

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

JUNE 30, 2023

GLENWOOD COMMUNITY SCHOOL DISTRICT
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GLENWOOD COMMUNITY SCHOOL DISTRICT

OFFICIALS
JUNE 30, 2023

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
Matt Portrey	President	2025
John Zak, IV	Vice President	2025
Curt Becker	Board Member	2023
Elizabeth Richardson	Board Member	2025
Eva Kreuger	Board Member	2023
<u>School Officials</u>		
Devin Embray	Superintendent	Indefinite
Tim Reinert	Chief Financial Officer, School Business Official, Board Secretary/Treasurer	Indefinite
Ahlers & Cooney, P.C.	Attorney	Indefinite



ANDERSON, LARKIN & CO., P.C.
Certified Public Accountants
"Your Success Is Our Business."

Kenneth E. Crosser, CPA
April D. Crosser, CPA
Michael J. Podliska, CPA
Alexander T. Barr, CPA
Adam L. Sturm, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Glenwood Community School District

Report on the Audit of the Financial Statements

Opinions

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 Glenwood Community School District, Glenwood, Iowa, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In our opinion, the 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 Glenwood Community School District as of June 30, 2023, and the respective changes in financial position, and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 13 to the financial statements, Glenwood Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96 Subscription-Based Information Technology Agreement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Glenwood Community School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Glenwood Community School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability (Asset), the Schedule of District Contributions, and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 5 through 14 and 43 through 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 Glenwood Community School District's basic financial statements. We previously audited, in accordance with standards referred to in the third paragraph of this report, the financial statements for the year ended June 30, 2022 (which are not presented herein) and expressed unmodified opinions on those financial statements. Other auditors audited, in accordance with standards referred to in the third paragraph of this report, the financial statements for the eight years ended June 30, 2021 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 7, including the Schedule of Expenditures of Federal Awards Required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance GAAS. In our opinion, the supplementary information in Schedules 1 through 7 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2023 on our consideration of Glenwood 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 Glenwood Community School District's internal control over financial reporting and compliance.

ANDERSON, LARKIN & CO., P.C.
Anderson, Larkin + CO, P.C.

Ottumwa, Iowa
December 18, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Glenwood 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, 2023. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2023 FINANCIAL HIGHLIGHTS

- The District implemented Governmental Accounting Standards Board Statement (GASBS) No. 96, Subscription-Based Information Technology Arrangements (SBITAs), during fiscal year 2023. The implementation of this standard revised certain assets and liability accounts related to SBITAs, however, had no effect on the beginning net position for governmental activities.
- General Fund revenues decreased from \$24,985,046 in fiscal year 2022 to \$24,821,311 in fiscal year 2023, while General Fund expenditures increased from \$25,202,787 in fiscal year 2022 to \$25,476,175 in fiscal year 2023. The District's General Fund balance decreased from \$4,050,995 at June 30, 2022 to \$3,396,131 at June 30, 2023, a 16.17% decrease from the prior year.
- The decrease in General Fund total revenues was due to a decrease in federal revenues. The increase in General Fund total expenditures was due in part to increased spending for support services.
- The District's total net position increased from \$36,702,978 at June 30, 2022 to \$39,671,798 at June 30, 2023. Total revenues decreased from \$34,761,468 in fiscal year 2022 to \$34,755,538 in fiscal year 2023, a 0.02% decrease, while total expenses increased from \$26,491,723 in fiscal year 2022 to \$31,786,718 in fiscal year 2023, a 20.0% increase compared to the prior year. Decreased revenues from operating grants, contributions and restricted interest led to the decrease in total revenues. The increase in total expenses occurred primarily in the instruction expenses.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Glenwood 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 services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Glenwood 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 OPEB liability, related ratios and notes.

Supplementary Information provides detailed information about the nonmajor governmental funds, proprietary funds and capital project accounts. 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.

