

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

JUNE 30, 2021

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Clarinda Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Gregory Jones	President	2023
Stacy Pulliam	Vice President	2021
Trish Bergren	Board Member	2023
Ann Meyer	Board Member	2021
Darin Sunderman	Board Member	2023
School Officials		
Chris Bergman	Superintendent	2021
Colby Pedersen	Director of Finance (resigned April 2021)	2021
Nancy Fulk-McKinnon	Board Secretary	2021
Ahlers & Cooney, P.C.	Attorney	2021

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of Clarinda Community School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Clarinda Community School District, Clarinda, Iowa, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Clarinda Community School District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clarinda Community School District's basic financial statements. Another auditor previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for four years ended June 30, 2020 (which are not presented herein) and express 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 five years ended June 30, 2016 (which are not presented herein) and express 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.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information, 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 13, 2022 on our consideration of Clarinda Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 PC
NOLTE, CORNMAN & JOHNSON, P.C.

June 13, 2022
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, 2021. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2021 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$12,593,768 in fiscal year 2020 to \$12,987,585 in fiscal year 2021, while General Fund expenditures increased from \$12,483,969 in fiscal year 2020 to \$12,524,042 in fiscal year 2021. The District's General Fund balance increased from \$1,941,771 at June 30, 2020 to \$2,405,314 at June 30, 2021, a 23.87% increase from the prior year.
- The increase in General Fund total revenues was primarily attributable to an increase in local tax revenues received in fiscal year 2021 while the increase in total expenditures was due in part to increased spending for regular instruction and operation and maintenance of plant support services.
- The District's total net position increased from \$8,436,175 at June 30, 2020 to \$9,047,218 at June 30, 2021. Total revenues increased from \$14,712,790 in fiscal year 2020 to \$15,359,288 in fiscal year 2021, a 4.39% increase, while total expenses decreased from \$14,917,015 in fiscal year 2020 to \$14,748,245 in fiscal year 2021, a 1.13% decrease compared to the prior year. Increased revenues from unrestricted state grants and property taxes led to the increase in total revenues. The decrease in total expenses occurred primarily in the support services function.

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

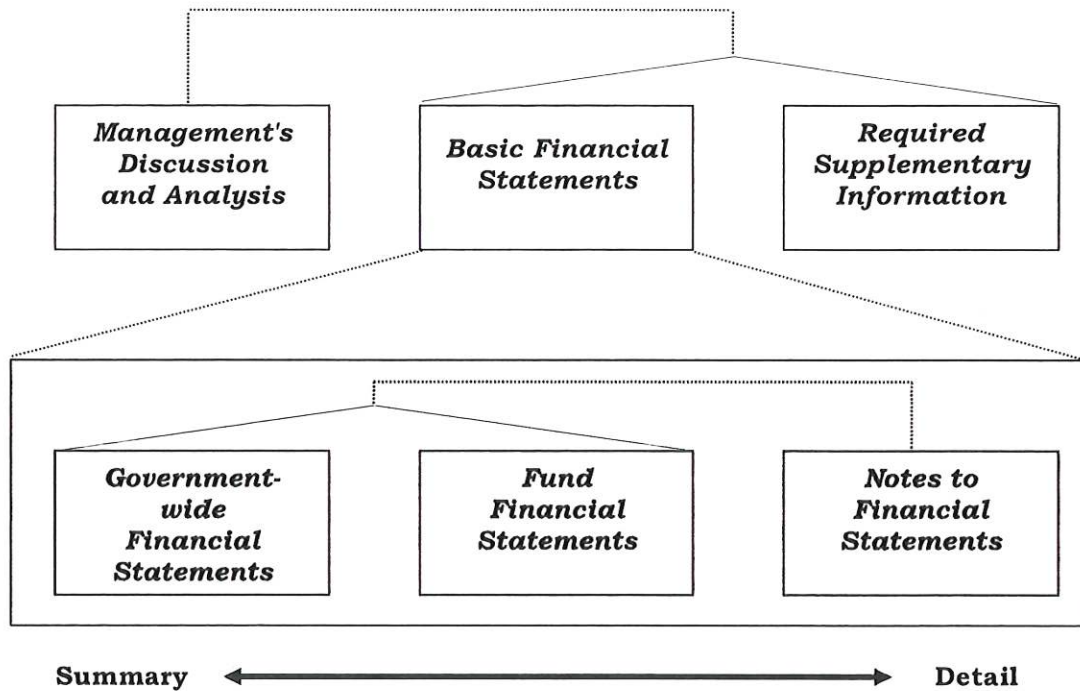


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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 applicable to a future reporting period	Consumption/ acquisition of fund balance applicable to a future reporting period	Consumption/ acquisition of net position 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, day care, marketing and culinary class programs are included here.

Fund Financial Statements

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

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

The District has 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 flex benefits 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, 2021 compared to June 30, 2020.

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,
	2021	2020	2021	2020	2021	2020	2020-21
Current and other assets	\$ 11,981,620	11,485,912	327,772	205,269	12,309,392	11,691,181	5.29%
Capital assets	8,900,919	8,616,004	71,959	38,392	8,972,878	8,654,396	3.68%
Total assets	20,882,539	20,101,916	399,731	243,661	21,282,270	20,345,577	4.60%
Deferred outflows of resources	1,530,674	1,467,218	45,828	44,730	1,576,502	1,511,948	4.27%
Long-term liabilities	7,186,491	6,588,032	209,729	179,816	7,396,220	6,767,848	9.28%
Other liabilities	1,661,473	1,999,007	51,244	49,249	1,712,717	2,048,256	-16.38%
Total liabilities	8,847,964	8,587,039	260,973	229,065	9,108,937	8,816,104	3.32%
Deferred inflows of resources	4,679,341	4,571,767	23,276	33,479	4,702,617	4,605,246	2.11%
Net position:							
Net investment in capital assets	8,900,919	8,616,004	71,959	38,392	8,972,878	8,654,396	3.68%
Restricted	3,618,125	3,062,850	-	-	3,618,125	3,062,850	18.13%
Unrestricted	(3,633,136)	(3,268,526)	89,351	(12,545)	(3,543,785)	(3,281,071)	-8.01%
Total net position	\$ 8,885,908	8,410,328	161,310	25,847	9,047,218	8,436,175	7.24%

The District's total net position increased 7.24%, or \$611,043, compared to the prior year.

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 \$555,275, or 18.13%, from the prior year. The increase in restricted net position is primarily due to the increase in the amount restricted for physical plant and equipment 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 \$262,714, or 8.01%. The decrease in unrestricted net position was primarily a result of the increase in the District's net pension liability.

Figure A-4 shows the changes in net position for the year ended June 30, 2021 compared to the year ended June 30, 2020.

