

CLARINDA COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2024

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Clarinda Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education (Before November 2023 Election)		
Darin Sunderman	President	2023
Scott Honeyman	Vice President	2025
Paul Boysen	Board Member	2025
Trish Bergren	Board Member	2023
Greg Jones	Board Member	2023
(After November 2023 Election)		
Scott Honeyman	President	2024
Josh Wyman	Vice President	2026
Paul Boysen	Board Member	2024
Mike Butt	Board Member	2026
Patrick Hayes	Board Member	2026
School Officials		
Jeff Privia	Superintendent	2024
Nancy McKinnon	Board Secretary/Business Manager	2024
Ahlers & Cooney, P.C.	Attorney	2024

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Certified Public Accountants
(a professional corporation)
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Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of Clarinda Community School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Clarinda Community School District, Clarinda, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Clarinda Community School District as of June 30, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Clarinda Community School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clarinda Community School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Clarinda Community School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clarinda Community School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America 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 Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 7 through 15 and 44 through 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who 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 auditing standards generally accepted in the United States of America, 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 Clarinda 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 three years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. Another auditor previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the four years ended June 30, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the two years ended June 30, 2016 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 7, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information, including the Schedule of Expenditures of Federal Awards, 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 through 7, including the Schedule of Expenditures of Federal Awards, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information in the independent auditor's report. The other information comprises the officials page but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 29, 2025 on our consideration of Clarinda Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's 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 Clarinda Community School District's internal control over financial reporting and compliance.



NOLTE, CORNMAN & JOHNSON, P.C.

April 29, 2025
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

Clarinda 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, 2024. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

- The District's total net position increased from \$13,581,356, at June 30, 2023, to \$15,151,751 at June 30, 2024. Total revenues increased 8.60% from \$15,949,860 in fiscal year 2023 to \$17,321,533 in fiscal year 2024, while total expenses increased 7.63% from \$14,634,304 in fiscal year 2023 to \$15,751,138 in fiscal year 2024. The increase in total revenues was due in part to an increase in unrestricted state grants. The increase in total expenses occurred primarily in the instruction functional area.
- General Fund revenues increased from \$13,466,175 in fiscal year 2023 to \$13,820,240 in fiscal year 2024, while General Fund expenditures increased from \$13,212,627 in fiscal year 2023 to \$14,361,517 in fiscal year 2024. Accordingly, the District's General Fund balance decreased from \$3,390,539 at June 30, 2023 to \$2,849,262 at June 30, 2024.
- The increase in total General Fund revenues was mainly due to an increase in state funding compared to the prior year. The increase in expenditures was primary due to an increase in instruction expenses.

USING THIS ANNUAL REPORT

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

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

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

The Fund Financial Statements tell how governmental and business type activities were financed in the short term as well as what remains for future spending. Fund financial statements report Clarinda 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 Clarinda Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the District's Total Supplemental Pension Liability, Related Ratios and Notes and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes.

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

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

Figure A-1
Clarinda Community School District Annual Financial Report

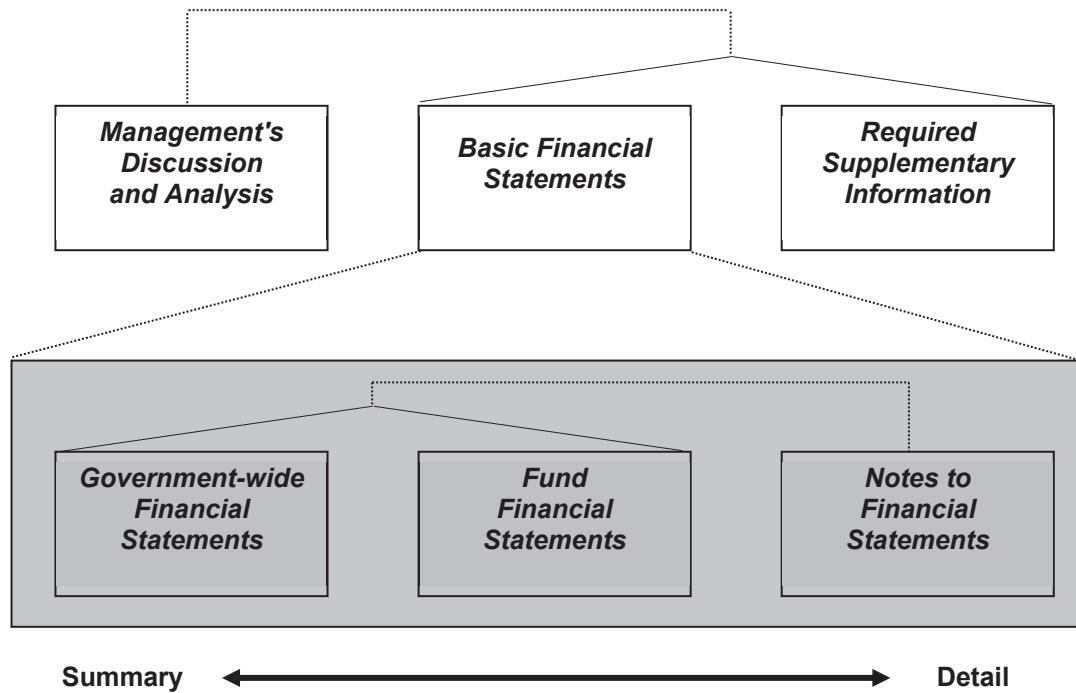


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

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

- 2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Fund, one type of proprietary fund, is the same as its business type activities, but provides more detail and additional information, such as cash flows. The District's Enterprise Fund is the School Nutrition Fund. The District's Internal Service Fund, another type of proprietary fund, is the same as the governmental activities, but provides more detail and additional information, such as cash flows. The District's Internal Service Fund is used to report activities associated with the District's partially self-funded insurance plan.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2024 compared to June 30, 2023.

Figure A-3 Condensed Statement of Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2024	2023	2024	2023	2024	2023	2023-24
Current and other assets	\$ 14,003,924	13,884,015	296,120	380,750	14,300,044	14,264,765	0.25%
Capital assets	10,856,752	9,879,605	162,059	144,924	11,018,811	10,024,529	9.92%
Total assets	24,860,676	23,763,620	458,179	525,674	25,318,855	24,289,294	4.24%
Deferred outflows of resources	1,677,241	1,169,666	41,212	37,020	1,718,453	1,206,686	42.41%
Long-term liabilities	4,928,726	4,527,711	108,553	164,980	5,037,279	4,692,691	7.34%
Other liabilities	1,758,783	1,853,295	45,897	36,157	1,804,680	1,889,452	-4.49%
Total liabilities	6,687,509	6,381,006	154,450	201,137	6,841,959	6,582,143	3.95%
Deferred inflows of resources	5,035,146	5,292,509	8,452	39,972	5,043,598	5,332,481	-5.42%
Net position:							
Net investment in capital assets	10,719,549	9,429,780	162,059	144,924	10,881,608	9,574,704	13.65%
Restricted	5,273,268	4,831,977	-	-	5,273,268	4,831,977	9.13%
Unrestricted	(1,177,555)	(1,001,986)	174,430	176,661	(1,003,125)	(825,325)	21.54%
Total net position	\$ 14,815,262	13,259,771	336,489	321,585	15,151,751	13,581,356	11.56%

The District's total net position increased 11.56%, or \$1,570,395.

The largest portion of the District's net position is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less any related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The District's restricted net position increased \$441,291, or 9.13%, from the prior year. The increase in restricted net position is primarily due to the increase in the amount restricted for management levy purposes compared to the prior year.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased \$177,800, or 21.54%. The decrease in unrestricted net position was primarily a result of the decrease in the District's unassigned General Fund Balance.

Figure A-4 shows the changes in net position for the year ended June 30, 2024 compared to the year ended June 30, 2023.