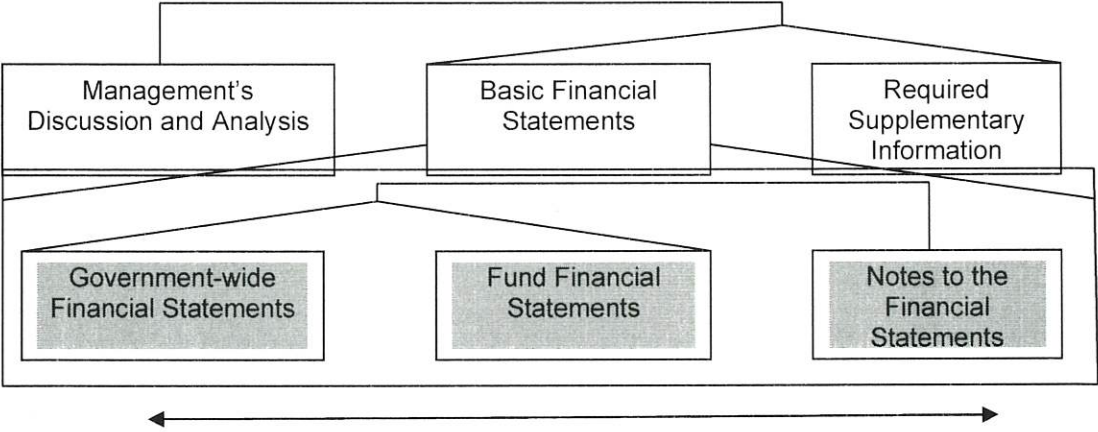


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

	Government-wide 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, daycare, marketing class, and culinary class
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in fund net position • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflow/inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of fund balance that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future reporting period
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Reporting the District's Financial Activities

Government-wide Financial Statements

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

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

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

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition, 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 three 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 Debt Service Fund and the Capital Projects 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 Funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District's Enterprise Funds are the School Nutrition fund, the Day Care Fund, the Marketing Class Fund and the Culinary Class Fund. The District's Internal Service Funds, another type of proprietary fund, is the same as the governmental activities, but provide more detail and additional information, such as cash flows. The District currently has two Internal Service Funds used to report activities associated with the District's partially self-funded insurance and flex benefit plans.

The required financial statements for proprietary funds include a Statement of Net Position, 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 on June 30, 2023 compared to June 30, 2022.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities June 30,		Business Type Activities June 30,		Total District June 30,		Total Change June 30, 2022 -2023
	<u>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>Restated 2022</u>	
Current and other assets	\$ 29,905,566	\$ 27,338,803	\$ 1,440,709	\$ 1,423,605	\$ 31,346,275	\$ 28,762,408	9.0%
Capital assets	<u>40,509,982</u>	<u>40,845,339</u>	<u>88,712</u>	<u>103,320</u>	<u>40,598,694</u>	<u>40,948,659</u>	(0.9)
Total assets	<u>70,415,548</u>	<u>68,184,142</u>	<u>1,529,421</u>	<u>1,526,925</u>	<u>71,944,969</u>	<u>69,711,067</u>	3.2
Deferred outflows of resources	<u>1,361,552</u>	<u>1,605,877</u>	<u>414,142</u>	<u>120,790</u>	<u>1,775,694</u>	<u>1,726,667</u>	2.8
Long-term liabilities	17,614,995	13,814,827	523,840	68,943	18,138,835	13,883,770	30.6
Other liabilities	<u>3,070,705</u>	<u>2,245,156</u>	<u>39,734</u>	<u>43,610</u>	<u>3,110,439</u>	<u>2,288,766</u>	35.9
Total liabilities	<u>20,685,700</u>	<u>16,059,983</u>	<u>563,574</u>	<u>112,553</u>	<u>21,249,274</u>	<u>16,172,536</u>	31.4
Deferred inflows of resources	<u>12,370,006</u>	<u>18,031,747</u>	<u>429,585</u>	<u>530,473</u>	<u>12,799,591</u>	<u>18,562,220</u>	(31.0)
Net position:							
Net investment in capital assets	30,165,006	28,374,883	88,712	103,320	30,253,718	28,478,203	6.2
Restricted	11,125,914	9,163,391	-	-	11,125,914	9,163,391	21.4
Unrestricted	<u>(2,569,526)</u>	<u>(1,839,985)</u>	<u>861,692</u>	<u>901,369</u>	<u>(1,707,834)</u>	<u>(938,616)</u>	82.0
Total net position	\$ <u>38,721,394</u>	\$ <u>35,698,289</u>	\$ <u>950,404</u>	\$ <u>1,004,689</u>	\$ <u>39,671,798</u>	\$ <u>36,702,978</u>	8.1

The District's total net position increased by 8.1%, or \$2,968,820, from the prior year.

The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, buildings, equipment and right-to-use leased equipment), less the 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 \$1,962,523, or 21.4% from the prior year. This increase in restricted net position is primarily due to the increase in the amount restricted for debt service, school infrastructure and physical plant 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 \$769,218, or 82.0%. The increase in unrestricted net position was primarily a result of the decrease in the District's General Fund with expenses exceeding revenues in that fund.

Figure A-4 shows the change in net position for the year ended June 30, 2023 compared to the year ended June 30, 2022.