Figure A-4 Changes in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	2021	2020	2021	2020	2021	2020	2020-21
Revenues:							
Program revenues:							
Charges for service	\$ 1,452,563	1,913,026	28,833	180,857	1,481,396	2,093,883	-29.25%
Operating grants, contributions and restricted interest	1,396,248	2,046,550	836,360	428,431	2,232,608	2,474,981	-9.79%
General revenues:							
Property tax	3,954,731	3,377,829	-	-	3,954,731	3,377,829	17.08%
Income surtax	474,474	462,507	-	-	474,474	462,507	2.59%
Statewide sales, services and use tax	989,975	1,026,287	-	-	989,975	1,026,287	-3.54%
Unrestricted state grants	6,183,559	5,128,335	-	-	6,183,559	5,128,335	20.58%
Unrestricted investment earnings	6,596	59,145	144	192	6,740	59,337	-88.64%
Other	33,177	60,057	2,628	29,574	35,805	89,631	-60.05%
Total revenues	14,491,323	14,073,736	867,965	639,054	15,359,288	14,712,790	4.39%
Program expenses:							
Instruction	8,647,700	8,744,312	-	-	8,647,700	8,744,312	-1.10%
Support services	4,594,291	4,815,061	440	-	4,594,731	4,815,061	-4.58%
Non-instructional programs	-	-	732,062	628,027	732,062	628,027	16.57%
Other expenses	773,752	729,615	-	-	773,752	729,615	6.05%
Total expenses	14,015,743	14,288,988	732,502	628,027	14,748,245	14,917,015	-1.13%
Change in net position	475,580	(215,252)	135,463	11,027	611,043	(204,225)	-399.20%
Net position beginning of year	8,410,328	8,625,580	25,847	14,820	8,436,175	8,640,400	-2.36%
Net position end of year	\$ 8,885,908	8,410,328	161,310	25,847	9,047,218	8,436,175	7.24%

In fiscal year 2021, property tax and unrestricted state grants accounted for 69.96% of governmental activities revenues while charges for service and operating grants, contributions and restricted interest accounted for 99.68% of business type activities revenues.

The District's total revenues were approximately \$15.36 million, of which approximately \$14.49 million was for governmental activities and approximately \$0.87 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 4.39% increase in revenues and 1.01% decrease in expenses. The increase in total revenues is mainly due to increased revenues from unrestricted state grants and property taxes compared to the prior year while the decrease in expenses occurred primarily in the support services function.

Governmental Activities

Revenues for governmental activities were \$14,491,323 and expenses were \$14,015,743 for the year ended June 30, 2021.

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, 2021 compared to those expenses for the year ended June 30, 2020.

Figure A-5 Total and Net Cost of Governmental Activities						
	Total Cost of Services			Net Cost of Services		
	2021	2020	Change 2020-21	2021	2020	Change 2020-21
Instruction	\$ 8,647,700	8,744,312	-1.10%	6,427,716	5,250,980	22.41%
Support services	4,594,291	4,815,061	-4.58%	4,422,030	4,789,821	-7.68%
Other expenses	773,752	729,615	6.05%	317,186	288,611	9.90%
Total	<u>\$ 14,015,743</u>	<u>14,288,988</u>	<u>-1.91%</u>	<u>11,166,932</u>	<u>10,329,412</u>	<u>8.11%</u>

For the year ended June 30, 2021:

- The cost financed by users of the District's programs was \$1,452,563.
- Federal and state governments along with contributions from local sources subsidized certain programs and projects with grants and contributions totaling \$1,396,248.
- The net cost of governmental activities was financed with \$3,954,731 in property tax, \$474,474 in income surtax, \$989,975 in statewide sales, services and use tax, \$6,183,559 in unrestricted state grants, \$6,596 in interest income and \$33,177 in other general revenues.

Business Type Activities

Revenues of the District's business type activities were \$867,965 and expenses were \$732,502 for the year ended June 30, 2021. The District's business type activities include the School Nutrition Fund. Revenues of these activities were mainly 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 \$5,703,565, above last year's ending combined fund balances of \$5,409,727. The primary reason for the increase in combined fund balances was the increase in the General Fund balance.

Governmental Fund Highlights

- The District's General Fund financial position is the product of many factors. The General Fund balance increased from \$1,941,771 at June 30, 2020 to \$2,405,314 at June 30, 2021. Total revenues increased mainly due an increase in local tax revenues compared to the prior year while the increase in total expenditures was due in part to increased spending for regular instruction and operation and maintenance of plant support services.
- The Capital Projects Fund balance decreased from \$3,084,570 at June 30, 2020 to \$2,909,775 at June 30, 2021. Although total expenditures decreased compared to the prior year, primarily due to less spending for instructional staff and administration support services, revenues also declined compared to the prior year.

Proprietary Fund Highlights

- The School Nutrition Fund net position increased from \$25,847 at June 30, 2020 to \$161,310 at June 30, 2021. Federal grant revenues nearly doubled to offset a moderate increase in operating expenses compared to the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, Clarinda Community School District amended its budget one time to reflect additional revenues and expenditures associated with the District's summer food service program.

The District's revenues were \$72,379 more than budgeted revenues, a variance of 0.48%. The most significant variance resulted from the District receiving more 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.

In spite of the District's budgetary practice, expenditures exceeded the amounts budgeted in the instruction function.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had invested approximately \$8.97 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net increase of 3.68% from last year. More detailed information about the District's capital assets is presented in Note 3 to the financial statements. Depreciation expense for the year was \$457,660.

The original cost of the District's capital assets was \$19,314,224. Governmental activities accounted for \$19,087,974 with the remainder of \$226,250 accounted for in the District's business type activities.

The largest change in capital asset activity during the year occurred in the land improvements category. The District's land improvements, net of accumulated depreciation, totaled \$843,227 at June 30, 2021 compared to \$528,069 at June 30, 2020. The increase in land improvements is due to the completion and reclassification of the District's high school athletic complex during the year.

Figure A-6 Capital Assets, Net of Depreciation							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2021	2020	2021	2020	2021	2020	2020-21
Land	\$ 120,863	120,863	-	-	120,863	120,863	0.00%
Construction in progress	280,344	270,338	-	-	280,344	270,338	3.70%
Buildings	7,104,874	7,106,952	-	-	7,104,874	7,106,952	-0.03%
Land improvements	843,227	528,069	-	-	843,227	528,069	59.68%
Machinery and equipment	551,611	589,782	71,959	38,392	623,570	628,174	-0.73%
Total	<u>\$ 8,900,919</u>	<u>8,616,004</u>	<u>71,959</u>	<u>38,392</u>	<u>8,972,878</u>	<u>8,654,396</u>	<u>3.68%</u>

Long-Term Debt

At June 30, 2021, the District had \$283,723 of total long-term debt outstanding. This represents a decrease of 24.60% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The District had outstanding computer lease indebtedness of \$283,723 at June 30, 2021.

Figure A-7		
Outstanding Long-Term Obligations		
Total District		Total Change
June 30,		June 30,
2021	2020	2020-21
Computer leases	\$ 283,723	376,276 -24.60%

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, Clarinda Community School District, 423 E. Nodaway St., Clarinda, Iowa 51632.



