Presented below are the taxes levied by the District for the fund groups as presented, for the period indicated:

Fiscal Year	Operating Fund	Management Fund	Board PPEL	Voter PPEL	Play Ground	Debt Service	School House	Total Levy
2017	12.49126	0.89790	0.33000	1.34000	0.00000	4.04989	0.00000	19.10905
2016	12.66124	0.72782	0.33000	1.34000	0.00000	3.26780	0.00000	18.32686
2015	11.41523	1.62414	0.33000	1.34000	0.00000	3.78077	0.00000	18.49014
2014	12.28174	1.24589	0.33000	1.34000	0.00000	4.04611	0.00000	19.24374
2013	12.28174	1.24589	0.33000	1.34000	0.00000	4.04611	0.00000	19.24374
2012	14.54212	0.85396	0.33000	1.34000	0.00000	2.76372	0.00000	19.82980

Source: Iowa Department of Management

Historic Tax Rates

Presented below are the tax rates by taxing entity for residents of the City of Bondurant:

Fiscal Year	City	School	College	State	Assessor	Ag Extens	Hospital	County	Transit	Total Levy
2017	13.88621	19.10905	0.72334	0.00330	0.27220	0.03985	2.77545	7.30880	0.60300	44.72120
2016	13.93626	18.32686	0.67574	0.00330	0.27920	0.03999	3.21296	7.30880	0.58300	43.78311
2015	13.98626	18.49014	0.65724	0.00330	0.27750	0.04061	3.11769	7.16880	0.51800	44.25954
2014	14.03532	18.33229	0.69120	0.00330	0.27822	0.03945	2.99567	6.94381	0.45300	43.77226
2013	14.08040	19.24374	0.58466	0.00330	0.24382	0.03866	2.97819	6.80992	0.37300	44.35569
2012	14.13096	19.82980	0.59018	0.00300	0.24628	0.03696	2.92193	6.80992	0.22300	44.79203

Source: Iowa Department of Management

Tax Collection History

Presented below are the actual ad-valorem tax levies and collections for the periods indicated:

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2017	$6,166,500	In Collection	NA
2016	5,579,856	In Collection	NA
2015	5,072,368	5,073,537	100.02%
2014	4,927,851	4,926,898	99.98%
2013	4,872,652	4,894,321	100.44%
2012	4,828,805	4,823,995	99.90%
2011	4,522,932	4,515,754	99.84%

Source: Bondurant-Farrar CSD

Largest Taxpayers

Set forth in the following table are the persons or entities which represent the 2015 largest taxpayers within the Issuer, as provided by the Auditors Offices of each of said counties. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District. The District's tax levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the District from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the tax levies of the other taxing entities which overlap the properties.:

Taxpayer	2015 Taxable Valuation	Percent of Total
Altoona Economic Development Corp	$19,256,220	5.77%
Mid American Energy	$9,415,505	2.82%
Siculus Inc	$8,076,780	2.42%
Farmers Elevator Co	$4,883,885	1.46%
Harrison Properties LLC	$4,188,150	1.25%
Qwest Corporation	$2,950,541	0.88%
Edge Business Continuity Center LLC	$2,871,000	0.86%
Diamond Crystl Spec FDS Inc	$2,745,000	0.82%
Hawthorne Crossing LLC	$2,637,090	0.79%
Mulberry Pointe LLC	$2,030,846	0.61%
	Total	17.69%

Source: Jasper and Polk County Auditors

[1] Utility Property Tax Replacement

Beginning in 1999, the State replaced its previous property tax assessment procedure in valuing the property of entities involved primarily in the production, delivery, service and sale of electricity and natural gas with a replacement tax formula based upon the delivery of energy by these entities. Electric and natural gas utilities now pay replacement taxes to the State in lieu of property taxes. All replacement taxes are allocated among local taxing cities by the State Department of Revenue and Finance and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Properties of these utilities are exempt from the levy of property tax by political subdivisions. Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

The utility replacement tax statute states that the utility replacement tax collected by the State and allocated among local taxing cities (including the Issuer) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. However, utility property is not subject to the levy of property tax by political subdivisions, only the utility replacement tax and statewide property tax. It is possible that the general obligation debt capacity of the Issuer could be adjudicated to be proportionately reduced in future years if utility property were determined to be other than "taxable property" for purposes of computing the Issuer's debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the Issuer can issue or (ii) adversely affect the Issuer's ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 3.08% of the Issuer's tax base currently is utility property. Notwithstanding the foregoing, the Issuer has the obligation to levy taxes against all the taxable property in the Issuer sufficient to pay principal of and interest on the Bonds.

Direct Debt

Presented below is the principal and interest on the District's outstanding general obligation bonds, presented by fiscal year and issue*

Fiscal Year	7/1/08	PPEL 6/1/09	Estimate* 12/1/16	Estimate* 12/1/16	Total Principal	Total Interest	Total P&I
2017	465,000	280,000		575,000	1,320,000	406,570	1,726,570
2018	490,000	290,000			780,000	436,260	1,216,260
2019			595,000		595,000	207,515	802,515
2020			600,000		600,000	201,268	801,268
2021			605,000		605,000	194,368	799,368
2022			615,000		615,000	186,805	801,805
2023			620,000		620,000	178,503	798,503
2024			630,000		630,000	168,893	798,893
2025			645,000		645,000	158,183	803,183
2026			655,000		655,000	146,573	801,573
2027					0	133,800	133,800
2028					0	133,800	133,800
2029					0	133,800	133,800
2030					0	133,800	133,800
2031					0	133,800	133,800
2032				840,000	840,000	133,800	973,800
2033				865,000	865,000	108,600	973,600
2034				890,000	890,000	82,650	972,650
2035				920,000	920,000	55,950	975,950
2036				945,000	945,000	28,350	973,350
Totals:	955,000	570,000	4,965,000	5,035,000	11,525,000	3,363,285	14,888,285

*The Series 2016-B are the first issuance of a total voter-approved $21,000,000. The remaining portion(s) of the voter-approved bonds are expected to be issued over the period 2017-2019. The current project may not require the issuance of the entire voter-approved amount, but whatever total amount eventually is issued cannot exceed that voter-approved total of $21,000,000.
Source: Bondurant-Farrar CSD

School Infrastructure Sales, Services and Use Tax Revenue Bonds

Presented below is the principal and interest on this Sales Tax Bonds:

Fiscal Year	6/4/13	Total Principal	Total Interest	Total P&I
2017	600,000	600,000	208,960	808,960
2018	610,000	610,000	196,960	806,960
2019	620,000	620,000	184,760	804,760
2020	630,000	630,000	172,360	802,360
2021	645,000	645,000	159,760	804,760
2022	655,000	655,000	146,860	801,860
2023	670,000	670,000	133,760	803,760
2024	685,000	685,000	120,360	805,360
2025	705,000	705,000	105,975	810,975
2026	720,000	720,000	88,350	808,350
2027	740,000	740,000	68,550	808,550
2028	760,000	760,000	46,350	806,350
2029	785,000	785,000	23,550	808,550
Totals:	8,825,000	8,825,000	1,656,555	10,481,555

Source: Bondurant-Farrar CSD

Debt Limit

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The District's debt limit, based upon said valuation, amounts to the following:

1/1/2015 Actual Valuation:	592,223,286
X	0.05
Statutory Debt Limit:	29,611,164
Total General Obligation Debt:	11,525,000
Total Lease Purchases:	0
Total Loan Agreements:	0
Capital Leases:	0
Total Debt Subject to Limit:	11,525,000
Percentage of Debt Limit Obligated:	38.92%

It has not been determined whether the District's outstanding Sales Tax Revenue Bonds do or do not count against the constitutional debt limit. If the Bonds do count against the constitutional debt limit, the amount of debt subject to the debt limit would increase $8,825,000 to be $20,350,000, or 68.72% of the statutory debt limit.

Source: Iowa Department of Management

Overlapping & Underlying Debt

Presented below is a listing of the overlapping and underlying debt outstanding of Issuers within the Issuer.

Taxing Authority	Outstanding Debt	2015 Taxable Valuation	Taxable Value Within Issuer	Percentage Applicable	Amount Applicable
City of Altoona	66,105,000	926,482,109	$40,713,406	4.39%	$2,904,924
City of Bondurant	6,635,000	170,698,829	170,698,829	100.00%	6,635,000
Jasper County	10,135,000	1,522,947,206	3,219,744	0.21%	21,427
Polk County	294,760,523	22,662,536,006	349,490,799	1.54%	4,545,656
Des Moines Area Community College	86,130,000	42,301,482,075	352,710,543	0.83%	718,154
AEA #11 - Heartland	0	42,301,482,075	352,710,543	0.83%	0
				Total Overlapping & Underlying Debt:	$14,825,160

Source: Iowa Department of Management, Iowa State Treasurer

FINANCIAL SUMMARY

Actual Value of Property, 2015:	$592,223,286
Taxable Value of Property, 2015:	352,710,543
Direct General Obligation Debt:	$11,525,000
Overlapping Debt:	14,825,160
Direct & Overlapping General Obligation Debt:	$26,350,160
Approx 2015 District Population:	7,908
Direct Debt per Capita:	$1,457.38
Total Debt per Capita:	$3,332.09
Direct Debt to Taxable Valuation:	3.27%
Total Debt to Taxable Valuation:	7.47%
Direct Debt to Actual Valuation:	1.95%
Total Debt to Actual Valuation:	4.45%
Actual Valuation per Capita:	$74,889
Taxable Valuation per Capita:	$44,602

Source: Iowa Department of Management

APPENDIX B – FORM OF LEGAL OPINION

We hereby certify that we have examined a certified transcript of the proceedings of the Board of Directors of the Bondurant-Farrar Community School District in the Counties of Polk and Jasper, State of Iowa, and acts of administrative officers of the School District (the "Issuer"), relating to the issuance of General Obligation School Refunding Bonds, Series 2016A, dated December 1, 2016, in the denominations of $5,000 or multiples thereof, in the aggregate amount of $__________ (the "Bonds").