Figure A-4 Changes in Net Position								
	Governmental Activities		Business Type Activities		Total District		Total Change	
	2024	2023	2024	2023	2024	2023	2023-24	
Revenues:								
Program revenues:								
Charges for service	\$ 1,523,576	1,433,972	246,496	253,785	1,770,072	1,687,757	4.88%	
Operating grants, contributions and restricted interest	1,660,929	1,340,731	526,818	559,128	2,187,747	1,899,859	15.15%	
General revenues:								
Property tax	4,342,135	4,156,585	-	-	4,342,135	4,156,585	4.46%	
Income surtax	278,759	162,917	-	-	278,759	162,917	71.10%	
Statewide sales, services and use tax	1,303,002	1,321,434	-	-	1,303,002	1,321,434	-1.39%	
Unrestricted state grants	7,073,983	6,586,467	-	-	7,073,983	6,586,467	7.40%	
Unrestricted investment earnings	253,637	100,404	87	110	253,724	100,514	152.43%	
Other	109,540	26,319	2,571	8,008	112,111	34,327	226.60%	
Total revenues	16,545,561	15,128,829	775,972	821,031	17,321,533	15,949,860	8.60%	
Program expenses:								
Instruction	9,745,642	8,438,604	-	-	9,745,642	8,438,604	15.49%	
Support services	4,406,070	4,503,721	191	-	4,406,261	4,503,721	-2.16%	
Non-instructional programs	-	-	760,877	872,622	760,877	872,622	-12.81%	
Other expenses	838,358	819,357	-	-	838,358	819,357	2.32%	
Total expenses	14,990,070	13,761,682	761,068	872,622	15,751,138	14,634,304	7.63%	
Excess (Deficiency) of revenues over (under) expenses	1,555,491	1,367,147	14,904	(51,591)	1,570,395	1,315,556	19.37%	
Transfers	-	(42,537)	-	42,537	-	-	0.00%	
Change in net position	1,555,491	1,324,610	14,904	(9,054)	1,570,395	1,315,556	19.37%	
Net position beginning of year	13,259,771	11,935,161	321,585	330,639	13,581,356	12,265,800	10.73%	
Net position end of year	\$ 14,815,262	13,259,771	336,489	321,585	15,151,751	13,581,356	11.56%	

In fiscal year 2024, property tax and unrestricted state grants accounted for 69.00% of governmental activities revenues, while charges for service and operating grants, contributions and restricted interest accounted for 99.66% of business type activities revenues.

The District's total revenues were approximately \$17.32 million, of which approximately \$16.55 million was for governmental activities and approximately \$0.77 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 8.60% increase in revenues and a 7.63% increase in expenses. An increase in revenues from unrestricted state grants was the primary reason for the increase in total revenues. The largest increase in total expenses occurred in the instruction functional area.

Governmental Activities

Revenues for governmental activities were \$16,545,561 and expenses were \$14,990,070 for the year ended June 30, 2024.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services and other expenses for the year ended June 30, 2024 compared to those expenses for the year ended June 30, 2023.

Figure A-5						
Total and Net Cost of Governmental Activities						
Total Cost of Services			Net Cost of Services			
2024	2023	Change 2023-24	2024	2023	Change 2023-24	
Instruction	\$ 9,745,642	8,438,604	15.49%	7,118,191	6,229,607	14.26%
Support services	4,406,070	4,503,721	-2.17%	4,335,731	4,410,723	-1.70%
Other expenses	838,358	819,357	2.32%	351,643	346,649	1.44%
Total	\$ 14,990,070	13,761,682	8.93%	11,805,565	10,986,979	7.45%

For the year ended June 30, 2024:

- The cost financed by users of the District's programs was \$1,523,576.
- Federal and state governments, along with contributions from local sources, subsidized certain programs and projects with grants and contributions totaling \$1,660,929.
- The net cost of governmental activities was financed with \$4,342,135 in property tax, \$278,759 in income surtax, \$1,303,002 in statewide sales, services and use tax, \$7,073,983 in unrestricted state grants, \$253,637 in interest income and \$109,540 in other general revenues.

Business Type Activities

Revenues of the District's business type activities were \$775,972 and expenses were \$761,068 for the year ended June 30, 2024. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, unrestricted investment income and other general revenues.

INDIVIDUAL FUND ANALYSIS

As previously noted, Clarinda 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 \$7,389,960, below last year's ending combined fund balances of \$7,478,669. The primary reason for the decrease in combined fund balances was the decrease in the General Fund balance.

Governmental Fund Highlights

- The District's General Fund financial position is the product of many factors. General Fund revenues increased compared to the prior year due primarily to an increase in state funding. However, General Fund expenditures also increased compared to the prior year due, in part, to increased instruction costs. In total, expenditures outpaced revenues causing the General Fund balance to decrease from \$3,390,539 at June 30, 2023 to \$2,849,262 at June 30, 2024.
- The Capital Projects Fund balance decreased from \$3,606,736 at June 30, 2023 to \$3,533,409 at June 30, 2024. Total revenues increased from \$1,617,086 in fiscal year 2023 to \$2,027,059 in fiscal year 2024, while expenditures increased from \$1,526,391 to \$2,100,386.
- The Management Levy Fund balance increased from \$449,574 at June 30, 2023 to \$992,982 at June 30, 2024. This represents an increase of 120.87% compared to the prior year.

Proprietary Fund Highlights

- The School Nutrition Fund net position increased from \$321,585 at June 30, 2023 to \$336,489 at June 30, 2024. Decreases in operating expenses contributed to the increase in net position for fiscal year 2024.

BUDGETARY HIGHLIGHTS

Over the course of the year, Clarinda Community School District amended its budget one time to reflect additional expenditures.

The District's revenues were \$177,955 less than budgeted revenues, a variance of 1.02%. The most significant variance resulted from the District receiving less from federal sources than originally anticipated.

Total expenditures were less than budgeted. The District's budget is developed utilizing realistic projections of revenues and expenditures. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had invested approximately \$11.02 million, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net increase of 9.92% from last year. More detailed information about the District's capital assets is presented in Note 6 to the financial statements. Depreciation/amortization expense for the year was \$812,958 for governmental activities and \$21,001 for business type activities.

The original cost of the District's capital assets was \$23,096,805. Governmental activities accounted for \$22,725,762 with the remainder of \$371,043 accounted for in the District's business type activities.

The largest change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress, net of accumulated depreciation/amortization, totaled \$1,721,653 at June 30, 2024, compared to \$721,612 reported at June 30, 2023. This increase resulted from the ongoing construction of HVAC projects and the expansion of the 7-12 building.

Figure A-6							
Capital Assets, Net of Depreciation/Amortization							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2024	2023	2024	2023	2024	2023	2023-24
Land	\$ 120,863	120,863	-	-	120,863	120,863	0.00%
Construction in progress	1,721,653	721,612	-	-	1,721,653	721,612	138.58%
Buildings	6,891,694	7,065,434	-	-	6,891,694	7,065,434	-2.46%
Land improvements	1,112,598	846,690	-	-	1,112,598	846,690	31.41%
Machinery and equipment	879,902	737,018	162,059	144,924	1,041,961	881,942	18.14%
Right-to-use leased assets	130,042	387,988	-	-	130,042	387,988	-66.48%
Total	\$ 10,856,752	9,879,605	162,059	144,924	11,018,811	10,024,529	9.92%

Long-Term Debt

At June 30, 2024, the District had \$137,203 of total long-term debt outstanding. This represents an decrease of 69.50% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 7 to the financial statements.

Figure A-7 Outstanding Long-Term Obligations			
	Total District		Total Change
	June 30,		June 30,
	2024	2023	2023-24
Lease agreements	\$ 137,203	449,825	-69.50%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Union negotiated agreements for salaries and benefits cost continue to exceed the District's new money.
- The many unknowns around ACA, Collective Bargaining, and School Choice will potentially impact the District with increased costs or decreased funding.
- Due to Covid-19 in spring 2020, there could be an impact that is unknown at this time.
- The Clarinda Academy was closed in April 2021. The District's financial statements will no longer include revenues and expenditures associated with those operations.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and 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 Nancy McKinnon, Board Secretary/Treasurer and Director of Finance, Clarinda Community School District, 423 E Nodaway St., Clarinda, Iowa 51632.