BASIC FINANCIAL STATEMENTS

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 6,626,661	277,063	6,903,724
Receivables:			
Property tax:			
Delinquent	49,290	-	49,290
Succeeding year	4,018,542	-	4,018,542
Income surtax	459,587	-	459,587
Accounts	64,226	26	64,252
Due from other governments	763,314	26,098	789,412
Inventories	-	24,585	24,585
Capital assets not being depreciated:			
Land and construction in progress	401,207	-	401,207
Capital assets, net of accumulated depreciation:			
Buildings, land improvements and machinery and equipment	8,499,712	71,959	8,571,671
Total assets	20,882,539	399,731	21,282,270
Deferred Outflows of Resources			
Pension related deferred outflows	1,439,924	41,859	1,481,783
OPEB related deferred outflows	90,750	3,969	94,719
Total deferred outflows of resources	1,530,674	45,828	1,576,502
Liabilities			
Accounts payable	459,449	-	459,449
Salaries and benefits payable	1,199,588	31,391	1,230,979
Accrued interest payable	2,436	-	2,436
Unearned revenue	-	19,853	19,853
Long-term liabilities:			
Portion due within one year:			
Computer leases	120,340	-	120,340
Compensated absences	49,927	318	50,245
Portion due after one year:			
Computer leases	163,383	-	163,383
Net pension liability	5,975,650	171,049	6,146,699
Total OPEB liability	877,191	38,362	915,553
Total liabilities	8,847,964	260,973	9,108,937
Deferred Inflows of Resources			
Unavailable property tax revenue	4,018,542	-	4,018,542
Pension related deferred inflows	431,942	13,267	445,209
OPEB related deferred inflows	228,857	10,009	238,866
Total deferred inflows of resources	4,679,341	23,276	4,702,617
Net Position			
Net investment in capital assets	8,900,919	71,959	8,972,878
Restricted for:			
Categorical funding	319,874	-	319,874
Management levy purposes	289,669	-	289,669
Student activities	97,201	-	97,201
Scholarships	1,606	-	1,606
School infrastructure	2,434,645	-	2,434,645
Physical plant and equipment	475,130	-	475,130
Unrestricted	(3,633,136)	89,351	(3,543,785)
Total net position	\$ 8,885,908	161,310	9,047,218

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:						
Governmental activities:						
Instruction:						
Regular	\$ 5,242,074	885,130	248,555	(4,108,389)	-	(4,108,389)
Special	1,853,304	384,498	87,424	(1,381,382)	-	(1,381,382)
Other	1,552,322	162,512	451,865	(937,945)	-	(937,945)
	8,647,700	1,432,140	787,844	(6,427,716)	-	(6,427,716)
Support services:						
Student	450,504	-	13,174	(437,330)	-	(437,330)
Instructional staff	713,815	-	6,912	(706,903)	-	(706,903)
Administration	1,465,692	18,794	-	(1,446,898)	-	(1,446,898)
Operation and maintenance of plant	1,601,942	-	120,432	(1,481,510)	-	(1,481,510)
Transportation	362,338	1,629	11,320	(349,389)	-	(349,389)
	4,594,291	20,423	151,838	(4,422,030)	-	(4,422,030)
Long-term debt interest	8,842	-	-	(8,842)	-	(8,842)
Other expenditures:						
AEA flowthrough	456,566	-	456,566	-	-	-
Depreciation (unallocated)*	308,344	-	-	(308,344)	-	(308,344)
	764,910	-	456,566	(308,344)	-	(308,344)
Total governmental activities	14,015,743	1,452,563	1,396,248	(11,166,932)	-	(11,166,932)
Business type activities:						
Support services:						
Operation and maintenance of plant	440	-	-	-	(440)	(440)
Non-instructional programs:						
Food service operations	732,062	28,833	836,360	-	133,131	133,131
Total business type activities	732,502	28,833	836,360	-	132,691	132,691
Total	\$ 14,748,245	1,481,396	2,232,608	(11,166,932)	132,691	(11,034,241)
General Revenues:						
Property tax levied for:						
General purposes				\$ 3,849,868	-	3,849,868
Capital outlay				104,863	-	104,863
Income surtax				474,474	-	474,474
Statewide sales, services and use tax				989,975	-	989,975
Unrestricted state grants				6,183,559	-	6,183,559
Unrestricted investment earnings				6,596	144	6,740
Other				33,177	2,628	35,805
Total general revenues				11,642,512	2,772	11,645,284
Change in net position				475,580	135,463	611,043
Net position beginning of year				8,410,328	25,847	8,436,175
Net position end of year				\$ 8,885,908	161,310	9,047,218

* This amount excludes the depreciation 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, 2021

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and pooled investments	\$ 3,335,085	2,767,259	383,428	6,485,772
Receivables:				
Property tax:				
Delinquent	44,177	1,343	3,770	49,290
Succeeding year	3,673,261	110,281	235,000	4,018,542
Income surtax	459,587	-	-	459,587
Accounts	4,454	58,299	1,473	64,226
Due from other governments	680,440	82,874	-	763,314
Total assets	\$ 8,197,004	3,020,056	623,671	11,840,731
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 459,254	-	195	459,449
Salaries and benefits payable	1,199,588	-	-	1,199,588
Total liabilities	1,658,842	-	195	1,659,037
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	3,673,261	110,281	235,000	4,018,542
Income surtax	459,587	-	-	459,587
Total deferred inflows of resources	4,132,848	110,281	235,000	4,478,129
Fund balances:				
Restricted for:				
Categorical funding	319,874	-	-	319,874
Management levy purposes	-	-	289,669	289,669
Student activities	-	-	97,201	97,201
Scholarships	-	-	1,606	1,606
School infrastructure	-	2,434,645	-	2,434,645
Physical plant and equipment	-	475,130	-	475,130
Unassigned	2,085,440	-	-	2,085,440
Total fund balances	2,405,314	2,909,775	388,476	5,703,565
Total liabilities, deferred inflows of resources and fund balances	\$ 8,197,004	3,020,056	623,671	11,840,731

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances of governmental funds (page 20)	\$ 5,703,565
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	8,900,919
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.	459,587
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the government funds.	(2,436)
Blending of the Internal Service Fund to be reflected on an entity-wide basis.	140,889
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	\$ 1,530,674
Deferred inflows of resources	<u>(660,799)</u>
	869,875
Long-term liabilities, including computer leases payable, accrued 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.	<u>(7,186,491)</u>
Net position of governmental activities (page 18)	<u>\$ 8,885,908</u>

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 3,970,319	104,863	301,276	4,376,458
Tuition	1,246,792	-	-	1,246,792
Other	84,855	11,686	163,575	260,116
State sources	6,773,000	992,913	4,477	7,770,390
Federal sources	784,820	-	-	784,820
Total revenues	12,859,786	1,109,462	469,328	14,438,576
Expenditures:				
Current:				
Instruction:				
Regular	5,120,403	-	76,114	5,196,517
Special	1,815,073	-	-	1,815,073
Other	1,348,252	-	177,179	1,525,431
	8,283,728	-	253,293	8,537,021
Support services:				
Student	442,160	-	-	442,160
Instructional staff	738,710	16,255	-	754,965
Administration	1,228,370	197,892	5,108	1,431,370
Operation and maintenance of plant	1,066,002	7,189	205,837	1,279,028
Transportation	267,694	-	-	267,694
	3,742,936	221,336	210,945	4,175,217
Capital outlay	-	926,975	-	926,975
Long-term debt:				
Principal	-	-	220,352	220,352
Interest and fiscal charges	-	-	6,406	6,406
	-	-	226,758	226,758
Other expenditures:				
AEA flowthrough	456,566	-	-	456,566
Total expenditures	12,483,230	1,148,311	690,996	14,322,537
Excess (Deficiency) of revenues over (under) expenditures	376,556	(38,849)	(221,668)	116,039
Other financing sources (uses):				
Proceeds from the sale of equipment	-	50,000	-	50,000
Computer lease proceeds	127,799	-	-	127,799
Transfer in	-	-	226,758	226,758
Transfer out	(40,812)	(185,946)	-	(226,758)
Total other financing sources (uses)	86,987	(135,946)	226,758	177,799
Change in fund balances	463,543	(174,795)	5,090	293,838
Fund balances beginning of year	1,941,771	3,084,570	383,386	5,409,727
Fund balances end of year	\$ 2,405,314	2,909,775	388,476	5,703,565

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, 2021

Change in fund balances - total governmental funds (page 22) \$ 293,838

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Capital outlay	\$ 732,190	
Depreciation expense	<u>(447,275)</u>	284,915