We have examined the law and certified proceedings and other papers as we deem necessary to render this opinion as bond counsel.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution authorizing issuance of the Bonds (the "Resolution") and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based on our examination and in reliance upon the certified proceedings and other certifications described above, we are of the opinion, under existing law, as follows:

1. The Issuer is duly created and validly existing as a body corporate and politic and political subdivision of the State of Iowa with the corporate power to adopt and perform the Resolution and issue the Bonds.

2. The Bonds are valid and binding general obligations of the Issuer.

3. All taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. Taxes have been levied by the Resolution for the payment of the Bonds and the Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the official statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

AHLERS & COONEY, P.C.

APPENDIX C – CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Bondurant-Farrar Community School District, State of Iowa (the "Issuer"), in connection with the issuance of $_____________ General Obligation School Refunding Bonds, Series 2016A (the "Bonds") dated December 1, 2016. The Bonds are being issued pursuant to a Resolution of the Issuer approved on ___________________, 2016 (the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Financial Information" shall mean financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean a day other than a Saturday or a Sunday or a day on which banks in Iowa are authorized or required by law to close.

"Dissemination Agent" shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Holders" shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"Municipal Securities Rulemaking Board" or "MSRB" shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

"National Repository" shall mean the MSRB's Electronic Municipal Market Access website, a/k/a "EMMA" (emma.msrb.org).

"Official Statement" shall mean the Issuer's Official Statement for the Bonds, dated _______________, 2016.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Iowa.

Section 3. Provision of Annual Financial Information.

a) The Issuer shall, or shall cause the Dissemination Agent to, not later than the 15th day of April of each year following the close of the Issuer's fiscal year (currently June 30), commencing with information for the 2015/2016 fiscal year, provide to the National Repository an Annual Financial Information filing consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Financial Information filing must be submitted in such format as is required by the MSRB (currently in "searchable PDF" format). The Annual Financial Information filing may be submitted as a single document or as separate documents comprising a package. The Annual Financial Information filing may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Financial Information filing and later than the date required above for the filing of the Annual Financial Information if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).
b) If the Issuer is unable to provide to the National Repository the Annual Financial Information by the date required in subsection (a), the Issuer shall send a notice to the Municipal Securities Rulemaking Board, if any, in substantially the form attached as Exhibit A.
c) The Dissemination Agent shall:
    i. each year file Annual Financial Information with the National Repository; and

ii. (if the Dissemination Agent is other than the Issuer), file a report with the Issuer certifying that the Annual Financial Information has been filed pursuant to this Disclosure Certificate, stating the date it was filed.

Section 4. Content of Annual Financial Information. The Issuer's Annual Financial Information filing shall contain or incorporate by reference the following:

a) The last available audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer's audited financial statements for the preceding years are not available by the time Annual Financial Information is required to be filed pursuant to Section 3(a), the Annual Financial Information filing shall contain unaudited financial statements of the type included in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Financial Information when they become available.

b) A table, schedule or other information prepared as of the end of the preceding fiscal year, of the type contained in the final Official Statement under the caption "Property Valuations", "Tax Rates", "Historic Tax Rates", "Tax Collection History", "Direct Debt", "Debt Limit", and "Financial Summary".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the National Repository. The Issuer shall clearly identify each such other document so included by reference.

Section 5. <u>Reporting of Significant Events.</u>

a) Pursuant to the provisions of this Section, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than 10 Business Days after the day of the occurrence of the event:
   i. Principal and interest payment delinquencies;
   ii. Non-payment related defaults, if material;
   iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
   iv. Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
   v. Substitution of credit or liquidity providers, or their failure to perform;
   vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Series Bonds, or material events affecting the tax-exempt status of the Bonds;
   vii. Modifications to rights of Holders of the Bonds, if material;
   viii. Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
   ix. Defeasances of the Bonds;
   x. Release, substitution, or sale of property securing repayment of the Bonds, if material;
   xi. Rating changes on the Bonds;
   xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;
   xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
   xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

b) Whenever the Issuer obtains the knowledge of the occurrence of a Listed Event, the Issuer shall determine if the occurrence is subject to notice only if material, and if so shall as soon as possible determine if such event would be material under applicable federal securities laws.

c) If the Issuer determines that knowledge of the occurrence of a Listed Event is not subject to materiality, or determines such occurrence is subject to materiality and would be material under applicable federal securities laws, the Issuer shall promptly, but not later than 10 Business Days after the occurrence of the event, file a notice of such occurrence with the Municipal Securities Rulemaking Board through the filing with the National Repository.

Section 6. <u>Termination of Reporting Obligation.</u> The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a) If the amendment or waiver relates to the provisions of Section 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Financial Information filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Financial Information filing for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information filing or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Financial Information filing or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Financial Information filing or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: __________ day of _______________, 2016.

BONDURANT-FARRAR COMMUNITY
SCHOOL DISTRICT, STATE OF IOWA

By: ____
President

ATTEST:

By: ____
Secretary of the Board of Directors

EXHIBIT A

NOTICE TO NATIONAL REPOSITORY OF FAILURE TO
FILE ANNUAL FINANCIAL INFORMATION

Name of Issuer: Bondurant-Farrar Community School District, Iowa.

Name of Bond Issue: $__________ General Obligation School Refunding Bonds, Series 2016A

Dated Date of Issue: December 1, 2016

NOTICE IS HEREBY GIVEN that the Issuer has not provided Annual Financial Information with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate delivered by the Issuer in connection with the Bonds. The Issuer anticipates that the Annual Financial Information will be filed by __________________.

Dated: _________ day of ______________, 20___.

BONDURANT-FARRAR COMMUNITY
SCHOOL DISTRICT, STATE OF IOWA

By: ____________________________________
Its: ____________________________________

APPENDIX E – AUDITED FINANCIAL STATEMENTS OF THE ISSUER

This Appendix contains the entire 2015 audited financial statement of the issuer. The Auditor of State of the State of Iowa (the "State Auditor") maintains a webpage that contains prior years' audits of city, county, school district and community college, including audits of the Issuer, which can be found at the following link http://auditor.iowa.gov/reports/index.html.

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BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT
BONDURANT, IOWA

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

JUNE 30, 2015

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BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

OFFICIALS

Name	Title	Term Expires
	Board of Education	
Christopher P. Freese	President	2015
Tom Looft	Vice President	2015
Susan Ugulini	Board Member	2015
Steve Davis	Board Member	2017
Kristin Swift	Board Member	2017
	School Officials	
Rich Powers	Superintendent	2015
Jared Abel	Business Director/Board Secretary/ Treasurer	2015
Ahlers & Cooney P.C.	Attorney	Indefinite

DOUGLAS T. HUNT, CPA
DONALD D. KAIN
CHUCK C. CONVERSE, CPA
RUSSELL S. TERPSTRA, CPA
MICHAEL G. STANLEY, CPA
DEE A.A. HOKE, CPA

HUNT & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1201 HIGH AVENUE WEST
OSKALOOSA, IA 52577
641/672-2541
FAX 641/672-2461

317 EAST ROBINSON
KNOXVILLE, IA 50138
641/842-3184
FAX 641/828-7404

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Bondurant-Farrar Community School District:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 11 of the Code of Iowa. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, Bondurant-Farrar 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

Required Supplementary Information

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Funding Progress for the Retiree Health Plan on pages 6 through 15 and 58 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bondurant-Farrar Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the five years ended June 30, 2014 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the four years ended June 30, 2009 (which are not presented herein) were audited by other auditors who 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 basic financial statements or to the basic financials 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 7, 2016 on our consideration of Bondurant-Farrar Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Bondurant-Farrar Community School District's internal control over financial reporting and compliance.

Hunt + Associates, P.C.

Oskaloosa, Iowa
January 7, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Bondurant-Farrar 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.

Financial Highlights

2015 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from $14,064,908 in fiscal 2014 to $15,416,973 in fiscal 2015. General Fund expenditures increased from $15,360,570 in fiscal 2014 to $16,038,996 in fiscal 2015. This resulted in a decrease in the District's fund balance from $1,883,629 in fiscal 2014 to $1,266,523 in fiscal 2015. The District's solvency ratio decreased from 11.62% in fiscal 2014 to 6.21% in 2015.

- The increase in General Fund revenues was attributable in part to increases in supplemental state aid as well as the district's student enrollment. The increase in expenditures was due to the increase in negotiated salaries and benefits, the increase in number of students served, and the addition of new certified and classified staff. One time expenditures were also made in order to decrease the district's unspent balance and solvency ratio to a fiscally responsible amount.

Overview of the Financial Statements

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 Bondurant-Farrar 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 Bondurant-Farrar 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 Bondurant-Farrar Community School District acts solely as an agent or custodian for the benefit of those outside of County government.

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.

Supplementary Information provides detailed information about the non-major Special Revenue Funds.