BASIC FINANCIAL STATEMENTS

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 8,491,235	244,190	8,735,425
Receivables:			
Property tax:			
Delinquent	175,469	-	175,469
Succeeding year	4,569,566	-	4,569,566
Income surtax	174,523	-	174,523
Accounts	5,988	-	5,988
Due from other governments	587,143	16,875	604,018
Inventories	-	35,055	35,055
Capital assets not being depreciated/amortized	1,842,516	-	1,842,516
Capital assets, net of accumulated depreciation/amortization	9,014,236	162,059	9,176,295
Total assets	24,860,676	458,179	25,318,855
Deferred Outflows of Resources			
Pension related deferred outflows	1,568,199	39,887	1,608,086
OPEB related deferred outflows	109,042	1,325	110,367
Total deferred outflows of resources	1,677,241	41,212	1,718,453
Liabilities			
Accounts payable	425,002	7,453	432,455
Salaries and benefits payable	1,333,781	25,816	1,359,597
Unearned revenue	-	12,628	12,628
Long-term liabilities:			
Portion due within one year:			
Lease agreements	98,381	-	98,381
Termination benefits	43,060	-	43,060
Compensated absences	16,953	585	17,538
Portion due after one year:			
Lease agreements	38,822	-	38,822
Net pension liability	3,771,492	96,308	3,867,800
Total OPEB liability	960,018	11,660	971,678
Total liabilities	6,687,509	154,450	6,841,959
Deferred Inflows of Resources			
Succeeding year property tax revenue	4,569,566	-	4,569,566
Pension related deferred inflows	208,893	5,335	214,228
OPEB related deferred inflows	256,687	3,117	259,804
Total deferred inflows of resources	5,035,146	8,452	5,043,598
Net Position			
Net investment in capital assets	10,719,549	162,059	10,881,608
Restricted for:			
Categorical funding	715,679	-	715,679
Management levy purposes	949,922	-	949,922
Student activities	72,652	-	72,652
Scholarships	1,606	-	1,606
School infrastructure	3,375,456	-	3,375,456
Physical plant and equipment	157,953	-	157,953
Unrestricted	(1,177,555)	174,430	(1,003,125)
Total net position	\$ 14,815,262	336,489	15,151,751

SEE NOTES TO FINANCIAL STATEMENTS.

**CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Service	Contributions and Restricted Interest	Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	\$ 6,200,305	1,008,653	600,765	-	(4,590,887)	-	(4,590,887)
Special	1,754,222	319,709	98,122	-	(1,336,391)	-	(1,336,391)
Other	1,791,115	189,068	411,134	-	(1,190,913)	-	(1,190,913)
	9,745,642	1,517,430	1,110,021	-	(7,118,191)	-	(7,118,191)
Support services:							
Student	443,054	-	-	-	(443,054)	-	(443,054)
Instructional staff	521,989	-	1,876	-	(520,113)	-	(520,113)
Administration	1,632,244	-	2,188	-	(1,630,056)	-	(1,630,056)
Operation and maintenance of plant	1,172,806	-	56,609	-	(1,116,197)	-	(1,116,197)
Transportation	635,977	6,146	3,520	-	(626,311)	-	(626,311)
	4,406,070	6,146	64,193	-	(4,335,731)	-	(4,335,731)
Long-term debt interest	9,922	-	-	-	(9,922)	-	(9,922)
Other expenditures:							
AEA flowthrough	486,715	-	486,715	-	-	-	-
Depreciation/amortization (unallocated)*	341,721	-	-	-	(341,721)	-	(341,721)
	828,436	-	486,715	-	(341,721)	-	(341,721)
Total governmental activities	14,990,070	1,523,576	1,660,929	-	(11,805,565)	-	(11,805,565)
Business type activities:							
Support services:							
Operation and maintenance of plant	191	-	-	-	-	(191)	(191)
Non-instructional programs:							
Food service operations	760,877	246,496	526,818	-	-	12,437	12,437
Total business type activities	761,068	246,496	526,818	-	-	12,246	12,246
Total	\$ 15,751,138	1,770,072	2,187,747	-	(11,805,565)	12,246	(11,793,319)
General Revenues:							
Property tax levied for:							
General purposes				\$	4,219,393	-	4,219,393
Capital outlay					122,742	-	122,742
Income surtax					278,759	-	278,759
Statewide sales, services and use tax					1,303,002	-	1,303,002
Unrestricted state grants					7,073,983	-	7,073,983
Unrestricted investment earnings					253,637	87	253,724
Other					109,540	2,571	112,111
Total general revenues					13,361,056	2,658	13,363,714
Change in net position					1,555,491	14,904	1,570,395
Net position beginning of year					13,259,771	321,585	13,581,356
Net position end of year				\$	14,815,262	336,489	15,151,751

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

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Capital Projects	Management Levy	Nonmajor	Total
Assets					
Cash and pooled investments	\$ 3,815,723	3,566,976	981,400	16,044	8,380,143
Receivables:					
Property tax:					
Delinquent	42,484	121,403	11,582	-	175,469
Succeeding year	3,448,108	121,457	1,000,001	-	4,569,566
Income surtax	174,523	-	-	-	174,523
Accounts	4,805	-	-	1,183	5,988
Due from other governments	587,143	-	-	-	587,143
Total assets	\$ 8,072,786	3,809,836	1,992,983	17,227	13,892,832
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 267,112	154,970	-	2,920	425,002
Salaries and benefits payable	1,333,781	-	-	-	1,333,781
Total liabilities	1,600,893	154,970	-	2,920	1,758,783
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	3,448,108	121,457	1,000,001	-	4,569,566
Income surtax	174,523	-	-	-	174,523
Total deferred inflows of resources	3,622,631	121,457	1,000,001	-	4,744,089
Fund balances:					
Restricted for:					
Categorical funding	715,679	-	-	-	715,679
Management levy purposes	-	-	992,982	-	992,982
Student activities	-	-	-	72,652	72,652
Scholarships	-	-	-	1,606	1,606
School infrastructure	-	3,375,456	-	-	3,375,456
Physical plant and equipment	-	157,953	-	-	157,953
Unassigned					
General	2,133,583	-	-	-	2,133,583
Student activities	-	-	-	(59,951)	(59,951)
Total fund balances	2,849,262	3,533,409	992,982	14,307	7,389,960
Total liabilities, deferred inflows of resources and fund balances	\$ 8,072,786	3,809,836	1,992,983	17,227	13,892,832

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances of governmental funds (page 20) \$ 7,389,960

Amounts reported for governmental activities in the Statement of Net Position are different because:

Net capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 10,856,752

Accounts receivable income surtax is not available to finance expenditures of the current year and, therefore, is recognized as deferred inflows of resources in the governmental funds. 174,523

Blending of the Internal Service Funds to be reflected on an entity-wide basis. 111,092

Pension and OPEB 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	\$ 1,677,241	
Deferred inflows of resources	<u>(465,580)</u>	1,211,661

Long-term liabilities, include lease agreements payable, termination benefits payable, compensated absences payable, net pension liability and total OPEB liability are not due and payable in the current year and, therefore, are not reported in the governmental funds. (4,928,726)

Net position of governmental activities (page 18) \$ 14,815,262

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	Capital Projects	Management Levy	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 3,531,143	122,742	900,145	-	4,554,030
Tuition	1,274,243	-	-	-	1,274,243
Other	277,012	157,881	168	190,211	625,272
State sources	7,651,800	1,305,769	21,255	-	8,978,824
Federal sources	1,046,328	-	-	-	1,046,328
Total revenues	13,780,526	1,586,392	921,568	190,211	16,478,697
Expenditures:					
Current:					
Instruction:					
Regular	5,975,407	-	103,322	-	6,078,729
Special	1,813,483	-	-	-	1,813,483
Other	1,656,653	-	-	212,023	1,868,676
	9,445,543	-	103,322	212,023	9,760,888
Support services:					
Student	471,068	-	-	-	471,068
Instructional staff	602,727	42,151	-	-	644,878
Administration	1,422,444	165,576	20,924	2,188	1,611,132
Operation and maintenance of plant	1,218,206	69,870	211,389	-	1,499,465
Transportation	479,740	248,350	42,525	-	770,615
	4,194,185	525,947	274,838	2,188	4,997,158
Capital outlay	-	1,479,858	-	-	1,479,858
Long-term debt:					
Principal	-	-	-	312,622	312,622
Interest and fiscal charges	-	-	-	10,546	10,546
	-	-	-	323,168	323,168
Other expenditures:					
AEA flowthrough	486,715	-	-	-	486,715
Total expenditures	14,126,443	2,005,805	378,160	537,379	17,047,787
Excess (Deficiency) of revenues over (under) expenditures	(345,917)	(419,413)	543,408	(347,168)	(569,090)
Other financing sources (uses):					
Insurance proceeds	39,714	19,667	-	-	59,381
Proceeds from the sale of equipment	-	421,000	-	-	421,000
Transfer in	-	-	-	329,655	329,655
Transfer out	(235,074)	(94,581)	-	-	(329,655)
Total other financing sources (uses)	(195,360)	346,086	-	329,655	480,381
Change in fund balances	(541,277)	(73,327)	543,408	(17,513)	(88,709)
Fund balances beginning of year	3,390,539	3,606,736	449,574	31,820	7,478,669
Fund balances end of year	\$ 2,849,262	3,533,409	992,982	14,307	7,389,960