	Governmental Activities		Figure A-4 Change in Net Position				Total Change June 30, 2022- 2023
	June 30,		Business Type		Total District		
	2023	2022	2023	2022	2023	2022	
Revenues							
Program revenues:							
Charges for services	\$ 1,456,266	\$ 1,569,027	\$ 947,129	\$ 576,562	\$ 2,403,395	\$ 2,145,589	12.0%
Operating grants, contributions and restricted interest	2,441,870	2,556,326	1,090,528	1,738,084	3,532,398	4,294,410	(17.7)
Capital grants, contributions and restricted interest	-	106,576	-	-	-	106,576	(100)
General revenues:							
Property tax	11,159,207	10,608,801	-	-	11,159,207	10,608,801	5.2
Income surtax	843,456	788,721	-	-	843,456	788,721	6.9
Statewide sales, services and use tax	2,645,894	2,320,926	-	-	2,645,894	2,320,926	14.0
Unrestricted state grants	13,703,952	14,051,541	11,897	101,125	13,715,849	14,152,666	(3.1)
Unrestricted investment earnings	435,142	31,476	20,197	855	455,339	32,331	1,308.4
Other	-	-	-	311,448	-	311,448	(100.0)
Total revenues	<u>32,685,787</u>	<u>32,033,394</u>	<u>2,069,751</u>	<u>2,728,074</u>	<u>34,755,538</u>	<u>34,761,468</u>	(0.02)
Program expenses:							
Instruction	16,187,489	12,630,105	-	-	16,187,489	12,630,105	28.2
Support services	10,662,531	10,024,490	56,021	28,096	10,718,552	10,052,586	6.6
Non-instructional programs	-	-	2,068,015	1,935,188	2,068,015	1,935,188	6.9
Other expenses	<u>2,812,662</u>	<u>1,873,844</u>	-	-	<u>2,812,662</u>	<u>1,873,844</u>	50.1
Total expenses	<u>29,662,682</u>	<u>24,528,439</u>	<u>2,124,036</u>	<u>1,963,284</u>	<u>31,786,718</u>	<u>26,491,723</u>	20.0
Change in net position	3,023,105	7,504,955	(54,285)	764,790	2,968,820	8,269,745	(64.1)
Net position beginning of year	<u>35,698,289</u>	<u>28,193,334</u>	<u>1,004,689</u>	<u>239,899</u>	<u>36,702,978</u>	<u>28,433,233</u>	29.1
Net position end of year	\$ <u>38,721,394</u>	\$ <u>35,698,289</u>	\$ <u>950,404</u>	\$ <u>1,004,689</u>	\$ <u>39,671,798</u>	\$ <u>36,702,978</u>	8.1

In the fiscal year 2023, property tax and unrestricted state grants accounted for 76.1% of governmental activities revenue while charges for services and operating grants, contributions and restricted interest accounted for 98.5% of business-type activities revenues.

The District's total revenues were approximately \$ 34.8 million, of which approximately \$32.7 million was for governmental activities and approximately \$2.1 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced a 0.02% decrease in revenues and a 20.0% increase in expenses. The increase in expenses occurred primarily in the instruction and other expenses functions. This increase in expenses is due to annual fluctuations of the net pension liability during fiscal year 2022 and fiscal year 2023.

Governmental Activities

Revenues for governmental activities were \$32,685,787 and expenses were \$29,662,682 for the year ended June 30, 2023.

The following table (Figure A-5) presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses for the year ended June 30, 2023 compared to those expenses for the year ended June 30, 2022.

Figure A-5

Total and Net Cost of Governmental Activities						
Total Cost of Services			Net Cost of Services			
	June 30,		Total Change	June 30,		Total Change
	2023	2022	2022-2023	2023	2022	2022-2023
Instruction	\$ 16,187,489	\$ 12,630,105	28.2 %	\$ 13,277,061	\$ 9,463,386	40.3 %
Support services	10,662,531	10,024,490	6.4	10,601,911	9,868,993	7.4
Other expenses	<u>2,812,662</u>	<u>1,873,844</u>	50.1	<u>1,885,574</u>	<u>964,131</u>	95.6
Total expenses	\$ <u>29,662,682</u>	\$ <u>24,528,439</u>	20.9	\$ <u>25,764,546</u>	\$ <u>20,296,510</u>	26.9

For the year ended June 30, 2023:

- The cost financed by users of the District's programs was \$1,456,266.
- Federal and state governments along with contributions from local sources subsidized certain programs and projects with grants and contributions totaling \$2,441,870.
- The net cost of governmental activities was financed with \$11,159,207 in property tax, \$843,456 in income surtax, \$2,645,894 in statewide sales, services and use tax, \$13,703,952 in unrestricted state grants, and \$435,142 in interest income.

Business Type Activities

Revenues of the District's business-type activities were \$2,069,751 and expenses were \$2,124,036 for the year ended June 30, 2023. The District's business-type activities include the School Nutrition Fund, the Day Care Fund, the Marketing Class Fund and the Culinary Class 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, Glenwood Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balance of \$13,016,810, an increase over last year's ending combined fund balances of \$11,662,436. The primary reason for the increase in combined fund balances was the increase in the Capital Projects and Debt Service fund balances.