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

Figure A-1
Bondurant-Farrar Community School District Annual Financial Report

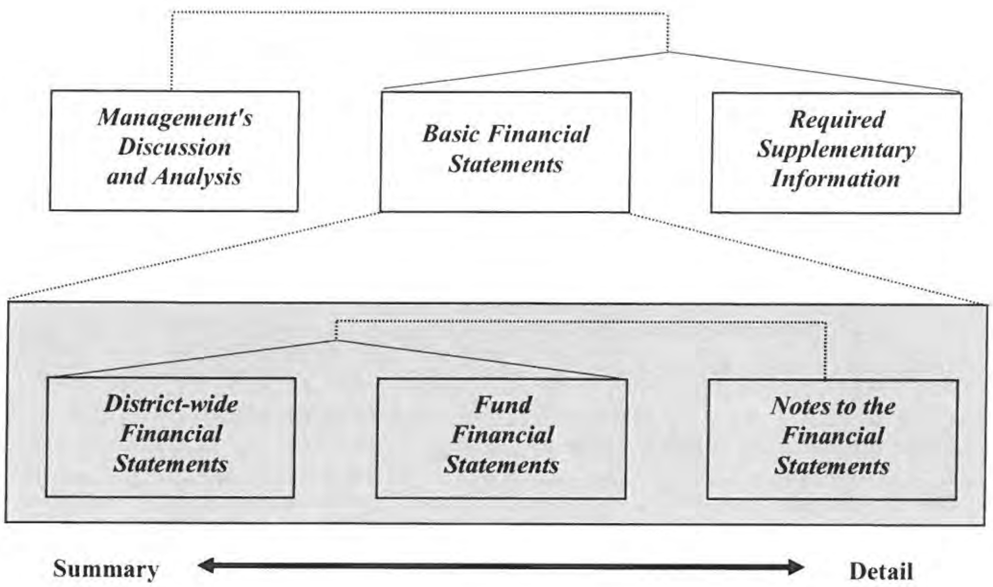

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

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

District-wide Statements

The District-wide 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 and liabilities. All of the reporting year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating, respectively.

- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-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:

- *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. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements.

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

- *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 District-wide statements.

    - The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund and the Construction Class Fund, and one Internal Service Fund, the Flex Spending Fund.

Financial Analysis of the District as a Whole

Net Position - Figure A-3 below provides a summary of the district's net position for the year ended June 30, 2015 compared to fiscal year 2014.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total District		Total Change
	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2015	2014 (Not Restated)	2014-2015
Current and Other Assets	15,948,200	15,700,463	324,167	435,495	16,272,367	16,135,958	0.85%
Capital Assets	37,981,716	37,402,974	266,819	295,321	38,248,535	37,698,295	1.46%
TOTAL ASSETS	53,929,916	53,103,437	590,986	730,816	54,520,902	53,834,253	1.28%
Deferred Outflows of Resources	1,694,249		50,607		1,744,856	0	
Long-Term Liabilities	24,349,517	19,856,529	155,578	0	24,505,095	19,856,529	23.41%
Other Liabilities	2,226,829	2,654,526	18,038	43,008	2,244,867	2,697,534	-16.78%
TOTAL LIABILITIES	26,576,346	22,511,055	173,616	43,008	26,749,962	22,554,063	18.60%
Deferred Inflows of Resources	7,566,226	5,072,366	59,333	0	7,625,559	5,072,366	50.34%
Net Position:							
Net Investment in Capital Assets	19,406,716	18,142,974	266,819	295,321	19,673,535	18,438,295	6.70%
Restricted	6,886,850	6,060,470	0	392,487	6,886,850	6,452,957	6.72%
Unrestricted	(4,811,973)	1,316,572	141,825	0	(4,670,148)	1,316,572	-454.72%
TOTAL NET POSITION	21,481,593	25,520,016	408,644	687,808	21,890,237	26,207,824	-16.47%

The District's combined net position at June 30, 2015 compared to fiscal year 2014 is listed in Figure A-3. The District's combined net position decreased 16.47% to $21,890,237. The largest portion of the District's net position is its net investment in capital assets. The debt related to the investment in capital assets is liquidated with sources other than capital assets.

Restricted net position represents resources that are subject to external restriction, constitutional provisions or enabling legislation on how they can be used.

Unrestricted net position represents 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. The 454.72% reduction in unrestricted net position was primarily a result of the District's net pension liability record in the current year.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions- an Amendment of GASB Statement No. 27 was implemented during fiscal year 2015. The beginning net position as of July 1, 2015 for governmental activities and business type activities were restated by $5,866,692 and $175,238, respectively, to retroactively report the net pension liability as of June 30, 2013 and deferred outflows of resources related to contributions made after June 30, 2013 but prior to July 1, 2014. Fiscal year 2013 and 2014 financial statement amounts for net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources were not restated because the information was not available. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

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

Figure A-4
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total District	
	2015	**2014 (Not Restated)**	**2015**	**2014 (Not Restated)**	**2015**	**2014 (Not Restated)**
Revenues:						
Program Revenues:						
Charges for Service	1,639,115	1,472,986	755,051	525,207	2,394,166	1,998,193
Operating Grants, Contributions & Restricted Interest	1,919,718	1,737,476	323,488	307,578	2,243,206	2,045,054
Capital Grants, Contributions & Restricted Interest	1,059,000	1,463,100			1,059,000	1,463,100
General Revenues:						
Property Tax	5,139,040	4,940,362	0	0	5,139,040	4,940,362
Local Option Sales & Service Tax	1,505,438	1,273,124	0	0	1,505,438	1,273,124
Income Surtax	271,176	445,425	0	0	271,176	445,425
Unrestricted State Grants	8,793,202	7,691,400	0	0	8,793,202	7,691,400
Unrestricted Investment Earnings	11,551	15,487	82	99	11,633	15,586
Other	251,073	207,729	0	0	251,073	207,729
TOTAL REVENUES	**20,589,313**	**19,247,089**	**1,078,621**	**832,884**	**21,667,934**	**20,079,973**
Program Expenses:						
Governmental Activities:						
Instruction	10,436,085	9,612,323	204,058	3,367	10,640,143	9,615,690
Support Services	5,477,019	5,599,808	7,106	10,525	5,484,125	5,610,333
Non-Instructional Program	0	0	971,383	844,202	971,383	844,202
Other Expenses	2,847,940	1,847,994	0	0	2,847,940	1,847,994
TOTAL EXPENSES	**18,761,044**	**17,060,125**	**1,182,547**	**858,094**	**19,943,591**	**17,918,219**
CHANGE IN NET POSITION	**1,828,269**	**2,186,964**	(103,926)	(25,210)	**1,724,343**	**2,161,754**

Governmental Activities

Revenues for governmental activities were $20,589,313 and expenses were $18,761,044.

Property tax and unrestricted state grants account for 68% of total revenue. The District's expenses primarily relate to instruction and support services, which account for 85% of the total expenses.

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.

Figure A-5 Total and Net Cost of Governmental Activities	Total Cost of Services	Net Cost of Servcies
Instruction	10,436,085	7,647,975
Support Services	5,477,019	5,363,670
Non-Instructional Programs	0	0
Other Expenses	2,847,940	1,131,566
TOTALS	**18,761,044**	**14,143,211**

- The cost financed by users of the District's programs was $1,639,115.
- Federal and state governments subsidized certain programs with operating grants and contributions totaling $1,919,718. Capital grants and contributions from local donors totaling $1,059,000 subsidized capital improvement projects.
- The net cost of governmental activities was financed in part with $5,139,040 in property tax, $1,505,438 in local option sales and services tax, $271,176 in income surtax, $8,793,202 in unrestricted state grants, $11,551 in interest income, and $251,073 in miscellaneous sources.

Business-Type Activities

Revenues of the District's business-type activities were $1,078,621 and expenses were $1,182,547. The District's business-type activities include the School Nutrition Fund and Construction Class. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

Financial Analysis of the District's Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of $8,062,439 compared to $7,922,894 in Fiscal Year 2014. The General Fund balance for Fiscal Year 2015 was $1,266,523 compared to $1,883,629 for Fiscal Year 2014.

Governmental Fund Highlights

- The District's General Fund financial position is the product of many factors. The General Fund balance decreased as planned in order to decrease the district's unspent balance and solvency ratio to align with fiscally responsible benchmarks.
- The District's debt service fund balance increased $989,130 due to reserve funds accumulated for the bond refunding escrow account and the revenue bonds.
- The District's capital projects fund decreased $425,822 due to the construction of an elementary school from the past issuance of revenue bonds.

Proprietary Fund Highlights

- The School Nutrition Fund net position decreased from $378,833 (restated) to $263,965, representing a decrease of 30%. This decrease is a result of purchasing equipment for a new building as well as serving a rapidly growing population.

- The Construction Class Fund net position increased from $133,737 to $144,679.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except its private-purpose trust and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Over the course of FY2015 the District amended its annual operating budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for the General Fund and major Special Revenue Funds are not presented in the budgetary comparison as presented in the required supplemental information section of this report.

Legal Budgetary Highlights

The District's total actual receipts were $814,746 more than the total budgeted receipts, a variance of 4 percent. The variance was due to an increase in state and federal sources of revenue.

Total expenditures were $1,061,526 less than budgeted due excess budgeting when the amendment was made. However, the functional line item budget for instruction and non-instructional programs were exceeded at year end. The budget was amended one time during the fiscal year for unanticipated expenditures due to growth.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2015, the District had invested $38,248,535, net of accumulated depreciation of $11,436,070, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation expense for the year totaled $1,082,454.

The original cost of the District's capital assets was $49,684,605. Governmental activities account for $49,006,731, leaving $677,874 in the business activities.

Figure A-6 Capital Assets, Net of Depreciation	Governmental Activities	Business Type Activities	Total District
Land	1,161,901		1,161,901
Construction in Progress	4,241,329		4,241,329
Buildings	30,762,386		30,762,386
Improvements Other Than Buildings	172,811		172,811
Furniture and Equipment	1,643,289	266,819	1,910,108
TOTALS:	**37,981,716**	**266,819**	**38,248,535**

Long-Term Liabilities

At June 30, 2015, the District had $24,505,095 in general obligation and other long-term liabilities outstanding. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

Figure A-7 Outstanding Long-Term Obligations	Total District (2015)
General Obligation Bonds	7,735,000
Local Option Sales & Service Tax Revenue Bonds	10,000,000
Capital Loan Notes	840,000
Early Retirement	113,452
Net Pension Liability	5,364,071
Net OPEB Liability	452,572
TOTAL	**24,505,095**

Factors Bearing on the District's Future

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

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- The rapid growth of the district provides financial challenges. As the need for facilities increases, the taxable valuation of the district increases at a far less rate causing the debt limit to be approached and surpassed if growth continues at current rate. The district will continue to explore options to increase efficiency while having as much support for students, faculty and staff as allowed by maintaining fiscal responsibility.