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA 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, 2024

Change in fund balances - total governmental funds (page 22) \$ (88,709)

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/amortization expense in the Statement of Activities. Capital outlay expenditures and depreciation/amortization expense in the current year are as follows:

Capital outlay	\$ 1,790,105	
Depreciation/amortization expense	<u>(812,958)</u>	977,147

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		66,864
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Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in Statement of Net Position.		312,622
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		624
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Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance on an entity-wide basis.		(6,052)
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The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.		754,446
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Some expenses reported in the Statement of Activities do not require the use current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Termination benefits	(43,060)	
Compensated absences	1,435	
Pension expense	(358,107)	
Total OPEB liability and related expenses	<u>(61,719)</u>	<u>(461,451)</u>

Change in net position of governmental activities (page 19)		<u>\$ 1,555,491</u>
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SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business Type Activities: Enterprise Fund School Nutrition	Governmental Activities: Internal Service
Assets		
Current assets:		
Cash and pooled investments	\$ 244,190	111,092
Due from other governments	16,875	-
Inventories	35,055	-
Total current assets	296,120	111,092
Noncurrent assets:		
Capital assets, net of accumulated depreciation	162,059	-
Total assets	458,179	111,092
Deferred Outflows of Resources		
Pension related deferred outflows	39,887	-
OPEB related deferred outflows	1,325	-
Total deferred outflows of resources	41,212	-
Liabilities		
Current liabilities:		
Accounts payable	7,453	-
Salaries and benefits payable	25,816	-
Unearned revenue	12,628	-
Total current liabilities	45,897	-
Noncurrent liabilities:		
Compensated absences	585	-
Net pension liability	96,308	-
Total OPEB liability	11,660	-
Total noncurrent liabilities	108,553	-
Total liabilities	154,450	-
Deferred Inflows of Resources		
Pension related deferred inflows	5,335	-
OPEB related deferred inflows	3,117	-
Total deferred inflows of resources	8,452	-
Net Position		
Net investment in capital assets	162,059	-
Unrestricted	174,430	111,092
Total net position	\$ 336,489	111,092

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business Type Activities: Enterprise Fund	Governmental Activities:
	School Nutrition	Internal Service
Operating revenues:		
Local sources:		
Charges for service	\$ 246,496	-
Miscellaneous	2,571	90,080
Total operating revenues	<u>249,067</u>	<u>90,080</u>
Operating expenses:		
Instruction:		
Regular:		
Benefits	-	96,166
Operation and maintenance of plant:		
Supplies	191	-
Non-instructional programs:		
Food service operations:		
Salaries	210,346	-
Benefits	15,228	-
Services	895	-
Supplies	565,895	-
Depreciation	21,001	-
Pension*	(52,488)	-
	<u>760,877</u>	<u>-</u>
Total operating expenses	<u>761,068</u>	<u>96,166</u>
Operating loss	<u>(512,001)</u>	<u>(6,086)</u>
Non-operating revenues:		
State sources	5,042	-
Federal sources	521,776	-
Interest income	87	34
Total non-operating revenues	<u>526,905</u>	<u>34</u>
Change in net position	14,904	(6,052)
Net position beginning of year	<u>321,585</u>	<u>117,144</u>
Net position end of year	<u>\$ 336,489</u>	<u>111,092</u>

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business Type Activities: Enterprise Fund	Governmental Activities:
	School Nutrition	Internal Service
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 245,425	-
Cash received from miscellaneous	2,571	90,080
Cash payments to employees for services	(257,471)	(96,166)
Cash payments to suppliers for goods or services	(512,416)	-
Net cash used in operating activities	(521,891)	(6,086)
Cash flows from non-capital financing activities:		
State grants received	5,042	-
Federal grants received	439,460	-
Net cash provided by non-capital financing activities	444,502	-
Cash flows from capital and related financing activities:		
Purchase of capital assets	(38,136)	-
Cash flows from investing activities:		
Interest on investments	87	34
Net decrease in cash and pooled investments	(115,438)	(6,052)
Cash and pooled investments beginning of year	359,628	117,144
Cash and pooled investments end of year	\$ 244,190	111,092
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (512,001)	(6,086)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Commodities consumed	71,045	-
Depreciation	21,001	-
Change in assets and liabilities:		
Inventories	(19,537)	-
Accounts payable	3,057	-
Salaries and benefits payable	7,754	-
Net pension liability	(24,000)	-
Deferred outflows of resources	(4,192)	-
Deferred inflows of resources	(31,520)	-
Unearned revenue	(1,071)	-
Compensated absences	(828)	-
Total OPEB liability	(31,599)	-
Net cash used in operating activities	\$ (521,891)	(6,086)

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2024, the District received \$71,045 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

(1) Summary of Significant Accounting Policies

Clarinda 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. The geographic area served includes the City of Clarinda, Iowa and the predominate agricultural territory in Page and Taylor County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

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

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Page and Taylor County Assessors' Conference Boards.

B. Basis of Presentation

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

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

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those 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, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other 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 Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The Management Levy Fund is used to account for management fund tax levies and for tort liability insurance premiums, unemployment compensation insurance claims and early retirement incentive payments.

The District reports the following nonmajor proprietary funds:

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

The Internal Service Fund is used to account for the District's partially self-funded insurance plan.

C. Measurement Focus and Basis of Accounting

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

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

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

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

Under 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.

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.

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

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

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

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2023.

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

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

Capital Assets - Capital assets are tangible and intangible 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. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 3,000
Buildings	3,000
Land improvements	3,000
Intangibles	150,000
Right-to-use leased assets	3,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	3,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and the right-to-use leased assets are depreciated/amortized using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20 years
Intangibles	2+ years
Right-to-use leased assets	2+ years
Machinery and equipment	5-15 years

Leases - Clarinda Community School District is the lessee for noncancellable leases of equipment. The District has recognized a lease liability and an intangible right-to-use lease equipment (lease asset) in the government-wide financial statements. The District recognized leases with an initial, individual value of \$3,000 or more.

At the commencement of the lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Clarinda Community School District determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Clarinda Community School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments, as well as any purchase option price included in the agreement that the District would be reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which 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 and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on

pension plan investments and contributions from the District after the measurement date but before the end of the District'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.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation or other leave for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2024. The compensated absences liability attributable to the governmental activities will be primarily paid by the General Fund.

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

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

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

Total OPEB Liability - For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which 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 in the fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year-end and succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied and unrecognized items not yet charged to pension and OPEB expense.

Fund Equity - Board Policy 701.4 describes the District's fund balance designations. In the governmental fund financial statements, fund balances are classified as follows:

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

Unassigned - All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(2) Cash and Pooled Investments

The District's deposits in banks at June 30, 2024 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, 2024, the District had no such investments.

(3) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2024 is as follows:

Transfer to	Transfer from	Amount
Student Activity	General	\$ 6,487
Debt Service	General	228,587
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	94,581
Total		<u>\$ 329,655</u>

The transfer from the General Fund to the Student Activity Fund was for safety protective equipment.

The transfers from the General Fund and the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund were for principal and interest payments on the District's lease agreement indebtedness.

(4) Deficit Balances

At June 30, 2024, the District had four deficit accounts within the Student Activity Fund with a combined deficit unassigned balance of \$59,951.