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		52,747
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Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances and repayments are as follows:

Issued	(127,799)	
Repaid	<u>220,352</u>	92,553

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.		(2,436)
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Net change in the Internal Service Fund charged back against expenditures made for self-funded insurance on an entity-wide basis.		1,551
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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.		644,739
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	(2,237)	
Pension expense	(857,098)	
Total OPEB liability and related expenses	<u>(32,992)</u>	<u>(892,327)</u>

Change in net position of governmental activities (page 19)		<u>\$ 475,580</u>
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SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business Type Activities: Enterprise, School Nutrition	Governmental Activities: Internal Service Fund
Assets		
Current assets:		
Cash and pooled investments	\$ 277,063	140,889
Accounts receivable	26	-
Due from other governments	26,098	-
Inventories	24,585	-
Total current assets	327,772	140,889
Noncurrent assets:		
Capital assets, net of accumulated depreciation	71,959	-
Total assets	399,731	140,889
Deferred Outflows of Resources		
Pension related deferred outflows	41,859	-
OPEB related deferred outflows	3,969	-
Total deferred outflows of resources	45,828	-
Liabilities		
Current liabilities:		
Salaries and benefits payable	31,391	-
Unearned revenue	19,853	-
Total current liabilities	51,244	-
Noncurrent liabilities:		
Compensated absences	318	-
Net pension liability	171,049	-
Total OPEB liability	38,362	-
Total noncurrent liabilities	209,729	-
Total liabilities	260,973	-
Deferred Inflows of Resources		
Pension related deferred inflows	13,267	-
OPEB related deferred inflows	10,009	-
Total deferred inflows of resources	23,276	-
Net Position		
Net investment in capital assets	71,959	-
Unrestricted	89,351	140,889
Total net position	\$ 161,310	140,889

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, 2021

	Business Type Activities: Enterprise, School Nutrition	Governmental Activities: Internal Service Fund
Operating revenues:		
Local sources:		
Charges for service	\$ 28,833	-
Miscellaneous	2,628	87,235
Total operating revenues	31,461	87,235
Operating expenses:		
Instruction:		
Regular:		
Benefits	-	85,841
Support services:		
Operation and maintenance of plant:		
Services	10	-
Supplies	430	-
Total support services	440	-
Non-instructional programs:		
Food service operations:		
Salaries	204,347	-
Benefits	111,306	-
Services	547	-
Supplies	405,477	-
Depreciation	10,385	-
Total non-instructional programs	732,062	-
Total operating expenses	732,502	85,841
Operating income (loss)	(701,041)	1,394
Non-operating revenues:		
State sources	6,899	-
Federal sources	829,461	-
Interest income	144	157
Total non-operating revenues	836,504	157
Change in net position	135,463	1,551
Net position beginning of year	25,847	139,338
Net position end of year	\$ 161,310	140,889

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business Type Activities: Enterprise, School Nutrition	Governmental Activities: Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 37,186	-
Cash received from miscellaneous	2,628	87,235
Cash payments to employees for services	(299,849)	-
Cash payments to suppliers for goods or services	(372,064)	(85,841)
Net cash provided by (used in) operating activities	(632,099)	1,394
Cash flows from non-capital financing activities:		
State grants received	5,345	-
Federal grants received	803,005	-
Net cash provided by non-capital financing activities	808,350	-
Cash flows from capital and related financing activities:		
Purchase of capital assets	(43,952)	-
Cash flows from investing activities:		
Interest on investments	144	157
Net increase in cash and pooled investments	132,443	1,551
Cash and pooled investments beginning of year	144,620	139,338
Cash and pooled investments end of year	\$ 277,063	140,889
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (701,041)	1,394
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Commodities consumed	34,974	-
Depreciation	10,385	-
Change in assets and liabilities:		
Inventories	(574)	-
Accounts receivable	3,550	-
Salaries and benefits payable	(2,808)	-
Net pension liability	17,613	-
Deferred outflows of resources	(1,098)	-
Deferred inflows of resources	(10,203)	-
Unearned revenue	4,803	-
Compensated absences	73	-
Total OPEB liability	12,227	-
Net cash provided by (used in) operating activities	\$ (632,099)	1,394

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2021, the District received \$34,974 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

CLARINDA COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

(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 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 District reports the following major proprietary funds:

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

The District also reports the following nonmajor proprietary funds:

The Internal Service Fund is used to account for the District's flex benefit program.

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 measureable and available only when cash is received by the District.

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

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

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

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

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, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2020.

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, which include property, machinery and equipment and intangibles, acquired after July 1, 1980 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 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. 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
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	3,000

Capital assets are depreciated 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 or more years
Machinery and equipment	5-15 years

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, 2021. 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 - 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. During the year ended June 30, 2021, expenditures exceeded the amounts budgeted in the instruction function.

(2) Cash and Pooled Investments

The District's deposits in banks at June 30, 2021 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, 2021, the District had no such investments.

(3) Capital Assets

Capital assets activity for the year ended June 30, 2021 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 120,863	-	-	120,863
Construction in progress	270,338	374,611	364,605	280,344
Total capital assets not being depreciated	391,201	374,611	364,605	401,207
Capital assets being depreciated:				
Buildings	14,141,651	230,470	-	14,372,121
Land improvements	2,057,766	390,954	-	2,448,720
Machinery and equipment	1,765,166	100,760	-	1,865,926
Total capital assets being depreciated	17,964,583	722,184	-	18,686,767
Less accumulated depreciation for:				
Buildings	7,034,699	232,548	-	7,267,247
Land improvements	1,529,697	75,796	-	1,605,493
Machinery and equipment	1,175,384	138,931	-	1,314,315
Total accumulated depreciation	9,739,780	447,275	-	10,187,055
Total capital assets being depreciated, net	8,224,803	274,909	-	8,499,712
Governmental activities capital assets, net	\$ 8,616,004	649,520	364,605	8,900,919
Business type activities:				
Machinery and equipment	\$ 182,298	43,952	-	226,250
Less accumulated depreciation	143,906	10,385	-	154,291
Business type activities capital assets, net	\$ 38,392	33,567	-	71,959

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 6,579
Other	6,857
Support services:	
Instructional staff	20,174
Operation and maintenance of plant	15,182
Transportation	90,139
	138,931
Unallocated depreciation	308,344
Total governmental activities depreciation expense	\$ 447,275
Business type activities:	
Food service operations	\$ 10,385

(4) Construction Commitment

The District entered into a contract totaling \$333,148 for a roof replacement project. As of June 30, 2021, the District had incurred costs of \$268,990 against the contract as well as additional non-contract project costs of \$11,354. The balance of \$64,158 remaining on the contract at June 30, 2021 will be paid as work on the project progresses.

(5) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

Transfer to	Transfer from	Amount
Debt Service	General	\$ 40,812
Debt Service	Capital Projects: Statewide	
	Sales, Services and Use Tax	185,946
Total		<u>\$ 226,758</u>

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 computer lease indebtedness.