- Due to the District's location in the metro area and continued growth, certified enrollment has increased 3.83%, 5.46% and 8.88% over the last three years with the student served population increasing as well. Current projections predict continued growth in the District. State funding will continue to be an important subject of interest in future years due to the uncertainty of the state aid formula and special programs.

- Many factors continue to be a concern for the District including the fluctuation in prices of gas, diesel, and natural gas.

- With 79% of the General Fund expenditures consisting of salaries and benefits, the increasing cost of salaries, benefits, health costs, and IPERS continue to be a major concern.

- Along with the growing population comes the need to hire staff. The district will continue to evaluate class size and make fiscally responsible decisions that are best for the children of the district.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jared Abel, Business Manager, Bondurant-Farrar Community School District, 300 Garfield Street SW, Bondurant, IA 50035.

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Basic Financial Statements

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled investments	$ 9,553,151	$ 264,001	$ 9,817,152
Receivables:			
Property tax:			
Current year	20,310	-	20,310
Succeeding year	5,579,857	-	5,579,857
Income surtax	225,030	-	225,030
Accounts	10,512	1,705	12,217
Due from other governments	559,340	-	559,340
Inventories	-	58,461	58,461
Capital assets, net of accumulated depreciation (note 4)	37,981,716	266,819	38,248,535
Total assets	53,929,916	590,986	54,520,902
Deferred Outflows of Resources			
Pension related deferred outflows	1,694,249	50,607	1,744,856
Liabilities			
Accounts payable	476,505	1,570	478,075
Salaries and benefits payable	1,430,485	2,265	1,432,750
Due to other governments	65,017	-	65,017
Deposits payable	36,380	-	36,380
Advances from grantors and others	72,424	-	72,424
Unearned revenue	-	14,203	14,203
Accrued interest payable	146,018	-	146,018
Long-term liabilities (note 5):			
Portion due within one year:			
Early retirement	32,097	-	32,097
Bonds payable	1,025,000	-	1,025,000
Notes payable	270,000	-	270,000
Portion due after one year:			
Early retirement	81,355	-	81,355
Bonds payable	16,710,000	-	16,710,000
Notes payable	570,000	-	570,000
Net pension liability	5,208,493	155,578	5,364,071
Net OPEB liability	452,572	-	452,572
Total liabilities	26,576,346	173,616	26,749,962

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-type Activities	Total
Deferred Inflows of Resources			
Unavailable property tax revenue	$ 5,579,857	$ -	$ 5,579,857
Pension related deferred inflows	1,986,369	59,333	2,045,702
Total deferred inflows of resources	7,566,226	59,333	7,625,559
Net Position			
Net investment in capital assets	19,406,716	266,819	19,673,535
Restricted for:			
Categorical funding	350,404	-	350,404
Debt service	2,671,111	-	2,671,111
Capital projects	2,929,569	-	2,929,569
Physical plant and equipment levy purposes	516,870	-	516,870
Management levy purposes	352,523	-	352,523
Student activities	66,373	-	66,373
Unrestricted	(4,811,973)	141,825	(4,670,148)
Total net position	$ 21,481,593	$ 408,644	$ 21,890,237

See notes to financial statements.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular	$ 7,064,661	$ 720,970	$ 1,079,861	$ -
Special	1,953,238	535,648	146,022	-
Other	1,418,186	278,177	27,432	-
	10,436,085	1,534,795	1,253,315	-
Support services:				
Student	540,371	-	-	-
Instructional staff	750,230	-	1,600	-
Administration	1,776,423	28,957	-	-
Operation and maintenance of plant	1,775,593	36,515	-	-
Transportation	634,402	38,848	7,429	-
	5,477,019	104,320	9,029	-
Other expenditures:				
Facilities acquisition	796,658	-	-	1,059,000
Long-term debt interest and fiscal charges	615,502	-	-	-
AEA flowthrough	657,374	-	657,374	-
Depreciation (unallocated) *	778,406	-	-	-
	2,847,940	-	657,374	1,059,000
Total governmental activities	18,761,044	1,639,115	1,919,718	1,059,000

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (5,263,830)	$ -	$ (5,263,830)
(1,271,568)	-	(1,271,568)
(1,112,577)	-	(1,112,577)
(7,647,975)	-	(7,647,975)
(540,371)	-	(540,371)
(748,630)	-	(748,630)
(1,747,466)	-	(1,747,466)
(1,739,078)	-	(1,739,078)
(588,125)	-	(588,125)
(5,363,670)	-	(5,363,670)
262,342	-	262,342
(615,502)	-	(615,502)
-	-	-
(778,406)	-	(778,406)
(1,131,566)	-	(1,131,566)
(14,143,211)	-	(14,143,211)

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-Type Activities:				
Instruction:				
Construction class operations	$ 204,058	$ 215,000	$ -	$ -
Support services:				
Food service operations	7,106	-	-	-
Non-instructional programs:				
Food service operations	971,383	540,051	323,488	-
Total business-type activities	1,182,547	755,051	323,488	-
Total	$ 19,943,591	$ 2,394,166	$ 2,243,206	$ 1,059,000
General revenues:				
Property tax levied for:				
General purposes				
Debt service				
Capital outlay				
Income surtax				
Statewide sales, services and use tax				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
Total general revenues				
Change in net position				
Net position beginning of year, as restated (note 13)				
Net position end of year				

* = This amount excludes the depreciation included in the direct expenses of the various programs.

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ -	$ 10,942	$ 10,942
-	(7,106)	(7,106)
-	(107,844)	(107,844)
-	(104,008)	(104,008)
(14,143,211)	(104,008)	(14,247,219)
$ 3,463,140	$ -	$ 3,463,140
1,162,428	-	1,162,428
513,472	-	513,472
271,176	-	271,176
1,505,438	-	1,505,438
8,793,202	-	8,793,202
11,551	82	11,633
251,073	-	251,073
15,971,480	82	15,971,562
1,828,269	(103,926)	1,724,343
19,653,324	512,570	20,165,894
$ 21,481,593	$ 408,644	$ 21,890,237

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	Debt Service	Capital Projects	Nonmajor	Total
Assets					
Cash and pooled investments	$ 2,961,170	$ 2,810,458	$ 3,216,379	$ 562,778	$ 9,550,785
Receivables:					
Property tax:					
Current year	12,364	4,298	1,898	1,750	20,310
Succeeding year	3,720,193	1,090,980	557,542	211,142	5,579,857
Income surtax	225,030	-	-	-	225,030
Accounts	8,716	-	-	1,796	10,512
Due from other governments	324,589	-	234,751	-	559,340
Total assets	$ 7,252,062	$ 3,905,736	$ 4,010,570	$ 777,466	$ 15,945,834

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	Debt Service	Capital Projects	Nonmajor	Total
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ 440,291	$ -	$ 4,216	$ 29,695	$ 474,202
Due to other governments	65,017	-	-	-	65,017
Salaries and benefits payable	1,430,485	-	-	-	1,430,485
Deposits payable	36,380	-	-	-	36,380
Advances from grantors and others	68,143	-	-	4,281	72,424
Total liabilities	2,040,316	-	4,216	33,976	2,078,508
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	3,720,193	1,090,980	557,542	211,142	5,579,857
Other	225,030	-	-	-	225,030
Total deferred inflows of resources	3,945,223	1,090,980	557,542	211,142	5,804,887
Fund balances:					
Restricted for:					
Categorical funding (note 11)	350,404	-	-	-	350,404
Revenue bonds reserve fund (note 5)	-	817,460	-	-	817,460
Bond refunding escrow (note 5)	-	1,200,000	-	-	1,200,000
Debt service	-	797,296	-	-	797,296
Other capital projects	-	-	172,050	-	172,050
School infrastructure	-	-	2,757,519	-	2,757,519
Physical plant and equipment	-	-	519,243	-	519,243
Management levy purposes	-	-	-	465,975	465,975
Student activities	-	-	-	66,373	66,373
Unassigned	916,119	-	-	-	916,119
Total fund balances	1,266,523	2,814,756	3,448,812	532,348	8,062,439
Total liabilities, deferred inflows of resources, and fund balances	$ 7,252,062	$ 3,905,736	$ 4,010,570	$ 777,466	$ 15,945,834

See notes to financial statements.