(5) Construction Commitment

The District entered into a contract totaling \$2,202,643 for the construction of HVAC projects and the expansion project on the MS/HS building. As of June 30, 2024, costs of \$1,721,653 had been incurred against the contract. The balance of \$480,990 remaining at June 30, 2024 will be paid as work on the projects progress.

(6) Capital Assets

Capital assets activity for the year ended June 30, 2024 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 120,863	-	-	120,863
Construction in progress	721,612	1,000,041	-	1,721,653
Total capital assets not being depreciated/amortized	842,475	1,000,041	-	1,842,516
Capital assets being depreciated/amortized:				
Buildings	14,854,321	74,512	-	14,928,833
Land improvements	2,609,793	359,377	-	2,969,170
Machinery and equipment	2,343,398	356,175	69,263	2,630,310
Right-to-use leased assets	686,290	-	331,357	354,933
Total capital assets being depreciated/amortized	20,493,802	790,064	400,620	20,883,246
Less accumulated depreciation/amortization for:				
Buildings	7,788,887	248,252	-	8,037,139
Land improvements	1,763,103	93,469	-	1,856,572
Machinery and equipment	1,606,380	213,291	69,263	1,750,408
Right-to-use leased assets	298,302	257,946	331,357	224,891
Total accumulated depreciation/amortization	11,456,672	812,958	400,620	11,869,010
Total capital assets being depreciated/amortized, net	9,037,130	(22,894)	-	9,014,236
Governmental activities capital assets/amortized, net	\$ 9,879,605	977,147	-	10,856,752
Business type activities:				
Machinery and equipment	\$ 332,907	38,136	-	371,043
Less accumulated depreciation	187,983	21,001	-	208,984
Business type activities capital assets, net	\$ 144,924	17,135	-	162,059

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 167,548
Other	14,272
Support services:	
Instructional staff	30,921
Administration	35,152
Operation and maintenance of plant	105,073
Transportation	118,271
	471,237
Unallocated depreciation/amortization	341,721
Total governmental activities depreciation/amortization expense	\$ 812,958
Business type activities:	
Food service operations	\$ 21,001

(7) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2024 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Lease agreements	\$ 449,825	-	312,622	137,203	98,381
Termination benefits	-	43,060	-	43,060	43,060
Compensated absences	18,388	16,953	18,388	16,953	16,953
Net pension liability	3,193,961	577,531	-	3,771,492	-
Total OPEB liability	865,537	94,481	-	960,018	-
Total	\$ 4,527,711	732,025	331,010	4,928,726	158,394
Business type activities:					
Compensated absences	\$ 1,413	585	1,413	585	585
Net pension liability	120,308	-	24,000	96,308	-
Total OPEB liability	43,259	-	31,599	11,660	-
Total	\$ 164,980	-	55,599	108,553	-

Lease Agreements

In June 2022, the District entered into a lease agreement for modular classroom. An initial lease liability was recorded in the amount of \$127,687. The agreement requires annual payments of \$33,091 with an implicit interest rate of 3.40%. During the year ended June 30, 2024, principal and interest paid were \$31,140 and \$1,951, respectively.

In March 2023, the District entered into a lease agreement for computers. An initial lease liability was recorded in the amount of \$169,357. The agreement requires annual payments of \$57,570 with an implicit interest rate of 1.50%. During the year ended June 30, 2024, principal and interest paid were \$112,637 and \$2,503, respectively.

In April 2023, the District entered into a lease agreement for turf tank. An initial lease liability was recorded in the amount of \$57,889. The agreement requires annual payments of \$11,000 with an implicit interest rate of 3.88%. During the year ended June 30, 2024, principal and interest paid were \$9,094 and \$1,906, respectively.

Details of the District's June 30, 2024 lease agreement indebtedness are as follows:

Year Ending June 30,	Modular Classroom Lease Signed June 9, 2022			Computer Lease Signed March 15, 2023		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2025	3.40 %	\$ 32,215	876	1.50 %	\$ 56,720	851
2026	3.40	8,226	47		-	-
2027		-	-		-	-
2028		-	-		-	-
Total		\$ 40,441	923		\$ 56,720	851

Turf Tank Lease Signed April 27, 2023				Year Ending June 30,	Total		
Interest Rate	Principal	Interest			Principal	Interest	Total
3.88 %	\$ 9,446	1,553	2025		98,381	3,280	101,661
3.88	9,813	1,187	2026		18,039	1,234	19,273
3.88	10,194	806	2027		10,194	806	11,000
3.88	10,589	411	2028		10,589	411	11,000
	\$ 40,042	3,957	Total		137,203	5,731	142,934

Termination Benefits

The District offered a voluntary early retirement plan for employees in fiscal year 2024. Eligible employees must have been at least fifty-five years of age on or before January 1 of the current school year and has worked a minimum of the most previous ten years of service at the School District. The applications for early retirement were subject to approval by the Board of Education.

The early retirement benefits are paid in one lump sum, and shall be made in September of the year in which the retirement begins. The lump sum is a determined amount by the board.

At June 30, 2024, the District had obligations to two participants with a total liability of \$43,060. Actual early retirement expenditures for the year ended June 30, 2024 totaled \$0.

(8) Pension Plans

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 the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Pension Benefits - A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time 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, except members with service before June 30, 2012 will use the highest three-year average salary as of that date 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% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

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

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

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires 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 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2024 were \$773,553.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the District reported a liability of \$3,867,800 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the District's proportion was 0.085691%, which was a decrease of 0.002031% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$324,726. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 327,221	15,898
Changes of assumptions	-	61
Net difference between projected and actual earnings on IPERS' investments	358,205	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	149,107	198,269
District contributions subsequent to the measurement date	773,553	-
Total	<u>\$ 1,608,086</u>	<u>214,228</u>

\$773,553 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2025	\$ (119,774)
2026	(293,712)
2027	868,483
2028	144,366
2029	20,942
Total	<u>\$ 620,305</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.60% per annum.
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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 geometric 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
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	100.0%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' 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 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 8,223,805	3,867,800	217,396

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

(9) Other Postemployment Benefits (OPEB)

Plan Description - The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits - Individuals who are employed by the District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Active employees	<u>143</u>
Total	<u>151</u>

Total OPEB Liability - The District's total OPEB liability of \$971,678 was measured as of June 30, 2023, and was determined by an actuarial valuation dated June 30, 2023.

Actuarial Assumptions - The total OPEB liability for the year ended June 30, 2023 was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	2.50% per annum.
Rates of salary increase	3.25% per year plus merit and promotion increases.
Discount rate	3.97% compounded annually, including inflation.
Healthcare cost trend rate	7.60% for FY2024, decreasing to an ultimate rate of 3.90%.

Discount Rate - The discount rate used to measure the total OPEB liability was 3.97% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates were based on the Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments. Retirement and turnover based on School assumptions for Regular Members in the 2022 Iowa Public Employees' Retirement System (IPERS) Demographic Assumptions Study.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 908,796
Changes for the year:	
Service cost	79,928
Interest	36,936
Differences between expected and actual experiences	6,838
Changes in assumptions	2,854
Benefit payments	<u>(63,674)</u>
Net changes	<u>62,882</u>
Total OPEB liability end of year	<u>\$ 971,678</u>

Changes of assumptions reflect a change in the discount rate from 3.86% in fiscal year 2023 to 3.97% in fiscal year 2024.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1% lower (2.97%) or 1% higher (4.97%) than the current discount rate.

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 1,047,904	971,678	900,828

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates 1% lower (6.60%) or 1% higher (8.60%) than the current healthcare cost trend rates.

	1% Decrease (6.60%)	Healthcare Cost Trend Rate (7.60%)	1% Increase (8.60%)
Total OPEB liability	\$ 855,687	971,678	1,111,439

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2024, the District recognized OPEB expense of \$86,570. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,824	133,605
Changes in assumptions	59,543	126,199
Total	<u>\$ 110,367</u>	<u>259,804</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	Amount
2025	\$ (30,294)
2026	(30,294)
2027	(30,297)
2028	(28,284)
2029	(13,600)
Thereafter	<u>(16,668)</u>
Total	<u>\$ (149,437)</u>

(10) Risk Management

The District is a member of the Iowa School Employees Benefits Association (ISEBA), an Iowa Code Chapter 28E Organization. ISEBA is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. The Association was formed July 1999 for the purpose of managing and funding employee benefits. The District obtains coverage and protection through the Association in the following categories: medical, dental, vision, LTD and life. Members agree to continue membership in the pool for a period of not less than one full year. After such a period, a member who has given 30 days prior written notice may withdraw.