(6) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2021 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Computer leases	\$ 376,276	127,799	220,352	283,723	120,340
Compensated absences	47,690	49,927	47,690	49,927	49,927
Net pension liability	5,373,482	602,168	-	5,975,650	-
Total OPEB liability	790,584	86,607	-	877,191	-
Total	<u>\$ 6,588,032</u>	<u>866,501</u>	<u>268,042</u>	<u>7,186,491</u>	<u>170,267</u>
Business type activities:					
Compensated absences	\$ 245	318	245	318	318
Net pension liability	153,436	17,613	-	171,049	-
Total OPEB liability	26,135	12,227	-	38,362	-
Total	<u>\$ 179,816</u>	<u>30,158</u>	<u>245</u>	<u>209,729</u>	<u>318</u>

Computer Leases

Details of the Districts June 30, 2021 computer lease indebtedness is as follows:

Year	Computer lease dated April 16, 2020				Computer lease dated March 25, 2021			Total		
Ending June 30,	Interest				Interest					
	Rate	Principal	Interest		Rate	Principal	Interest	Principal	Interest	Total
2022	1.25 %	\$ 77,477	1,953		1.50 %	\$ 42,863	563	120,340	2,516	122,856
2023	1.25	78,447	983		1.50	42,152	1,274	120,599	2,257	122,856
2024		-	-		1.50	42,784	642	42,784	642	43,426
Total		<u>\$ 155,924</u>	<u>2,936</u>			<u>\$ 127,799</u>	<u>2,479</u>	<u>283,723</u>	<u>5,415</u>	<u>289,138</u>

(7) **Pension Plans**

	IPERS	Supplemental Pension	Total
Net pension liability	\$ 5,739,905	406,794	6,146,699
Deferred outflows of resources related to pensions	1,458,031	23,752	1,481,783
Deferred inflows of resources related to pensions	445,209	-	445,209
Pension expense	861,462	54,386	915,848

Iowa Public Employees Retirement System

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 2021, 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, 2021 were \$662,903.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the District reported a liability of \$5,739,905 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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, 2020, the District's proportion was 0.081710%, which was a decrease of 0.007207% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$861,462. At June 30, 2021, 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	\$ 6,341	136,050
Changes of assumptions	294,627	-
Net difference between projected and actual earnings on IPERS' investments	322,674	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	171,486	309,159
District contributions subsequent to the measurement date	662,903	-
Total	<u>\$ 1,458,031</u>	<u>445,209</u>

\$662,903 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, 2022. 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
2022	\$ 76,500
2023	93,966
2024	77,864
2025	136,016
2026	(34,427)
Total	<u>\$ 349,919</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2020 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, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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	22.0%	4.43%
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
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	\$ 9,570,807	5,739,905	2,527,752

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.

Supplemental Pension Plan

Plan Description - The District administers a single-employer benefit plan which offers a supplemental pension (early retirement incentive) for all eligible employees who attain age 58 with 10 or more years of service, submit an application, receive Board approval and retire by June 30 of the same year. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

Supplemental Pension Benefits - The supplemental pension benefit is defined as:

- 25% of retiree's salary in the fiscal year before retirement for Administrative and Classified Staff.
- Lump sum of \$15,000 for Certified Staff.

Retired participants must be age 58 or older at retirement. At June 30, 2021, the following employees were covered by the benefit terms:

Active employees	150
------------------	-----

Funding Policy - Payments under the plan are made on a pay-as-you-go basis. There are no invested plan assets accumulated for payment of future benefits. The District makes the contributions from the Special Revenue, Management Levy Fund.

Total Pension Liability - The District's total supplemental pension liability of \$406,794 was measured as of June 30, 2021 and was determined by an actuarial valuation dated June 30, 2019 utilizing roll-forward procedures.

Pension Expense and Deferred Outflows of Resources Related to the Supplemental Pension - For the year ended June 30, 2021, the District recognized pension expense of \$54,386. At June 30, 2021, the District reported deferred outflows of resources related to the supplemental pension from the following resources:

	Deferred Outflows of Resources
Changes of assumptions	\$ 23,752

The amount reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2022	\$ 2,472
2023	2,472
2024	2,472
2025	2,472
2026	2,472
Thereafter	11,392
Total	\$ 23,752

There were no non-employer contributing entries to the supplemental pension plan.

Actuarial Assumptions - The total supplemental pension liability in the June 30, 2019 actuarial valuation 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 salary increase (effective June 30, 2021)	3.25% per annum.
Discount rate (effective June 30, 2021)	1.92% compounded annually, net of investment expense, including inflation.

Discount Rate - The discount rate used to measure the total pension liability was 1.92% 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 are from the RP-2014 mortality table with projected mortality improvements based on scale MP-2017 and other adjustments.

Changes in the Total Supplemental Pension Liability

	Net Supplemental Pension Liability
Total supplemental pension liability beginning of year	\$ 378,058
Changes for the year:	
Service cost	42,027
Interest	9,887
Changes in assumptions	9,902
Benefit payments	(33,080)
Net changes	28,736
Total supplemental pension liability end of year	\$ 406,794

Sensitivity of the Total Supplemental Pension Liability to Changes in the Discount Rate - The following presents the total supplemental pension liability of the District, as well as what the District's total supplemental pension liability would be if it were calculated using a discount rate 1% lower (0.92%) or 1% higher (2.92%) than the current discount rate.

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total supplemental pension liability	\$ 425,748	406,794	388,217

(8) 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	150
Total	159

Total OPEB Liability - The District's total OPEB liability of \$915,553 was measured as of June 30, 2021, and was determined by an actuarial valuation dated June 30, 2021.

Actuarial Assumptions - The total OPEB liability for the June 30, 2021 reporting date 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 annum.
Discount rate	1.92% compounded annually, including inflation.
Healthcare cost trend rate	6.40%, decreasing to an ultimate rate of 4.00%.

Discount Rate - The discount rate used to measure the total OPEB liability was 1.92% 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 and annual retirement probabilities are based on School assumptions for Regular members in the June 2018 Iowa Public Employees' Retirement System Demographic Assumptions Study.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 816,719
Changes for the year:	
Service cost	92,725
Interest	21,671
Changes in assumptions	34,305
Benefit payments	(49,867)
Net changes	98,834
Total OPEB liability end of year	<u>\$ 915,553</u>

Changes of assumptions reflect a change in the discount rate from 2.45% in fiscal year 2020 to 1.92% in fiscal year 2021.

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 (0.92%) or 1% higher (2.92%) than the current discount rate.

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB liability	\$ 982,990	915,553	851,714

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 (5.40%) or 1% higher (7.40%) than the current healthcare cost trend rates.

	1% Decrease (5.40%)	Healthcare Cost Trend Rate (6.40%)	1% Increase (7.40%)
Total OPEB liability	\$ 795,192	915,553	1,061,394

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB -
For the year ended June 30, 2021, the District recognized OPEB expense of \$93,902. At June 30, 2021, 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	\$ -	226,815
Changes in assumptions	94,719	12,051
Total	<u>\$ 94,719</u>	<u>238,866</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
2022	\$ (20,494)
2023	(20,494)
2024	(20,494)
2025	(20,494)
2026	(20,494)
Thereafter	(41,677)
Total	<u>\$ (144,147)</u>

(9) 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, 2021 were \$690,741.

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.

(10) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$456,566 for the year ended June 30, 2021 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(11) 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, 2021 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	\$ 35,198
	Chapter 404 tax abatement program	11,515

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, 2021, this reimbursement amounted to \$16,301.

(12) 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, 2021.

Program	Amount
Home School Assistance Program (HSAP)	\$ 26,768
Gifted and Talented Programs	39,267
Teacher Leadership State Aid	93,208
Four-Year-Old Preschool State Aid	79,509
Textbook Aid for Nonpublic Students	917
Successful Progression for Early Readers	50,352
Teacher Development Academies	4,030
Professional Development	25,823
Total	<u>\$ 319,874</u>

(13) Budget Overexpenditure

Per the Code of Iowa, expenditures may not exceed budgeted appropriations at the functional area level. During the year ended June 30, 2021, expenditures exceeded the amended certified budgeted amounts in the instruction function.