BONDURANT-FARRAR 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			$ 8,062,439
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.			37,981,716
The Internal Service Fund is included in governmental activities due to the integral nature of this fund to those governmental activities.			63
Other long-term assets, including income surtax receivable, are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.			225,030
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.			(146,018)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:			
	Deferred outflows of resources	$ 1,694,249	
	Deferred inflows of resources	(1,986,369)	(292,120)
Long-term liabilities, including early retirement, bonds payable, capital loan notes payable, net pension liability and net OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.			(24,349,517)
Net position of governmental activities			$ 21,481,593

See notes to financial statements.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	General	Debt Service	Capital Projects	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	$ 3,253,088	$ 1,149,372	$ 507,705	$ 421,090	$ 5,331,255
Tuition	875,767	-	-	-	875,767
Other	270,957	8,402	207,659	318,558	805,576
State sources	10,557,573	13,056	1,511,205	4,094	12,085,928
Federal sources	459,588	-	-	-	459,588
Total revenues	15,416,973	1,170,830	2,226,569	743,742	19,558,114
Expenditures:					
Current:					
Instruction	10,308,836	-	-	283,334	10,592,170
Support services:					
Student	552,968	-	-	-	552,968
Instructional staff	782,579	-	-	-	782,579
Administration	1,652,949	-	144,407	63,035	1,860,391
Operation and maintenance of plant	1,571,337	-	52,060	199,057	1,822,454
Transportation	512,953	-	140,760	14,178	667,891
	5,072,786	-	337,227	276,270	5,686,283
Other expenditures:					
Facilities acquisition	-	-	2,185,104	-	2,185,104
Long term debt:					
Principal	-	685,000	-	-	685,000
Interest and fiscal charges	-	615,555	2,000	-	617,555
AEA flowthrough	657,374	-	-	-	657,374
	657,374	1,300,555	2,187,104	-	4,145,033
Total expenditures	16,038,996	1,300,555	2,524,331	559,604	20,423,486
Excess (deficiency) of revenues over (under) expenditures	(622,023)	(129,725)	(297,762)	184,138	(865,372)

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	General	Debt Service	Capital Projects	Nonmajor	Total
Other financing sources (uses):					
Sale of equipment	$ 4,917	$ -	$ -	$ -	$ 4,917
Interfund transfers in (note 3)		1,118,855	-	9,205	1,128,060
Interfund transfers out (note 3)			(1,128,060)	-	(1,128,060)
Total other financing sources (uses)	4,917	1,118,855	(1,128,060)	9,205	4,917
Change in fund balances before extraordinary item	(617,106)	989,130	(1,425,822)	193,343	(860,455)
Extraordinary item:					
Donation from private source	-	-	1,000,000	-	1,000,000
Net change in fund balances	(617,106)	989,130	(425,822)	193,343	139,545
Fund balances beginning of year	1,883,629	1,825,626	3,874,634	339,005	7,922,894
Fund balances end of year	$ 1,266,523	$ 2,814,756	$ 3,448,812	$ 532,348	$ 8,062,439

See notes to financial statements.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Net change in fund balances - total governmental funds			$ 139,545
Amounts reported for governmental activities in the Statement of Activities are different because:			
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the current year are as follows:			
	Capital outlays	$ 1,625,814	
	Depreciation expense	(1,047,072)	578,742
The increase in net position of the Internal Service Fund represents an overcharge to the governmental funds and is therefore added back to the Statement of Activities.			63
Income surtax revenue not received until several months after the District's fiscal year end is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.			26,282
Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position.			685,000
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.			2,053
The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.			111,858

BONDURANT-FARRAR 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

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:			
	Early retirement	32,708	
	Pension expense	254,221	
	Net OPEB liability	(2,203)	284,726
Change in net position of governmental activities			$ 1,828,269

See notes to financial statements.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Enterprise Funds			
	School Nutrition	Nonmajor Enterprise	Total	Internal Service
Assets				
Cash and cash equivalents	$ 161,974	$ 102,027	$ 264,001	$ 2,366
Receivables:				
Accounts	1,705	-	1,705	-
Inventories	15,554	42,907	58,461	-
Capital assets, net of accumulated depreciation (note 4)	266,819	-	266,819	-
Total assets	446,052	144,934	590,986	2,366
Deferred Outflows of Resources				
Pension related deferred outflows	50,607	-	50,607	-
Liabilities				
Net pension liability (note 5)	155,578	-	155,578	-
Accounts payable	1,315	255	1,570	2,303
Salaries and benefits payable	2,265	-	2,265	-
Unearned revenue	14,203	-	14,203	-
Total liabilities	173,361	255	173,616	2,303
Deferred Inflows of Resources				
Pension related deferred inflows	59,333	-	59,333	-
Fund Net Position				
Net investment in capital assets	266,819	-	266,819	-
Unrestricted	(2,854)	144,679	141,825	63
Total fund net position	$ 263,965	$ 144,679	$ 408,644	$ 63

See notes to financial statements.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Enterprise Funds			
	School Nutrition	Nonmajor Enterprise	Total	Internal Service
Operating revenues:				
Local sources:				
Charges for services	$ 540,051	$ 215,000	$ 755,051	$ 45,426
Operating expenses:				
Instruction:				
Other instruction:				
Purchased services	-	204,058	204,058	-
Support services:				
Purchased services	7,106	-	7,106	45,363
Non-instructional programs:				
Food service operations:				
Salaries	336,891	-	336,891	-
Benefits	77,764	-	77,764	-
Purchased services	19,641	-	19,641	-
Supplies	500,214	-	500,214	-
Depreciation	35,382	-	35,382	-
Other	1,491	-	1,491	-
	971,383	-	971,383	-
Total operating expenses	978,489	204,058	1,182,547	45,363
Operating income (loss)	(438,438)	10,942	(427,496)	63
Non-operating revenues:				
Interest on investments	82	-	82	-
State sources	6,918	-	6,918	-
Federal sources	316,570	-	316,570	-
Total non-operating revenues	323,570	-	323,570	-
Change in fund net position	(114,868)	10,942	(103,926)	63
Fund net position beginning of year, as restated (note 13)	378,833	133,737	512,570	-
Fund net position end of year	$ 263,965	$ 144,679	$ 408,644	$ 63

See notes to financial statements.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Enterprise Funds			
	School Nutrition	Nonmajor Enterprise	Total	Internal Service
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	$ 535,433	$ -	$ 535,433	$ -
Cash received from miscellaneous operating activities	6,330	215,000	221,330	45,426
Cash paid to employees for services	(432,040)	-	(432,040)	-
Cash paid to suppliers for goods or services	(491,788)	(64,353)	(556,141)	(43,060)
Net cash provided by (used by) operating activities	(382,065)	150,647	(231,418)	2,366
Cash flows from non-capital financing activities:				
(Decrease) in due to other funds	-	(48,620)	(48,620)	-
State grants received	6,918	-	6,918	-
Federal grants received	257,784	-	257,784	-
Net cash provided by (used by) non-capital financing activities	264,702	(48,620)	216,082	-
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(6,880)	-	(6,880)	-
Cash flows from investing activities:				
Interest on investments	82	-	82	-
Net increase (decrease) in cash and cash equivalents	(124,161)	102,027	(22,134)	2,366
Cash and cash equivalents beginning of year	286,135	-	286,135	-
Cash and cash equivalents end of year	$ 161,974	$ 102,027	$ 264,001	$ 2,366

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Enterprise Funds			
	School Nutrition	Nonmajor Enterprise	Total	Internal Service
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:				
Operating income (loss)	$ (438,438)	$ 10,942	$ (427,496)	$ 63
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:				
Commodities used	58,786	-	58,786	-
Depreciation	35,382	-	35,382	-
(Increase) decrease in inventories	(2,959)	141,510	138,551	-
(Increase) in accounts receivable	(737)	-	(737)	-
Increase (decrease) in accounts payable	(19,163)	(1,805)	(20,968)	2,303
(Decrease) in salaries and benefits payable	(6,451)	-	(6,451)	-
(Decrease) in net pension liability	(42,583)	-	(42,583)	-
(Increase) in deferred outflows of resources	(27,684)	-	(27,684)	-
Increase in deferred inflows of resources	59,333	-	59,333	-
Increase in unearned revenue	2,449	-	2,449	-
Net cash provided by (used by) operating activities	$ (382,065)	$ 150,647	$ (231,418)	$ 2,366

Non-cash financing activities:

During the year ended June 30, 2015, the District received $58,786 of federal commodities.

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

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

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

A. Reporting Entity

For financial reporting purposes, Bondurant-Farrar 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. Bondurant-Farrar Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

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

B. Basis of Presentation

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt 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.

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

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

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

Fund Financial Statements – Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The District reports the following major governmental funds:

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

The Debt Service Fund is used to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

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

The District reports the following major proprietary fund:

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

Additionally, the District reports the nonmajor Enterprise, Construction Class Fund, which is used to account for the construction of houses within the District for educational purposes, and the Internal Service Fund, Flex Plan which is used to account for the Internal Revenue Service section 125 flexible benefits program.

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

Property Tax Receivable – Property tax receivable is recognized in the governmental funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Current year property tax 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 District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% 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.

Income Surtax Receivable –Income surtax budgeted for the fiscal year ended June 30, 2015 will not be received by the District until several months after the fiscal year end. Accordingly, income surtax is recorded as a receivable and included in deferred inflows on the modified accrual basis for the governmental funds. For the District-wide statements, on the Statement of Activities the income surtax revenue is recognized.

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Purchased capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair 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 one year.

Asset Class		Amount
Land	$	2,500
Buildings		2,500
Improvements other than buildings		2,500
Intangibles		100,000
Furniture and equipment:		
School Nutrition Fund equipment		500
Other furniture and equipment		2,500

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

Asset Class	Estimated Useful Lives
Buildings	50 years
Improvements other than buildings	20 years
Furniture 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 expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Advances from grantors and others – Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year and preschool registrations and retiree's insurance premiums received in advance have been accrued as liabilities.

Note 1. Summary of Significant Accounting Policies (continued)

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

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.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use. A liability is recorded when incurred in the government-wide financial statements. The District has no compensated absences liability at June 30, 2015.

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

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

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

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 are imposed by law through constitutional provisions or enabling legislation.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

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

Note 2. Cash and Pooled Investments

The District's deposits in banks at June 30, 2015 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure 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 the following investments:

		Amortized Cost
Money Market Mutual Funds	$	1,898,816
U.S. Treasury Notes		820,000
Iowa Schools Joint Investment Trust, Diversified Portfolio		5,692,760
	$	8,411,576

The investment in the Iowa Schools Joint Investment Trust are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The investments in the money market mutual funds and U.S. Treasury notes are valued at fair value.

Credit Risk – The investment in the Iowa Schools Joint Investment Trust was rated AAAm by Standard & Poor's Financial Services. The investment in the money market mutual fund is unrated and the investment in the U.S. Treasury notes is not subject to investment rating.