The District's contributions, which included deficit recovery assessments, to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to ISEBA for the year ended June 30, 2024 were \$881,992.

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

(11) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$486,715 for the year ended June 30, 2024 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(12) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Clarinda offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2024 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Clarinda	Urban Renewal and Economic Development Projects	\$ 51,650
City of Clarinda	Chapter 404	\$ 4,839

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2024, this reimbursement amounted to \$25,745.

(13) Categorical Funding

In accordance with Iowa Administrative Code 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2024.

Program	Amount
Home School Assistance Program (HSAP)	\$ 134,259
Gifted and Talented Programs	23,906
Returning Dropouts and Dropout Prevention	48,270
Teacher Leadership State Aid	235,521
Four-Year-Old Preschool State Aid	117,722
Textbook Aid for Nonpublic Students	952
Successful Progression for Early Readers	95,793
Teacher Development Academies	4,030
Professional Development	55,226
Total	<u>\$ 715,679</u>

(14) Reconciliation of Governmental Fund Balances to Net Position

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

	Net investment in Capital Assets	Management Levy	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	992,982	2,133,583
Capital assets, net of accumulated depreciation/amortization	10,856,752	-	-
Lease agreement capitalized indebtedness	(137,203)	-	-
Income surtax	-	-	174,523
Termination benefits	-	(43,060)	-
Unassigned student activity balance	-	-	(59,951)
Internal service fund balance	-	-	111,092
Compensated absences	-	-	(16,953)
Pension related deferred outflows	-	-	1,568,199
Pension related deferred inflows	-	-	(208,893)
Net pension liability	-	-	(3,771,492)
Total OPEB liability	-	-	(960,018)
OPEB related deferred outflows	-	-	109,042
OPEB related deferred inflows	-	-	(256,687)
Net position (Exhibit A)	<u>\$ 10,719,549</u>	<u>949,922</u>	<u>(1,177,555)</u>

(15) Change in Area Education Agency Funding

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Education Agency (AEA) beginning July 1, 2024. For fiscal year 2025, 40% of the educational and media services funds generated by Districts will continue to flow through to each AEA, while 60% of the funding will be retained by the District that generated the funds.



REQUIRED SUPPLEMENTARY INFORMATION

CLARINDA 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, 2024

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 6,453,545	249,154	6,702,699	6,118,315	6,118,315	584,384
State sources	8,978,824	5,042	8,983,866	8,744,974	8,744,974	238,892
Federal sources	1,046,328	521,776	1,568,104	2,569,335	2,569,335	(1,001,231)
Total revenues	16,478,697	775,972	17,254,669	17,432,624	17,432,624	(177,955)
Expenditures/Expenses:						
Instruction	9,760,888	-	9,760,888	10,700,000	10,700,000	939,112
Support services	4,997,158	191	4,997,349	5,311,600	5,311,600	314,251
Non-instructional programs	-	760,877	760,877	900,000	1,000,000	239,123
Other expenditures	2,289,741	-	2,289,741	999,167	2,499,167	209,426
Total expenditures/expenses	17,047,787	761,068	17,808,855	17,910,767	19,510,767	1,701,912
Excess (Deficiency) of revenues over (under) expenditures/expenses	(569,090)	14,904	(554,186)	(478,143)	(2,078,143)	1,523,957
Other financing sources, net	480,381	-	480,381	-	-	480,381
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	(88,709)	14,904	(73,805)	(478,143)	(2,078,143)	2,004,338
Balances beginning of year	7,478,669	321,585	7,800,254	7,283,500	7,283,500	516,754
Balances end of year	\$ 7,389,960	336,489	7,726,449	6,805,357	5,205,357	2,521,092

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2024

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except Private Purpose Trust and Custodial 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 known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$1,600,000.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS*
REQUIRED SUPPLEMENTARY INFORMATION

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.085691%	0.087722%	0.035135%	0.081710%	0.088917%	0.084959%	0.085080%	0.081298%	0.084261%	0.085287%
District's proportionate share of the net pension liability	\$ 3,867,800	3,314,269	121,296	5,739,905	5,148,860	5,374,742	5,616,731	5,069,957	4,162,908	3,382,414
District's covered payroll	\$ 7,569,783	7,073,841	7,022,276	6,484,661	6,042,119	6,416,708	6,294,028	5,781,360	5,772,650	5,580,829
District's proportionate share of the net pension liability as a percentage of its covered payroll	51.10%	46.85%	1.73%	88.52%	85.22%	83.76%	89.24%	87.69%	72.11%	60.61%
IPERS' net position as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 773,553	714,588	667,992	662,903	612,152	570,376	573,012	562,057	516,275	515,498
Contributions in relation to the statutorily required contribution	(773,553)	(714,588)	(667,992)	(662,903)	(612,152)	(570,376)	(573,012)	(562,057)	(516,275)	(515,498)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 8,194,422	7,569,783	7,073,841	7,022,276	6,484,661	6,042,119	6,416,708	6,294,028	5,781,360	5,772,650
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
YEAR ENDED JUNE 30, 2024

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
FOR THE LAST SEVEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 79,928	79,456	107,755	92,725	79,765	77,068	74,197
Interest cost	36,936	34,168	19,060	21,671	36,408	36,948	35,753
Differences between expected and actual experiences	6,838	-	64,010	-	(288,955)	-	-
Changes in assumptions	2,854	(11,658)	(158,927)	34,305	56,898	27,772	(20,084)
Benefit payments	(63,674)	(79,370)	(61,251)	(49,867)	(55,729)	(62,254)	(61,718)
Net change in total OPEB liability	62,882	22,596	(29,353)	98,834	(171,613)	79,534	28,148
Total OPEB liability beginning of year	908,796	886,200	915,553	816,719	988,332	908,798	880,650
Total OPEB liability end of year	<u>\$ 971,678</u>	<u>908,796</u>	<u>886,200</u>	<u>915,553</u>	<u>816,719</u>	<u>988,332</u>	<u>908,798</u>
Covered-employee payroll	\$ 8,004,888	7,592,816	7,239,691	5,875,770	4,159,613	3,526,000	3,406,721
Total OPEB liability as a percentage of covered-employee payroll	12.14%	11.97%	12.24%	15.58%	19.63%	28.03%	26.68%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB LIABILITY
YEAR ENDED JUNE 30, 2024

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period.
The following are the discount rates used in each period.

Reporting period ended June 30, 2024	3.97%
Reporting period ended June 30, 2023	3.86%
Reporting period ended June 30, 2022	3.69%
Reporting period ended June 30, 2021	1.92%
Reporting period ended June 30, 2020	2.45%
Reporting period ended June 30, 2019	3.50%
Reporting period ended June 30, 2018	3.58%

SUPPLEMENTARY INFORMATION

CLARINDA COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue		
	Student Activity	New Market Scholarship	Total
Assets			
Cash and pooled investments	\$ 14,438	1,606	16,044
Receivables:			
Accounts	1,183	-	1,183
Total assets	\$ 15,621	1,606	17,227
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 2,920	-	2,920
Deferred inflows of resources:	-	-	-
Fund balances:			
Restricted for:			
Student activities	72,652	-	72,652
Scholarships	-	1,606	1,606
Unassigned			
Student activities	(59,951)	-	(59,951)
Total fund balances	12,701	1,606	14,307
Total liabilities, deferred inflows of resources and fund balances	\$ 15,621	1,606	17,227