(14) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

(15) Reconciliation of Governmental Fund Balances to Net Position

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

	<u>Unassigned/ Unrestricted</u>
Fund balance (Exhibit C)	2,085,440
Computer lease capitalized indebtedness	(283,723)
Accrued interest payable	(2,436)
Income surtax	459,587
Internal service fund balance	140,889
Compensated absences	(49,927)
Pension related deferred outflows	1,439,924
Pension related deferred inflows	(431,942)
Net pension liability	(5,975,650)
Total OPEB liability	(877,191)
OPEB related deferred outflows	90,750
OPEB related deferred inflows	(228,857)
Net position (Exhibit A)	<u>(3,633,136)</u>

(16) COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of Clarinda Community School District, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Clarinda Community School District. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Clarinda Community School District.

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, 2021

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 5,883,366	31,605	5,914,971	6,476,963	6,476,963	(561,992)
State sources	7,770,390	6,899	7,777,289	7,778,199	7,778,199	(910)
Federal sources	784,820	829,461	1,614,281	979,000	979,000	635,281
Total revenues	14,438,576	867,965	15,306,541	15,234,162	15,234,162	72,379
Expenditures/Expenses:						
Instruction	8,537,021	-	8,537,021	8,498,000	8,498,000	(39,021)
Support services	4,175,217	440	4,175,657	5,433,292	5,433,292	1,257,635
Non-instructional programs	-	732,062	732,062	670,084	800,000	67,938
Other expenditures	1,610,299	-	1,610,299	4,086,428	4,086,428	2,476,129
Total expenditures/expenses	14,322,537	732,502	15,055,039	18,687,804	18,817,720	3,762,681
Excess (Deficiency) of revenues over (under) expenditures/expenses	116,039	135,463	251,502	(3,453,642)	(3,583,558)	3,835,060
Other financing sources, net	177,799	-	177,799	-	-	177,799
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	293,838	135,463	429,301	(3,453,642)	(3,583,558)	4,012,859
Balances beginning of year	5,409,727	25,847	5,435,574	5,413,979	5,413,979	21,595
Balances end of year	\$ 5,703,565	161,310	5,864,875	1,960,337	1,830,421	4,034,454

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2021

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 \$129,916.

During the year ended June 30, 2021, expenditures exceeded the amounts budgeted in the instruction function.

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

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.081710%	0.088917%	0.084959%	0.085080%	0.081298%	0.084261%	0.085287%
District's proportionate share of the net pension liability	\$ 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	\$ 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	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	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

* In accordance with Governmental Accounting Standards Board 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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily required contribution	\$ 662,903	612,152	570,376	573,012	562,057	516,275	515,498	498,368	455,848	405,407
Contributions in relation to the statutorily required contribution	(662,903)	(612,152)	(570,376)	(573,012)	(562,057)	(516,275)	(515,498)	(498,368)	(455,848)	(405,407)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 7,022,276	6,484,661	6,042,119	6,416,708	6,294,028	5,781,360	5,772,650	5,580,829	5,257,762	5,023,631
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
YEAR ENDED JUNE 30, 2021

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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%.

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

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

	2021	2020
Service cost	\$ 42,027	34,608
Interest cost on the total pension liability	9,887	13,058
Changes in assumptions	9,902	17,914
Benefit payments	(33,080)	(52,000)
Net change in total supplemental pension liability	28,736	13,580
Total supplemental pension liability beginning of year	378,058	364,478
Total supplemental pension liability end of year	\$ 406,794	378,058
Covered-employee payroll	\$ 5,875,770	6,484,662
Total supplemental pension liability as a percentage of covered-employee payroll	6.92%	5.83%

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

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, 2021	1.92%
Reporting period ended June 30, 2020	2.45%
Reporting period ended June 30, 2019	3.50%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	2021	2020	2019	2018
Service cost	\$ 92,725	79,765	77,068	74,197
Interest cost	21,671	36,408	36,948	35,753
Differences between expected and actual experience	-	(288,955)	-	-
Changes in assumptions	34,305	56,898	27,772	(20,084)
Benefit payments	(49,867)	(55,729)	(62,254)	(61,718)
Net change in total OPEB liability	98,834	(171,613)	79,534	28,148
Total OPEB liability beginning of year	816,719	988,332	908,798	880,650
Total OPEB liability end of year	<u>\$ 915,553</u>	<u>816,719</u>	<u>988,332</u>	<u>908,798</u>
Covered-employee payroll	\$ 5,875,770	4,159,613	3,526,000	3,406,721
Total OPEB liability as a percentage of covered-employee payroll	15.58%	19.63%	28.03%	26.68%

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

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, 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%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

CLARINDA COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue			
	Management Levy	Student Activity	New Market Scholarship	Total
Assets				
Cash and pooled investments	\$ 285,899	95,923	1,606	383,428
Receivables:				
Property tax:				
Delinquent	3,770	-	-	3,770
Succeeding year	235,000	-	-	235,000
Accounts	-	1,473	-	1,473
Total assets	\$ 524,669	97,396	1,606	623,671
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	195	-	195
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property taxes	235,000	-	-	235,000
Fund balances:				
Restricted for:				
Management levy purposes	289,669	-	-	289,669
Student activities	-	97,201	-	97,201
Scholarships	-	-	1,606	1,606
Total fund balances	289,669	97,201	1,606	388,476
Total liabilities, deferred inflows of resources and fund balances	\$ 524,669	97,396	1,606	623,671

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue					
	Management Levy	Student Activity	Patron Scholarship	New Market Scholarship	Total	Debt Service
						Total Nonmajor
Revenues:						
Local sources:						
Local tax	\$ 301,276	-	-	-	301,276	-
Other	138	160,364	3,073	-	163,575	-
State sources	4,477	-	-	-	4,477	-
Total revenues	305,891	160,364	3,073	-	469,328	-
Expenditures:						
Current:						
Instruction:						
Regular	76,114	-	-	-	76,114	-
Other	-	177,179	-	-	177,179	-
Support services:						
Administration	-	2,035	3,073	-	5,108	-
Operation and maintenance of plant	205,837	-	-	-	205,837	-
Long-term debt:						
Principal	-	-	-	-	-	220,352
Interest and fiscal charges	-	-	-	-	-	6,406
Total expenditures	281,951	179,214	3,073	-	464,238	226,758
Excess (Deficiency) of revenues over (under) expenditures	23,940	(18,850)	-	-	5,090	(226,758)
Other financing sources:						
Transfer in	-	-	-	-	-	226,758
Change in fund balances	23,940	(18,850)	-	-	5,090	-
Fund balances beginning of year	265,729	116,051	-	1,606	383,386	-
Fund balances end of year	\$ 289,669	97,201	-	1,606	388,476	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND ACCOUNTS
JUNE 30, 2021

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 2,343,472	423,787	2,767,259
Receivables:			
Property tax:			
Delinquent	-	1,343	1,343
Succeeding year	-	110,281	110,281
Accounts	8,299	50,000	58,299
Due from other governments	82,874	-	82,874
Total assets	\$ 2,434,645	585,411	3,020,056
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities	\$ -	-	-
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	110,281	110,281
Fund balances:			
Restricted for:			
School infrastructure	2,434,645	-	2,434,645
Physical plant and equipment	-	475,130	475,130
Total fund balances	2,434,645	475,130	2,909,775
Total liabilities, deferred inflows of resources and fund balances	\$ 2,434,645	585,411	3,020,056