Note 3. Interfund Transfers

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

Transfer to	Transfer from		Amount
Debt Service	Capital Projects	$	1,118,855
Special Revenue, Student Activity	Capital Projects		9,205
		$	1,128,060

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

Note 4. Capital Assets

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,161,901	$ -	$ -	$ 1,161,901
Construction in progress	12,689,852	643,454	9,091,977	4,241,329
Total capital assets not being depreciated	13,851,753	643,454	9,091,977	5,403,230
Capital assets being depreciated:				
Buildings	28,562,132	9,387,479	-	37,949,611
Improvements other than buildings	678,082	112,900	-	790,982
Furniture and equipment	4,288,950	573,958	-	4,862,908
Total capital assets being depreciated	33,529,164	10,074,337	-	43,603,501
Less accumulated depreciation for:				
Buildings	6,444,237	742,988	-	7,187,225
Improvements other than buildings	603,842	14,329	-	618,171
Furniture and equipment	2,929,864	289,755	-	3,219,619
Total accumulated depreciation	9,977,943	1,047,072	-	11,025,015
Total capital assets being depreciated, net	23,551,221	9,027,265	-	32,578,486
Governmental activities capital assets, net	$ 37,402,974	$ 9,670,719	$ 9,091,977	$ 37,981,716

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture and equipment	$ 670,994	$ 6,880	$ -	$ 677,874
Less accumulated depreciation	375,673	35,382	-	411,055
Business-type activities capital assets, net	$ 295,321	$ (28,502)	$ -	$ 266,819

Note 4. Capital Assets (continued)

Depreciation expense was charged to the following functions:

Governmental activities:		
Instruction:		
Regular	$	91,088
Other		14,795
Support services:		
Instructional staff		36,144
Administration		221
Operation and maintenance of plant		10,768
Transportation		115,650
		268,666
Unallocated depreciation		778,406
Total depreciation expense - governmental activities	$	1,047,072
Business-type activities:		
Food service operations	$	35,382

Note 5. Long-Term Liabilities

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

	Balance Beginning of Year, as Restated	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Early retirement	$ 146,160	$ 1,812	$ 34,520	$ 113,452	$ 32,097
General obligation bonds	8,155,000	-	420,000	7,735,000	440,000
Revenue bonds	10,000,000	-	-	10,000,000	585,000
Notes payable	1,105,000	-	265,000	840,000	270,000
Net pension liability	6,634,117	-	1,425,624	5,208,493	-
Net OPEB liability	450,369	2,203	-	452,572	-
Total	$ 26,490,646	$ 4,015	$ 2,145,144	$ 24,349,517	$ 1,327,097

	Balance Beginning of Year, as Restated	Additions	Reductions	Balance End of Year	Due Within One Year
Business-type activities:					
Net pension liability	$ 198,161	$ -	$ 42,583	$ 155,578	$ -

Early Retirement

The District occasionally offers a voluntary early retirement plan to all employees. For the two years ended June 30, 2015, the District offered early retirement to administrators only. Eligible employees must have completed seven years of continuous service to the District and be IPERS retirement eligible. Employees must complete an application which is required to be approved by the Board of Education.

For the current year early retirement benefit, the District will provide single health and dental coverage at the highest premium, lowest deductible plan offered by the District until the employee reaches age 65 or becomes Medicare eligible.

In prior years, an employee granted early retirement received a stipend equal to $3,000 less lawful deductions. An employee granted early retirement could elect to continue participation in the District's group health insurance plan subject to approval of the carrier and in accordance with Iowa law. The employee must have been a participant in the District's group health insurance plan. The District would continue to pay $350 per month towards the premium for single coverage until the employee is eligible for Medicare or Medicaid for any reason, becomes covered by another employer provided group health insurance plan, dies, or fails to pay the balance of the premium due for coverage.

Note 5. Long-Term Liabilities (continued)

Early Retirement (continued)

At June 30, 2015, the District had obligations to seven participants with a total liability of $113,452. Actual early retirement expenditures for the year ended June 30, 2015 totaled $34,520. Early retirement is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

General Obligation Bonds

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

	Issue dated July 1, 2008			
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	4.10 %	$ 440,000	$ 328,980	$ 768,980
2017	4.10	465,000	310,940	775,940
2018	4.10	490,000	291,875	781,875
2019	4.10	510,000	271,785	781,785
2020	4.10	535,000	250,875	785,875
2021-2025	4.10-4.30	3,070,000	904,645	3,974,645
2026-2028	4.40-4.70	2,225,000	209,080	2,434,080
		$ 7,735,000	$ 2,568,180	$ 10,303,180

Bond Refunding Escrow

During the three years ended June 30, 2015 the District levied for additional debt service tax revenues beyond the current year needs. This additional revenue has been placed in an irrevocable escrow account to advance refund $1,200,000 of the principal due on the July 1, 2008 general obligation bonds when those bonds become callable on June 1, 2018. The bonds will remain on the District's financial statements until the call date. The balance of the escrow fund at June 30, 2015 was $1,200,000.

Note 5. Long-Term Liabilities (continued)

Revenue Bonds

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

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	2.00 %	$ 585,000	$ 226,610	$ 811,610
2017	2.00	590,000	214,860	804,860
2018	2.00	600,000	202,960	802,960
2019	2.00	610,000	190,860	800,860
2020	2.00	620,000	178,560	798,560
2021-2025	2.00-2.10	3,285,000	699,908	3,984,908
2026-2030	2.50-3.00	3,710,000	279,787	3,989,787
		$ 10,000,000	$ 1,993,545	$ 11,993,545

The District pledged future statewide sales, services and use tax revenues to repay the $10,000,000 bonds issued in June, 2013. The bonds were issued for the purpose of financing a portion of the costs of a new K-2 elementary building. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 55 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is $11,993,545. For the current year, only interest of $232,460 was paid on the bonds and total statewide sales, services and use tax revenues were $1,505,438.

The resolution providing for the issuance of the school infrastructure sales and services tax revenue bonds includes the following provisions:

(a) The bonds will be redeemed from the future earnings of the school infrastructure sales, services and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.

(b) A reserve will be maintained in the amount of $817,460 to be used solely for the purpose of paying principal and interest in the event the funds available within the sinking fund are not sufficient for that purpose.

(c) Sufficient monthly deposits amounting to one twelfth of the next principal payment and one sixth of the next interest payment shall be made to the sinking fund for the purpose of making the bond principal and interest payments when due.

(d) Any monies remaining in the revenue fund after the required transfer to the sinking fund may be transferred to the project fund to be used for any lawful purpose.

Note 5. Long-Term Liabilities (continued)

Capital Loan Notes

Details of the District's June 30, 2015 capital loan notes indebtedness is as follows:

	Issue dated June 1, 2009			
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2016	3.10 %	$ 270,000	$ 28,475	$ 298,475
2017	3.40	280,000	20,105	300,105
2018	3.65	290,000	10,585	300,585
		$ 840,000	$ 59,165	$ 899,165

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 informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, 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.

Note 6. Pension Plan (continued)

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 $905,547.

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 $5,364,071 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 proportion was 0.1107606 percent, which was an increase of 0.007063 from its proportion measured as of June 30, 2013.

Note 6. Pension Plan (continued)

For the year ended June 30, 2015, the District recognized pension expense of $528,655. 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
Difference between expected and actual experience	$ 58,297	$ -
Changes of assumptions	236,729	-
Net difference between projected and actual earnings on pension plan investments	-	2,045,702
Changes in proportion and differences between District contributions and proportionate share of contributions	544,283	-
District contributions subsequent to the measurement date	905,547	-
Total	$ 1,744,856	$ 2,045,702

$905,547 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 ending 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 Ending June 30,	
2016	$ (315,326)
2017	(315,326)
2018	(315,326)
2019	(315,324)
2020	54,909
Total	$ (1,206,393)

Note 6. Pension Plan (continued)

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
Salary increases (effective June 30, 2014)	4.00 percent, average, including inflation
Investment rate of return (effective June 30, 1996)	7.50 percent per annum, compounded annually, net of pension plan investment expense, including inflation

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

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

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

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

Note 6. Pension Plan (continued)

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, 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-percentage-point 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	$ 10,135,262	$ 5,364,071	$ 1,336,692

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.

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 100 active and 12 retired members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with 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.

Note 7. Other Postemployment Benefits (OPEB) (continued)

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	$	93,729
Interest on net OPEB obligation		11,259
Adjustment to annual required contribution		35,434
Annual OPEB cost		69,554
Contributions made		67,351
Increase in net OPEB obligation		2,203
Net OPEB obligation beginning of year		450,369
Net OPEB obligation end of year	$	452,572

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 $67,351 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	$	69,817	24.4%	$	397,770
2014		67,759	22.4%		450,369
2015		69,554	96.8%		452,572

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 $459,878, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of $459,878. The covered payroll (annual payroll of active employees covered by the plan) was approximately $3,009,153, and the ratio of the UAAL to covered payroll was 15.3%. As of June 30, 2015, there were no trust fund assets.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information in the section following the Notes to Financial Statements, will present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 7. Other Postemployment Benefits (OPEB) (continued)

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 entry age actuarial cost method was used. The actuarial assumptions include a 2.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 6%.

Mortality rates are from the 94 Group Annuity Mortality Table projected to 2000, applied on a 2/3 female, 1/3 male basis.

The UAAL is being amortized as a level dollar cost over service of the group on a closed basis over 30 years.

Note 8. Operating Lease

The District entered into an operating lease for three copying machines during the year ended June 30, 2015. The lease calls for 60 monthly payments of $3,715. Payments under this lease agreement will begin in August, 2015.