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SCHEDULE 2

CLARINDA COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue			Debt	Total
	Student	New Market	Total	Service	Nonmajor
	Activity	Scholarship			
Revenues:					
Local sources:					
Other	\$ 188,023	2,188	190,211	-	190,211
Expenditures:					
Current:					
Instruction:					
Other	212,023	-	212,023	-	212,023
Support services:					
Administration	-	2,188	2,188	-	2,188
Long-term debt:					
Principal	-	-	-	312,622	312,622
Interest and fiscal charges	-	-	-	10,546	10,546
Total expenditures	212,023	2,188	214,211	323,168	537,379
Deficiency of revenues under expenditures	(24,000)	-	(24,000)	(323,168)	(347,168)
Other financing sources:					
Transfer in	6,487	-	6,487	323,168	329,655
Change in fund balances	(17,513)	-	(17,513)	-	(17,513)
Fund balances beginning of year	30,214	1,606	31,820	-	31,820
Fund balances end of year	\$ 12,701	1,606	14,307	-	14,307

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND ACCOUNTS
JUNE 30, 2024

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 3,410,531	156,445	3,566,976
Receivables:			
Property tax:			
Delinquent	119,895	1,508	121,403
Succeeding year	-	121,457	121,457
Total assets	\$ 3,530,426	279,410	3,809,836
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 154,970	-	154,970
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	121,457	121,457
Fund balances:			
Restricted for:			
School infrastructure	3,375,456	-	3,375,456
Physical plant and equipment	-	157,953	157,953
Total fund balances	3,375,456	157,953	3,533,409
Total liabilities, deferred inflows of resources and fund balances	\$ 3,530,426	279,410	3,809,836

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUND ACCOUNTS
 YEAR ENDED JUNE 30, 2024

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	122,742	122,742
Other	152,378	5,503	157,881
State sources	1,303,002	2,767	1,305,769
Total revenues	1,455,380	131,012	1,586,392
Expenditures:			
Current:			
Support services:			
Instructional staff	42,151	-	42,151
Administration	55,127	110,449	165,576
Operation and maintenance of plant	27,982	41,888	69,870
Transportation	40,950	207,400	248,350
Capital outlay	1,469,873	9,985	1,479,858
Total expenditures	1,636,083	369,722	2,005,805
Deficiency of revenues under expenditures	(180,703)	(238,710)	(419,413)
Other financing sources (uses):			
Insurance proceeds	-	19,667	19,667
Proceeds from the sale of equipment	419,800	1,200	421,000
Transfer out	(94,581)	-	(94,581)
Total other financing sources (uses)	325,219	20,867	346,086
Change in fund balances	144,516	(217,843)	(73,327)
Fund balances beginning of year	3,230,940	375,796	3,606,736
Fund balances end of year	\$ 3,375,456	157,953	3,533,409

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SCHEDULE 5

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2024

Account	Balance Beginning of Year	Revenues	Expenditures	Interfund/ Intrafund Transfer	Balance End of Year
Student Activity Interest	\$ -	13	-	(13)	-
Gate Receipts	100	40,249	229	(38,098)	2,022
History Club	957	4,033	1,226	-	3,764
Elementary Student Council	14,601	3,087	1,653	-	16,035
MS Yearbook	1,992	200	1,211	-	981
X-Country	-	231	1,446	1,215	-
Golf	-	-	893	893	-
Boys Basketball	-	1,493	1,323	-	170
Football	-	1,339	5,514	4,175	-
Baseball	-	-	788	788	-
Boys Track	-	534	2,162	1,628	-
Boys Tennis	-	-	345	345	-
Wrestling	-	-	7,410	7,410	-
Girls Basketball	-	-	1,223	1,223	-
Volleyball	-	456	561	105	-
Softball	-	3,606	270	-	3,336
Girls Track	-	534	1,737	1,203	-
Girls Tennis	-	-	721	721	-
Bowling	-	-	265	265	-
Yearbook	11,888	5,765	2,834	-	14,819
Concessions	4,623	556	590	-	4,589
Student Council	4,768	1,225	1,315	-	4,678
Show Choir	1,494	149	-	-	1,643
Thespian Club	2,662	1,883	1,883	-	2,662
Weight Lifting Club	31	-	-	(31)	-
FFA Club	17,134	72,237	83,226	-	6,145
FCCLA Club	5,085	19,707	15,618	-	9,174
Sports Fundraising	12,367	6,817	-	(19,166)	18
Class of 2024	296	10,682	10,737	(241)	-
Class of 2025	47	-	-	60	107
Class of 2026	155	-	-	60	215
Class of 2027	155	-	98	60	117
Class of 2028	-	-	-	60	60
Cardinal Coffee	1,719	1,557	1,159	-	2,117
Activity Tickets	7,460	-	-	(7,460)	-
7/8 Student Council	(253)	-	138	-	(391)
Drama	(2,982)	11,670	10,220	-	(1,532)
Athletic Director	(50,896)	-	53,819	47,673	(57,042)
HS Cheer	(2,622)	-	990	3,612	-
Honor Society	(567)	-	419	-	(986)
Total	\$ 30,214	188,023	212,023	6,487	12,701

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Modified Accrual Basis									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Local sources:										
Local tax	\$ 4,554,030	4,638,789	4,450,948	4,376,458	3,836,190	3,694,670	3,583,060	3,150,944	3,081,738	3,072,848
Tuition	1,274,243	1,182,025	1,102,230	1,246,792	1,463,738	1,197,893	971,074	1,302,346	1,208,026	1,477,587
Other	625,272	395,297	259,117	260,116	528,654	492,118	528,445	385,933	405,486	427,181
State sources	8,978,824	8,523,728	7,908,893	7,770,390	7,671,035	7,254,029	6,858,352	6,967,509	6,086,449	6,182,794
Federal sources	1,046,328	708,277	1,252,813	784,820	564,914	613,907	620,921	598,657	617,416	555,975
Total	\$ 16,478,697	15,448,116	14,974,001	14,438,576	14,064,531	13,252,617	12,561,852	12,405,389	11,399,115	11,716,385
Expenditures:										
Instruction:										
Regular	\$ 6,078,729	5,592,397	5,127,823	5,196,517	4,923,418	5,016,975	4,721,111	4,307,890	4,049,513	4,099,239
Special	1,813,483	1,915,870	1,687,896	1,815,073	1,997,048	1,965,792	1,841,980	1,417,714	1,286,302	1,599,307
Other	1,868,676	1,580,491	1,508,246	1,525,431	1,631,974	909,605	883,224	1,454,838	1,487,974	1,420,009
Support services:										
Student	471,068	552,774	543,216	442,160	444,245	406,449	357,775	355,012	373,167	355,893
Instructional staff	644,878	522,061	826,572	754,965	1,073,225	929,217	882,765	782,843	549,346	564,895
Administration	1,611,132	1,567,536	1,436,687	1,431,370	1,768,777	1,649,741	1,514,516	1,424,423	1,208,244	1,255,983
Operation and maintenance of plant	1,499,465	1,494,242	1,260,613	1,279,028	1,034,363	1,337,404	1,086,120	990,161	1,060,906	1,077,818
Transportation	770,615	519,144	501,452	267,694	456,759	444,865	477,188	384,575	368,413	297,658
Capital outlay	1,479,858	953,316	309,886	926,975	891,226	340,998	190,009	665,152	175,752	231,438
Long-term debt:										
Principal	312,622	125,804	266,585	220,352	-	-	-	-	-	-
Interest	10,546	7,239	5,679	6,406	-	-	-	-	-	-
Other expenditures:										
AEA flowthrough	486,715	472,708	453,785	456,566	441,004	423,373	411,799	404,367	381,831	382,992
Total	\$ 17,047,787	15,303,582	13,928,440	14,322,537	14,662,039	13,424,419	12,366,487	12,186,975	10,941,448	11,285,232

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Passed through State of Iowa:			
Specialty Crop Block Grant Program	10.169	FY 24	\$ 994
Passed through Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY 24	84,421
National School Lunch Program	10.555	FY 24	411,060 *
COVID-19 - National School Lunch Program	10.555	FY 24	24,304
Total - Child Nutrition Cluster			519,785 **
Team Nutrition Grant	10.574	FY 24	997
Total U.S. Department of Agriculture			521,776
U.S. Department of the Treasury:			
Passed through State of Iowa:			
Coronavirus State and Local Fiscal Recovery Fund	21.027	FY 24	50,000
U.S. Department of Education:			
Passed Through Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 24	261,962
Supporting Effective Instruction State Grants	84.367	FY 24	34,972
Student Support and Academic Enrichment Program	84.424	FY 24	14,675
Education Stabilization Fund:			
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	FY 24	548,690 ****
Passed Through Green Hills Area Education Agency:			
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027	FY 24	49,054 ***
Career and Technical Education - Basic Grants to States	84.048	FY 24	8,622
Passed Through West Central Community Action:			
Head State	93.600	FY 24	36,450
Total U.S. Department of Education			954,425
Total			\$ 1,526,201

* - Includes \$71,045 of non-cash awards.