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, 2021

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	104,863	104,863
Other	11,292	394	11,686
State sources	989,975	2,938	992,913
Total revenues	1,001,267	108,195	1,109,462
Expenditures:			
Current:			
Support services:			
Instructional staff	16,255	-	16,255
Administration	83,255	114,637	197,892
Operation and maintenance of plant	7,189	-	7,189
Capital outlay	921,985	4,990	926,975
Total expenditures	1,028,684	119,627	1,148,311
Deficiency of revenues under expenditures	(27,417)	(11,432)	(38,849)
Other financing sources (uses):			
Proceeds from the sale of equipment	-	50,000	50,000
Transfer out	(185,946)	-	(185,946)
Total other financing sources (uses)	(185,946)	50,000	(135,946)
Change in fund balances	(213,363)	38,568	(174,795)
Fund balances beginning of year	2,648,008	436,562	3,084,570
Fund balances end of year	\$ 2,434,645	475,130	2,909,775

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, 2021

Account	Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfer	Balance End of Year
Athletic Boosters	\$ -	2,000	2,000	-	-
Student Activity Interest	472	126	1	598	1,195
Gate Receipts	20,021	52,888	11,917	(47,865)	13,127
Cross County Club	579	-	413	-	166
Softball Club	903	-	-	-	903
Tennis Club	40	-	-	-	40
Basketball Club	144	-	-	-	144
History Club	4,157	-	-	-	4,157
Football Club	590	-	503	-	87
Volleyball Club	1,207	-	1,067	-	140
Elementary Student Council	7,161	2,568	2,355	-	7,374
MS Track	1,400	-	128	(900)	372
MS Boys Basketball	-	-	-	1,000	1,000
MS Football	18,768	-	-	(17,268)	1,500
MS Wrestling	406	-	339	94	161
MS Girls Basketball	690	-	-	310	1,000
MS Volleyball	880	-	-	120	1,000
MS Yearbook	1,741	485	-	(861)	1,365
MS Student Council	2,345	175	1,645	(344)	531
Drama	-	-	4,113	5,000	887
Cross County	-	-	1,100	1,100	-
Golf	1,500	-	1,325	(175)	-
Boys Basketball	1,553	-	4,777	3,224	-
Football	-	-	8,901	8,901	-
Baseball	-	-	5,096	5,096	-
Boys Track	3,792	-	1,682	(1,792)	318
Boys Tennis	820	-	29	(320)	471
Wrestling	2,044	-	1,980	456	520
Girls Basketball	1,562	-	3,296	1,734	-
Volleyball	1,168	-	2,835	1,667	-
Softball	-	-	4,553	4,553	-
Girls Track	3,730	-	1,070	(1,730)	930
Girls Tennis	760	-	294	(260)	206
Bowling	1,500	-	147	(500)	853
Athletic Director	-	7,204	43,750	36,546	-
Yearbook	55	7,275	5,233	4,374	6,471
Concessions	4,699	201	250	(51)	4,599
Cheerleaders	1,851	50	5,663	3,762	-
Honor Society	639	-	406	(3)	230
Student Council	2,420	3,296	2,843	56	2,929
Show Choir	400	588	-	(11)	977
Thespian Club	10	3,065	1,342	(19)	1,714
Weightlifting Club	31	-	-	-	31
FFA Club	19,740	51,333	43,621	(286)	27,166
FCCLA Club	3,580	7,918	8,740	(30)	2,728
Sports Fundraising	-	6,146	-	(6,146)	-
Class of 2020	1,445	-	-	-	1,445
Class of 2021	1,248	2,120	2,698	-	670
Class of 2022	-	2,180	1,207	(11)	962
Class of 2023	-	100	-	(1)	99
Class of 2024	-	100	-	(1)	99
Cardinal Coffee	-	3,426	1,895	(17)	1,514
Activity Tickets	-	7,120	-	-	7,120
Total	\$ 116,051	160,364	179,214	-	97,201

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Local sources:										
Local tax	\$ 4,376,458	3,836,190	3,694,670	3,583,060	3,150,944	3,081,738	3,072,848	2,986,502	3,987,808	4,137,605
Tuition	1,246,792	1,463,738	1,197,893	971,074	1,302,346	1,208,026	1,477,587	1,411,933	1,402,166	1,285,740
Other	260,116	528,654	492,118	528,445	385,933	405,486	427,181	424,977	388,146	425,597
State sources	7,770,390	7,671,035	7,254,029	6,858,352	6,967,509	6,086,449	6,182,794	5,965,212	4,877,442	4,942,650
Federal sources	784,820	564,914	613,907	620,921	598,657	617,416	555,975	517,242	578,979	818,511
Total	\$ 14,438,576	14,064,531	13,252,617	12,561,852	12,405,389	11,399,115	11,716,385	11,305,866	11,234,541	11,610,103
Expenditures:										
Instruction:										
Regular	\$ 5,196,517	4,923,418	5,016,975	4,721,111	4,307,890	4,049,513	4,099,239	4,082,482	3,975,384	3,724,895
Special	1,815,073	1,997,048	1,965,792	1,841,980	1,417,714	1,286,302	1,599,307	1,516,699	1,526,551	1,442,598
Other	1,525,431	1,631,974	909,605	883,224	1,454,838	1,487,974	1,420,009	1,401,291	1,304,781	1,492,437
Support services:										
Student	442,160	444,245	406,449	357,775	355,012	373,167	355,893	349,173	320,136	270,262
Instructional staff	754,965	1,073,225	929,217	882,765	782,843	549,346	564,895	513,023	596,422	568,710
Administration	1,431,370	1,768,777	1,649,741	1,514,516	1,424,423	1,208,244	1,255,983	1,200,905	1,123,457	1,088,960
Operation and maintenance										
of plant	1,279,028	1,034,363	1,337,404	1,086,120	990,161	1,060,906	1,077,818	1,038,648	1,019,445	1,108,064
Transportation	267,694	456,759	444,865	477,188	384,575	368,413	297,658	289,587	541,910	383,901
Capital outlay	926,975	891,226	340,998	190,009	665,152	175,752	231,438	571,354	622,830	301,875
Long-term debt:										
Principal	220,352	-	-	-	-	-	-	-	-	-
Interest	6,406	-	-	-	-	-	-	-	-	-
Other expenditures:										
AEA flowthrough	456,566	441,004	423,373	411,799	404,367	381,831	382,992	367,327	349,318	346,777
Total	\$ 14,322,537	14,662,039	13,424,419	12,366,487	12,186,975	10,941,448	11,285,232	11,330,489	11,380,234	10,728,479

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	FY 21	34,974 *
COVID-19 - National School Lunch Program	10.555	FY 21	100,205
Total - National School Lunch Program			135,179
Summer Food Service Program for Children	10.559	FY 21	694,282
Total - Child Nutrition Cluster			829,461
U.S. Department of the Treasury:			
Iowa Department of Education:			
Coronavirus Relief Fund	21.019	FY 21	1,242
Pottawattamie County Auditor:			
Coronavirus Relief Fund	21.019	FY 21	27,779
			29,021
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 21	275,080
Special Education Grants to States	84.027	FY 21	8,318 **
Supporting Effective Instruction State Grants	84.367	FY 21	26,358
Student Support and Academic Enrichment Program	84.424	FY 21	9,218
Education Stabilization Fund:			
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	FY 21	54,758
COVID-19 Elementary and Secondary School Relief (ESSER) Fund	84.425D	FY 20	112,349
COVID-19 Elementary and Secondary School Relief (ESSER) Fund	84.425D	FY 21	138,333
Total - Education Stabilization Fund			305,440
Green Hills Area Education Agency:			
Special Education Grants to States	84.027	FY 21	49,795 **
Career and Technical Education - Basic Grants to States	84.048	FY 21	21,644
U.S. Department of Health and Human Services:			
West Central Community Action:			
Head Start	93.600	FY 21	32,400
Iowa Department of Education:			
Foster Care Title IV-E	93.658	FY 21	649
Total			\$ 1,587,384

* Includes \$34,974 of non-cash awards.