Details of the District's obligations under this lease are as follows:

Year Ending June 30,	Amount
2016	$ 40,866
2017	44,581
2018	44,581
2019	44,581
2020	44,581
2021	3,715
	$ 222,905

Note 9. Risk Management

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

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled $657,374 for the year ended June 30, 2015 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 11. Categorical Funding

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

Program		Amount
Four year old preschool state aid	$	154,462
Professional development for model core curriculum		96,869
Successful progression for early readers		40,364
Returning dropouts and dropout prevention programs		21,003
Professional development		11,711
Teacher salary supplement		8,878
Teacher leadership grants		8,693
Home school assistance program		8,424
Total	$	350,404

Note 12. Construction Commitments

The District has entered into various contracts totaling $4,108,184 for a new stadium and for various repairs. As of June 30, 2015, costs of $3,918,454 had been incurred against the contracts. The balance of $189,730 remaining at June 30, 2015 will be paid as work on the project progresses.

Note 13. Accounting Change/Restatement

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 revised requirements establish new financial reporting requirements for state and local government 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	Enterprise Fund, School Nutrition
Net position June 30, 2014, as previously reported	$ 25,520,016	$ 687,808	$ 554,071
Net pension liability at June 30, 2014	6,634,117	198,161	198,161
Deferred outflows of resources related to contributions made after the June 30, 2013 measurement date	767,425	22,923	22,923
Net position July 1, 2014, as restated	$ 19,653,324	$ 512,570	$ 378,833

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Required Supplementary Information

BONDURANT-FARRAR 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 Funds - Actual	Proprietary Fund - Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
REVENUES:						
Local sources	$ 7,012,598	$ 755,133	$ 7,767,731	$ 8,796,539	$ 8,796,539	$ (1,028,808)
State sources	12,085,928	6,918	12,092,846	10,628,450	10,628,450	1,464,396
Federal sources	459,588	316,570	776,158	397,000	397,000	379,158
Total revenues	19,558,114	1,078,621	20,636,735	19,821,989	19,821,989	814,746
EXPENDITURES/EXPENSES:						
Instruction	10,592,170	204,058	10,796,228	10,677,000	10,677,000	(119,228)
Support services	5,686,283	7,106	5,693,389	5,358,000	6,750,000	1,056,611
Non-instructional programs	-	971,383	971,383	760,000	880,000	(91,383)
Other expenditures	4,145,033	-	4,145,033	5,872,559	4,360,559	215,526
Total expenditures/expenses	20,423,486	1,182,547	21,606,033	22,667,559	22,667,559	1,061,526
Excess (deficiency) of revenues over (under) expenditures/ expenses	(865,372)	(103,926)	(969,298)	(2,845,570)	(2,845,570)	1,876,272
Other financing sources and extraordinary item, net	1,004,917	-	1,004,917	1,021,030	1,021,030	(16,113)
Excess (deficiency) of revenues and other financing sources and extraordinary item over (under) expenditures/expenses	139,545	(103,926)	35,619	(1,824,540)	(1,824,540)	1,860,159
Balance beginning of year, as restated	7,922,894	512,570	8,435,464	9,313,638	9,313,638	(878,174)
Balance end of year	$ 8,062,439	$ 408,644	$ 8,471,083	$ 7,489,098	$ 7,489,098	$ 981,985

See accompanying independent auditor's report.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
Year Ended June 30, 2015

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, 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 a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund or fund type. 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 but held the expenditure total steady through reclassifications only.

During the year ended June 30, 2015, expenditures/expenses in the instruction and non-instructional programs functions exceeded the amounts budgeted.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System
Last Fiscal Year*
(In Thousands)

Required Supplementary Information

		2015
District's proportion of the net pension liability		0.1107606
District's proportionate share of the net pension liability	$	5,364
District's covered-employee payroll	$	10,141
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		52.89%
Plan fiduciary net position as a percentage of the total pension liability		87.61%

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

See accompanying independent auditor's report.

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

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BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

Schedule of the District's Contributions

Iowa Public Employees' Retirement System
Last Ten Fiscal Years
(In Thousands)

Required Supplementary Information

	2015	2014	2013	2012
Statutorily required contributions	$ 906	$ 790	$ 677	$ 590
Contributions in relation to the statutorily required contribution	(906)	(790)	(677)	(590)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 10,141	$ 8,850	$ 7,804	$ 7,317
Contributions as a percentage of covered-employee payroll	8.93%	8.93%	8.67%	8.07%

See accompanying independent auditor's report.

	2011	2010	2009	2008	2007	2006
	$ 459	$ 402	$ 386	$ 358	$ 310	$ 263
	(459)	(402)	(386)	(358)	(310)	(263)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 6,614	$ 6,050	$ 6,076	$ 5,918	$ 5,418	$ 4,655
	6.95%	6.65%	6.35%	6.05%	5.75%	5.75%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
Year Ended June 30, 2015

Changes of benefit terms:

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

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

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

Changes of assumptions:

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

- Decreased the inflation assumption form 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.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
Year Ended 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.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
(In Thousands)
Required Supplementary Information
Year Ended June 30, 2015

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2009	$ -	$ 1,073	$ 1,073	0.0%	$ 6,230	17.2%
2011	July 1, 2009	-	1,073	1,073	0.0%	6,718	16.0%
2012	July 1, 2009	-	1,073	1,073	0.0%	7,448	14.4%
2013	July 1, 2012	-	499	499	0.0%	2,744	18.2%
2014	July 1, 2012	-	480	480	0.0%	2,749	17.5%
2015	July 1, 2012	-	460	460	0.0%	3,009	15.3%

See note 7 in the accompanying Notes to 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

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Special Revenue		
	Management Levy	Student Activity	Total
Assets			
Cash and pooled investments	$ 467,485	$ 95,293	$ 562,778
Receivables:			
Property tax:			
Current year	1,750	-	1,750
Succeeding year	211,142	-	211,142
Accounts	-	1,796	1,796
Total assets	$ 680,377	$ 97,089	$ 777,466
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 1,979	$ 27,716	$ 29,695
Advances from others	1,281	3,000	4,281
Total liabilities	3,260	30,716	33,976
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	211,142	-	211,142
Fund balances:			
Restricted for:			
Management levy purposes	465,975	-	465,975
Student activities	-	66,373	66,373
Total fund balances	465,975	66,373	532,348
Total liabilities, deferred inflows of resources and fund balances	$ 680,377	$ 97,089	$ 777,466

See accompanying independent auditor's report.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Special Revenue		
	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	$ 421,090	$ -	$ 421,090
Other	40,925	277,633	318,558
State sources	4,094	-	4,094
Total revenues	466,109	277,633	743,742
Expenditures:			
Current:			
Instruction	3,806	279,528	283,334
Support services:			
Administration	63,035	-	63,035
Operation and maintenance of plant	199,057	-	199,057
Transportation	14,178	-	14,178
Total expenditures	280,076	279,528	559,604
Excess (deficiency) of revenues over (under) expenditures	186,033	(1,895)	184,138
Other financing sources:			
Interfund transfers in	-	9,205	9,205
Net change in fund balances	186,033	7,310	193,343
Fund balances beginning of year	279,942	59,063	339,005
Fund balances end of year	$ 465,975	$ 66,373	$ 532,348

See accompanying independent auditor's report.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
CAPITAL PROJECTS ACCOUNTS
June 30, 2015

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Assets				
Cash and pooled investments	$ 2,522,768	$ 517,761	$ 175,850	$ 3,216,379
Receivables:				
Property tax:				
Current year	-	1,898	-	1,898
Succeeding year	-	557,542	-	557,542
Due from other governments	234,751	-	-	234,751
Total assets	$ 2,757,519	$ 1,077,201	$ 175,850	$ 4,010,570
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ 416	$ 3,800	$ 4,216
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	557,542	-	557,542
Fund balances:				
Restricted for:				
Other capital projects	-	-	172,050	172,050
School infrastructure	2,757,519	-	-	2,757,519
Physical plant and equipment	-	519,243	-	519,243
Total fund balances	2,757,519	519,243	172,050	3,448,812
Total liabilities, deferred inflows of resources and fund balances	$ 2,757,519	$ 1,077,201	$ 175,850	$ 4,010,570

See accompanying independent auditor's report.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS ACCOUNTS
Year Ended June 30, 2015

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	$ -	$ 507,705	$ -	$ 507,705
Other	132,701	438	74,520	207,659
State sources	1,505,438	5,767	-	1,511,205
Total revenues	1,638,139	513,910	74,520	2,226,569
Expenditures:				
Current:				
Support services:				
Administration	67,165	77,242	-	144,407
Operation and maintenance of plant	37,109	14,951	-	52,060
Transportation	-	140,760	-	140,760
Other expenditures:				
Facilities acquisition	614,414	-	1,570,690	2,185,104
Long term debt:				
Fiscal charges	2,000	-	-	2,000
Total expenditures	720,688	232,953	1,570,690	2,524,331
Excess (deficiency) of revenues over (under) expenditures	917,451	280,957	(1,496,170)	(297,762)
Other financing sources (uses):				
Intrafund transfers in*	579,116	-	1,133,274	1,712,390
Intrafund transfers out*	(1,133,274)	-	(579,116)	(1,712,390)
Interfund transfers out	(826,665)	(301,395)	-	(1,128,060)
Total other financing sources (uses)	(1,380,823)	(301,395)	554,158	(1,128,060)
Change in fund balances before extraordinary item	(463,372)	(20,438)	(942,012)	(1,425,822)
Extraordinary item:				
Donation from private source	-	-	1,000,000	1,000,000

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS ACCOUNTS
Year Ended June 30, 2015

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Net change in fund balances	$ (463,372)	$ (20,438)	$ 57,988	$ (425,822)
Fund balances beginning of year	3,220,891	539,681	114,062	3,874,634
Fund balances end of year	$ 2,757,519	$ 519,243	$ 172,050	$ 3,448,812

See accompanying independent auditor's report.