** - Total for Child Nutrition Cluster is \$519,785.

***- Total for Special Education Cluster (IDEA) is \$49,054

****- Total Education Stabilization Fund (84.425) is \$548,690

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Clarinda Community School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only selected portion of the operations of Clarinda Community School District, it is not intended to and does not represent the financial position, changes in financial position or cash flows of Clarinda Community School District.

Summary of Significant Accounting Policies - Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Subrecipients - No federal expenditures presented in this schedule were provided to subrecipients.

Indirect Cost Rate - Clarinda Community School District did not use a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910

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

To the Board of Education of Clarinda Community School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Clarinda Community School District as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clarinda Community School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are 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 Clarinda Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Clarinda Community School District's internal control.

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 that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clarinda Community School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 noncompliance or other matters which are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2024 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.

Clarinda Community School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedure on Clarinda Community School District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Clarinda Community School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 communication is not suitable for any other purpose.

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



NOLTE, CORNMAN & JOHNSON, P.C.

April 29, 2025
Newton, Iowa

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910

Independent Auditor's Report on Compliance
for Each Major Federal Program and on Internal Control over Compliance
Required by the Uniform Guidance

To the Board of Education of Clarinda Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clarinda Community School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of Clarinda Community School District's major federal programs for the year ended June 30, 2024. Clarinda Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Clarinda Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Clarinda Community School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Clarinda Community School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Clarinda Community School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Clarinda Community School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Clarinda Community School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Clarinda Community School District's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Clarinda Community School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Clarinda Community School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Clarinda Community School District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Clarinda Community School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in black ink, appearing to read "Nolte, Cornman & Johnson PC". The signature is stylized and cursive.

NOLTE, CORNMAN & JOHNSON, P.C.

April 29, 2025
Newton, Iowa

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

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

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements. No significant deficiencies were reported.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) A material weakness in internal control over major programs was disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed an audit finding which is required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) Major programs were as follows:
 - Assistance Listing Number 84.010 - Title I Grants to Local Educational Agencies
 - Assistance Listing Number 84.425 - Education Stabilization Fund
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Clarinda Community School District did not qualify as a low-risk auditee.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

2024-001 Segregation of Duties

Criteria - Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording or transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the District's financial statements.

Condition - During the audit, we identified the following incompatible duties:

- 1) Disbursements - purchasing, preparing disbursements, recording and reconciling.
- 2) Accounting systems - performing general accounting functions, including journal entries and controlling all data input and output.

Cause - The District has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect - Inadequate segregation of duties could adversely affect the District's ability to prevent or detect and correct misstatements, error, or misappropriations on a timely basis by employees in the normal course of performing their assigned functions.

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

Response - The Superintendent and Director of Finance have reviewed and discussed procedures. We did implement new procedures in FY24 year. The monies are counted at the building offices and then sent to Central Office staff. The monies are counted again and deposited in the bank by payroll clerk. The accounts payable/receivable clerk records the receipts/deposits in Software. The Director of Finance reconciles the bank statements. The mail is picked up by our special education driver and brought to Central Office. The accounts payable/receivable clerk or the payroll clerk sorts through the mail and dispenses it to the appropriate person. Invoices are entered as requisitions in Software Unlimited by employees and are approved by the proper chain – direct supervisor, superintendent, director of finance, payroll clerk, and finally, accounts payable. After the requisition is turned into a purchase order, the accounts payable clerk enters the invoices into Software Unlimited and prints the checks that are signed by the board secretary and president. Two Board members take turns looking at the purchase orders and invoices before the Board approves the bills at their Board Meeting.

Conclusion - Response accepted.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

**Assistance Listing Number 84.425 – American Rescue Plan Elementary and Secondary
School Emergency Relief Fund
Pass-Through Entity Identifying Number: FY24
Federal Award Year: 2024
Prior Year Finding Number: N/A
U.S. Department of Education
Passed through the Iowa Department of Education**

**Assistance Listing Number 84.010 – Title I Grants to Local Education Agencies
Pass-Through Entity Identifying Number: FY24
Federal Award Year: 2024
Prior Year Finding Number: N/A
U.S. Department of Education
Passed through the Iowa Department of Education**

2024-002 Segregation of Duties

One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted one individual has control over portions of one or more of the following areas for the District relating to major federal programs; disbursements and accounting systems. See finding 2024-001.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Part IV: Other Findings Related to Required Statutory Reporting:

- 2024-A Certified Budget - Expenditures for the year ended June 30, 2024 did not exceed the certified budget amounts.
- 2024-B 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.
- 2024-C 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.
- 2024-D Business Transactions - Business transactions between the District and District officials and employees were noted as follows:

Name, Title and Business Connection	Transaction Description	Amount
Paul Boysen, Board Member Substitute Bus Driver	Services	\$3,477
Misty Wissel, Teacher Spouse Owns Main Street Designs	Apparel	\$2,948
Frank Pullen, Teacher Owns Pullen Construction, LLC	Services	\$22,200

In accordance with Chapter 279.7A of the Code of Iowa, the above transactions with the board member and District employee do not appear to represent a conflict of interest.

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

- 2024-E Restricted Donor Activity - No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- 2024-F 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 the coverage is adequate for current operations.
- 2024-G Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board. However, we noted instances where board minutes do not appear to be furnished to the District's official paper for publication within two weeks following the adjournment of the meeting required by Chapter 279.35 of the Code of Iowa.

Recommendation - The District should furnish a copy of the Board proceedings to be published within two weeks of each meeting to comply with Chapter 279.35 of the Code of Iowa.

Response - The minutes were emailed to the newspaper as soon as it was discovered they were late. (The minutes are also posted on the website.) Minutes will be sent to the newspaper in a timely manner, and emails from the newspaper will continue to be kept for verification.

Conclusion - Response accepted.

- 2024-H Certified Enrollment - We noted the enrollment data certified to the Iowa Department of Education was overstated by 1.00 students.
- Recommendation - The District should contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.
- Response - The District's auditors will contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.
- Conclusion - Response accepted.
- 2024-I Supplementary Weighting - We noted no adjustments to the supplementary weighting data certified to the Iowa Department of Education,
- 2024-J 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.
- 2024-K Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.
- 2024-L Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- 2024-M 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, 2024, the following information includes the amounts the District reported for the statewide sales, services and use tax revenue in the District's CAR including adjustments identified during the fiscal year 2024 audit:

Beginning balance		\$ 3,230,940
Revenues:		
Sales tax revenues	\$ 1,303,002	
Other local revenues	<u>572,178</u>	<u>1,875,180</u>
Expenditures/transfers out:		
School infrastructure construction	1,469,873	
Equipment	85,034	
Other	81,176	
Transfers to other funds:		
Debt service fund	<u>94,581</u>	<u>1,730,664</u>
Ending balance		<u><u>\$ 3,375,456</u></u>

For the year ended June 30, 2024, the District did not reduce any levies as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

2024-N Financial Condition - At June 30, 2024, the District had four deficit accounts within the Student Activity Fund with a combined deficit unassigned balance of \$59,951.

Recommendation - The District should review purchase approval procedures for the Student Activity Fund and may wish to require additional approval before ordering goods and services from these accounts. The District should develop a plan to eliminate the deficit account balances.

Response - The Superintendent and Director of Finance will continue to work with the Activities Director, athletic coaches, and club advisors on expenses and adequate fundraising.

Conclusion - Response accepted.

2024-O Contract Signature - We noted officiating and lease contracts that were not signed by the Board President. Chapter 291.1 of the Code of Iowa requires all contracts entered into by the District to be signed by the Board President.

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

Response - The District will have the Board President sign leases and contracts.

Conclusion - Response accepted.