** Special Education Grants to States totaled \$58,113.

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, 2021. 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.

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)
117 West 3rd Street North, Newton, Iowa 50208-3040
Telephone (641) 792-1910

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

To the Board of Education of Clarinda Community School District:

We have audited, in accordance with the 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, 2021, and the related Notes to Financial Statements, which collectively comprise Clarinda Community School District's basic financial statements, and have issued our report thereon dated June 13, 2022.

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 a 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 statement 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 have not been identified. We did identify a certain deficiency in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-21 that we consider to be a material weakness.

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 test 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 that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2021 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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this 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.

June 13, 2022
Newton, Iowa

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

Independent Auditor's Report on 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

We have audited Clarinda Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. Clarinda Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Clarinda Community School District complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

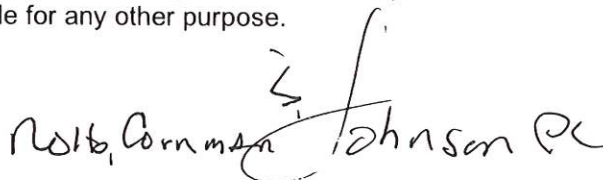
Management of Clarinda Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Clarinda Community School District's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

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 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-21 (2021-001) we consider to be a material weakness.

Clarinda Community School District's response to the internal control over compliance findings 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 audit 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.



NOLTE, CORNMAN & JOHNSON, P.C.

June 13, 2022
Newton, Iowa

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

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.
- (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:
 - Child Nutrition Cluster
 - 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, 2021

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

II-A-21 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 - We noted one individual has control over one or more of the following areas for the District:

- 1) Cash - handling and recording cash, posting and reconciling.
- 2) Receipts - opening mail, collecting, recording, depositing and reconciling receipts.
- 3) Disbursements - purchasing, preparing disbursements, recording and reconciling.
- 4) 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 - We will continue to review procedures to obtain the best control possible. As a resource we will use the source "Segregation of Financial Duties in the Smaller Public School to Improve Financial Internal Controls", a tool developed by the Iowa Association of School Business Officials (IASBO). We plan to review and create a business office procedure manual for the district. This will list proper procedures for cash, revenues, expenditures, requisitions, reconciliations, etc.

Conclusion - Response accepted.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

AL Number 10.555 - National School Lunch Program
AL Number 10.559 - Summer Food Service Program for Children
Pass-Through Entity Identifying Number: FY21
Federal Award Year: 2021
Prior Year Finding Number: III-A-20 (2020-001)
U.S. Department of Agriculture
Passed through the Iowa Department of Education

AL Number 84.425 - Education Stabilization Fund
Pass-Through Entity Identifying Number: FY21
Federal Award Year: 2020 & 2021
Prior Year Finding Number: III-A-20 (2020-001)
U.S. Department of Education
Passed through the Iowa Department of Education

III-A-21 Segregation of Duties
(2021-001) 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; cash, receipts, disbursements and accounting systems. See finding II-A-21.

CLARINDA COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-21 Certified Budget - Expenditures for the year ended June 30, 2021 exceeded the amended budgeted amounts in the instruction function.

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

Response - The District will continue to monitor the budget throughout the year and make amendments as needed so the budget is not exceeded in any of the four areas.

Conclusion - Response accepted.

- IV-B-21 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.

- IV-C-21 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

- IV-D-21 Business Transactions - Business transactions between the District and District officials and employees were noted as follows:

Name, Title and Business Connection	Transaction Description	Amount
Jeff McCall, Teacher Owns McCall Carpentry	Services/supplies	\$ 4,835
Misty Wissel, Teacher Spouse owns Main Street Designs	Supplies	\$ 618

In accordance with an Attorney General's opinion dated July 2, 1990, the above transactions with the 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 the spouse of a District employee do not appear to represent a conflict of interest.

- IV-E-21 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.

- IV-F-21 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.

- IV-G-21 Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board. However, we noted the minutes did not include all the approved District depositories and their respective limits. Chapter 12C.2 of the Code of Iowa states, *"The approval of a financial institution as a depository of public funds for a public body shall be by written resolution or order that shall be entered of record in the minutes of the approving board, and that shall distinctly name each depository approved, and specify the maximum amount that may be kept on deposit in each depository."*

Recommendation - The District should review the procedures in place and make the necessary adjustments to comply with Chapter 12C.2 of the Code of Iowa.

Response - Board minutes dealing with depository of public funds for a public body shall be by written resolution or order that shall be entered of record in the minutes of the approving board, and that shall distinctly name each depository approved, and specify the maximum amount that may be kept on deposit in each depository. This was done correctly at the November, 2021 board meeting.

Conclusion - Response accepted.

- IV-H-21 Certified Enrollment - We noted the enrollment data certified to the Iowa Department of Education was overstated by 1.00 student.

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.

- IV-I-21 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

- IV-J-21 Deposits and Investments - Except as noted earlier in comment IV-G-21, 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.

- IV-K-21 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.

- IV-L-21 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

- IV-M-21 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, 2021, 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 2021 audit:

Beginning balance		\$ 2,648,008
Revenues:		
Sales tax revenues	\$ 989,975	
Other local revenues	11,292	1,001,267
		<u>3,649,275</u>
Expenditures/transfers out:		
School infrastructure construction	843,688	
Equipment	16,946	
Other	168,050	
Transfers to Debt Service Fund	185,946	1,214,630
		<u>1,214,630</u>
Ending balance		<u>\$ 2,434,645</u>

For the year ended June 30, 2021 the District did not reduce any levies as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

- IV-N-21 Board Policies - We noted during our audit instances of District board policies which do not appear to have been reviewed and/or updated within the past five years. According to Iowa Administrative Code Chapter 281-12.3(2), *"Policies shall be reviewed at least every five years to ensure relevance to current practices and compliance with the Iowa Code, administrative rules and decisions, and court decisions."*

Recommendation - The District should review its official board policies and update all policies that have not been updated within the last five years. The District should also review procedures and take steps to ensure board policies are reviewed in a timely manner in accordance with Chapter 281-12.3(2) of the Iowa Administrative Code.

Response - The Board will begin a process where the official board policies will be reviewed and updated within 5 years as required by Chapter 281-12.3(2) of the Iowa Administrative Code.

Conclusion - Response accepted.

- IV-O-21 Student Activity Fund - During our audit we noted the Tennis Club account within the Student Activity Fund appears to have been inactive for the past two years. We also noted the Class of 2020 account still had a balance remaining as of June 30, 2021.

Recommendation - The District should review these accounts to determine if these groups are still active or if the accounts should be closed out to other groups within the Student Activity Fund per the direction of the District's Board of Directors.

Response - The District will review all accounts to determine if they are still active and if they are not the accounts will be closed out to other groups within the Student Activity Fund per the direction of the District's Board of Directors.

Conclusion - Response accepted.