* = These amounts have been eliminated from the basic financial statements.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2015

Account	Balance Beginning of Year	Revenues/ Other Financing Sources	Expenditures	Balance End of Year
HS Musical	$ 2,569	$ 4,063	$ 1,117	$ 5,515
HS Play	3,983	1,460	542	4,901
Speech	(1,893)	-	2,556	(4,449)
Vocal Music	3,685	-	2,012	1,673
Instrumental Music	2,450	3,674	5,907	217
Cheerleaders	3,201	-	1,725	1,476
Jayz Danz Drill Team	597	2,455	3,650	(598)
General Athletics	8,260	212,906	197,726	23,440
Class of 2011	3,579	-	-	3,579
Class of 2014	675	-	-	675
Prom Account	2,419	3,532	3,391	2,560
Farrar Carnival	1,102	-	-	1,102
High School Students in Need	1,031	-	-	1,031
Jump Rope for Heart	1,951	-	-	1,951
Honor Society	(269)	-	-	(269)
3rd Grade Bubble Account	1,563	-	-	1,563
Yearbook - HS	(10,323)	3,545	3,564	(10,342)
Art Club	1,225	535	467	1,293
Industrial Tech - Donations	3	-	-	3
FCCLA	(577)	2,284	1,862	(155)
FBLA	1,585	10,682	9,212	3,055
Student Council	2,450	9,083	7,003	4,530
Middle School Student Council	5,504	16,457	18,938	3,023
General Activity - HS	1,423	35	1,458	-
After School Activities	-	11,039	6,584	4,455
Middle School Vocal Music	1,368	-	-	1,368
Yearbook - MS	1,479	3,147	1,502	3,124
Elementary Students in Need	3,968	-	-	3,968
Elementary Yearbook	5,854	1,941	1,193	6,602
General Activity - Elem	4,992	-	4,992	-
Football Flag	4,127	-	4,127	-
Best Rewards	1,042	-	-	1,042
Swing Choir	40	-	-	40
	$ 59,063	$ 286,838	$ 279,528	$ 66,373

See accompanying independent auditor's report.

BONDURANT-FARRAR 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
Revenues:				
Local sources:				
Local tax	$ 5,331,255	$ 5,371,175	$ 6,292,068	$ 6,145,860
Tuition	875,767	803,354	834,199	821,359
Other	805,576	660,680	680,433	691,251
Intermediate sources	-	-	-	-
State sources	12,085,928	10,501,047	8,289,088	7,918,124
Federal sources	459,588	433,423	557,872	2,178,299
Total revenues	$ 19,558,114	$ 17,769,679	$ 16,653,660	$ 17,754,893
Expenditures:				
Instruction	$ 10,592,170	$ 9,620,521	$ 8,613,650	$ 8,063,602
Support services:				
Student	552,968	472,634	446,986	357,554
Instructional staff	782,579	860,996	702,125	782,534
Administration	1,860,391	1,591,220	1,427,516	1,209,255
Operation and maintenance of plant	1,822,454	1,952,144	1,245,432	1,421,923
Transportation	667,891	877,963	501,329	617,343
Non-instructional programs	-	-	-	-
Other expenditures:				
Facilities acquisition	2,185,104	11,297,795	2,618,208	3,371,310
Long-term debt:				
Principal	685,000	660,000	640,000	620,000
Interest and fiscal charges	617,555	541,920	558,464	446,448
AEA flowthrough	657,374	572,519	519,255	486,057
Total expenditures	$ 20,423,486	$ 28,447,712	$ 17,272,965	$ 17,376,026

See accompanying independent auditor's report.

	2011	2010	2009	2008	2007	2006
	$ 5,849,710	$ 5,347,324	$ 5,170,202	$ 4,106,306	$ 3,971,159	$ 3,527,309
	778,465	605,033	663,116	553,353	546,397	469,489
	598,409	625,768	867,982	504,852	550,028	503,821
	-	-	-	17,481	-	-
	7,064,590	5,743,746	6,383,061	5,743,142	5,065,455	4,367,508
	663,546	871,680	251,757	129,774	140,591	132,059
	$ 14,954,720	$ 13,193,551	$ 13,336,118	$ 11,054,908	$ 10,273,630	$ 9,000,186
	$ 7,124,370	$ 6,470,346	$ 6,637,404	$ 6,621,838	$ 5,956,907	$ 4,812,198
	328,199	322,503	279,266	322,291	438,911	311,523
	587,698	382,706	366,299	275,477	271,626	270,701
	1,195,895	1,058,486	1,020,673	990,542	986,305	874,871
	1,147,673	934,173	819,473	947,590	952,297	853,039
	431,316	448,597	313,474	299,955	363,546	329,050
	-	-	-	-	4,743	17,788
	1,183,694	6,630,208	6,198,992	293,924	93,815	137,668
	595,000	1,140,000	895,000	770,000	795,000	760,000
	463,690	488,832	473,664	97,597	129,012	157,668
	491,354	459,931	403,005	364,846	330,110	281,153
	$ 13,548,889	$ 18,335,782	$ 17,407,250	$ 10,984,060	$ 10,322,272	$ 8,805,659

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

To the Board of Education of
Bondurant-Farrar Community School District:

We have audited in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bondurant-Farrar Community School District as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 7, 2016.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting 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 a deficiency in internal control over financial reporting we consider to be a material weakness.

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

Compliance

As part of obtaining reasonable assurance about whether Bondurant-Farrar 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 that 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.

Bondurant-Farrar Community School District's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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 report is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Bondurant-Farrar 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.

Hunt + Associates, P.C.

Oskaloosa, Iowa
January 7, 2016

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS

Year Ended June 30, 2015

Part I: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

I-A-15 Financial Reporting – During the audit, we identified material amounts of expenses that were netted against revenues in the Enterprise Fund, Student Construction. The prior year construction inventory totaling $184,417 was netted to the current year sale proceeds of the house. This process understates both revenue and expenses for the associated Fund. In addition, current year expenses totaling $42,907 were not reclassified to inventory as an asset to represent the unsold project started in the current year. Adjustments were subsequently made by the District to include all amounts in the proper asset, revenue and expense classifications in the financial statements.

Recommendation – The District should implement procedures to ensure that expenses are not improperly netted to revenues in the future and that applicable expenses are identified and reclassified as inventory so that the financial statements are free of material errors.

Response – We will ensure that these expenses are not netted to revenues in the future. The reclassification of the current year expenses to inventory was an oversight for this year and we will make the proper adjustments in the future.

Conclusion – Response accepted.

BONDURANT-FARRAR COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS

Year Ended June 30, 2015

Part II: Other Findings Related to Statutory Reporting:

II-A-15 Certified Budget – Expenditures/expenses for the year ended June 30, 2015, exceeded the amounts budgeted in the instruction and non-instructional programs functions.

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

Response – We will amend our budget in sufficient amounts before expenditures exceed the budget in the future.

Conclusion – Response accepted.

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

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

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

Name, Title and Business Connection	Transaction Description	Amount
Patti Davis, Spouse of Board Member Steve Davis	Coach	\$5,014
Mike Ugulini, Spouse of Board Member Susan Ugulini	Bus driver	\$6,085
Tom Looft, Board Member	Painting services	\$2,470

In accordance with Chapter 279.7A of the Code of Iowa, the transaction with the Board Member Looft does not appear to represent a conflict of interest since the cumulative amount did not exceed \$2,500 for the fiscal year. The transactions with the spouses of Board Members Ugulini and Davis do not represent conflicts of interest according to an Attorney General's opinion dated November 9, 1976.

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

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

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

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

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

II-I-15 Deposits and Investments – 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. However, the District has $1,898,816 invested in money market mutual funds which is an unallowable investment per the District's own policy.

Recommendation – The District should amend the investment policy to allow the investment in the money market mutual funds.

Response – We will review our policy and make any necessary changes.

Conclusion – Response accepted.

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

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

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

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

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

II-L-15 Statewide Sales, Services and Use Tax (continued)

Beginning balance		$ 3,220,891
Revenues:		
Interest	$ 1,114	
Other local revenues	131,587	
Statewide sales, services and use tax	1,505,438	
Transfers from other accounts	579,116	2,217,255
Expenditures/transfers out:		
School infrastructure construction	590,955	
Equipment	37,109	
Other	92,624	
Transfers to other funds:		
Debt Service Fund	826,665	
Other transfers	1,133,274	2,680,627
Ending balance		$ 2,757,519

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

II-M-15 Financial Condition – The District's Governmental Activities had a deficit unrestricted net position of $4,811,973 at June 30, 2015. The Enterprise Fund, School Nutrition had a deficit unrestricted net position of $2,854 at June 30, 2015. These deficit balances arose due to the implementation of Governmental Accounting Standards Board Statement Number 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 which required the inclusion of the District's proportionate share of the IPERS pension liability and related deferred inflows and outflows in the District's financial statements. In addition, the Yearbook-HS, Speech, FCCLA, Honor Society and Jayz Danz Drill Team student activity accounts within the nonmajor Special Revenue, Student Activity Fund had deficit balances of $10,342, $4,449, $155, $269 and $598, respectively, at June 30, 2015.

Recommendation – Even though the deficits for Governmental Activities and the School Nutrition Fund arose due to the inclusion of the proportionate share of the IPERS net pension liability in the financial statements, the District should investigate ways to return the governmental activities and the Nutrition Fund to sound financial conditions. The District should continue to investigate alternatives to eliminate the deficits in the Activity Fund.

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

II-M-15 Financial Condition (continued)

Response – We are unsure of what steps can be taken at this time to alleviate the strain on the District's proportionate share of the IPERS liability on Governmental Activities and on the School Nutrition Fund. However, we will look into this situation and investigate ways to return the associated activities and funds to sound financial condition. The District is continuing to investigate alternates to eliminate the deficit accounts within the Student Activity Fund.

Conclusion – Response accepted.