Governmental Fund Highlights

- The District's General Fund balance decreased from \$4,050,995 at June 30, 2022 to \$3,396,131 at June 30, 2023. An increase in instruction expenses was the primary reason for the decrease in the General Fund balance from the previous year.

Governmental Fund Highlights (Continued)

- The Capital Projects Fund balance increased from \$5,315,321 at June 30, 2022 to \$6,328,542 at June 30, 2023. State revenue increased compared to the prior year.
- The Debt Service Fund balance increased from \$846,564 at June 30, 2022 to \$1,623,257 at June 30, 2023. Local tax revenues increased from the prior year.

Proprietary Fund Highlights

- The School Nutrition Fund net position remained stable, decreasing from \$858,172 at June 30, 2022 to \$842,788 at June 30, 2023 representing a decrease of 1.8%.
- The Day Care Fund net position decreased from \$142,335 at June 30, 2022 to \$103,696 at June 30, 2023, representing a decrease of 27.1%.
- The Marketing Class Fund net position decreased slightly from \$1 at June 30, 2022 to \$0 at June 30, 2023.
- The Culinary Class Fund net position decreased slightly from \$4,181 at June 30, 2022 to \$3,920 at June 30, 2023.

BUDGETARY HIGHLIGHTS

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

The District's revenues were \$3,264,131 more than budgeted revenues, a variance of 10.4%. The most significant variance resulted from the District receiving more in local source revenues than originally anticipated.

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

In spite of the District's budgetary practice, expenditures in the non-instructional programs and other expenditures functions exceeded the amended amount budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had invested approximately \$40,598,694, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, intangible assets, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net decrease of 0.9% 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 \$1,974,194.

The original cost of the District's capital assets was \$63,611,138. Governmental activities account for \$62,834,002 with the remainder of \$777,136 accounted for in the District's business-type activities.

Figure A-6
Capital Assets, Net of Depreciation

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		
	<u>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>Restated 2022</u>	<u>2022-2023</u>
Land	\$ 956,466	\$ 956,466	\$ -	\$ -	\$ 956,466	\$ 956,466	0.0 %
Buildings	30,218,593	30,293,813	-	-	30,218,593	30,293,813	(0.2)
Right-to-Use Leased Asset	177,075	144,628	-	-	177,075	144,628	22.4
Right-to-Use SBITA Asset	89,132	138,407	-	-	89,132	138,407	(35.6)
Land improvements	7,750,828	8,074,918	-	-	7,750,828	8,074,918	(4.0)
Machinery and equipment	<u>1,317,888</u>	<u>1,237,107</u>	<u>88,712</u>	<u>103,320</u>	<u>1,406,600</u>	<u>1,340,427</u>	4.9
Total	\$ <u>40,509,982</u>	\$ <u>40,845,339</u>	\$ <u>88,712</u>	\$ <u>103,320</u>	\$ <u>40,598,694</u>	\$ <u>40,948,659</u>	(0.9) %

Long-Term Debt

At June 30, 2023, the District had \$10,344,976 in total long-term debt outstanding. This represents a decrease of 17.0% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 4 to the financial statements. The District had outstanding general obligation bonded indebtedness of \$5,140,000 at June 30, 2023. The District had outstanding lease agreement indebtedness of \$203,311 at June 30, 2023. The District had outstanding revenue bonded indebtedness of \$2,601,000 at June 30, 2023, payable solely from the proceeds of the Statewide Sales, Services and Use Tax revenues received by the District. The District had outstanding capital loan notes indebtedness of \$2,310,000 at June 30, 2023, payable from revenues collected in the Capital Projects: Physical Plant and Equipment Levy Fund. The District had outstanding IT subscription indebtedness of \$90,665 at June 30, 2023.

Figure A-7 Outstanding Long-term Obligations

	Total District		Total Change
	June 30,		
	<u>2023</u>	<u>Restated 2022</u>	<u>2022-2023</u>
General obligation bonds	\$ 5,140,000	\$ 6,460,000	(20.4) %
Revenue bonds	2,601,000	2,994,000	(13.1)
Lease agreements	203,311	148,049	37.3
IT subscriptions	90,665	138,407	(34.5)
Capital loan notes	<u>2,310,000</u>	<u>2,730,000</u>	(15.4)
Total	\$ <u>10,344,976</u>	\$ <u>12,470,456</u>	(17.0) %

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.
- The State of Iowa announced its decision to close the Glenwood Resource Center effective December 31, 2024. The Glenwood Resource Center is the largest employer in Glenwood Iowa area. The potential economic impact of job losses, family relocations and housing valuation for the Glenwood area and Glenwood Community School District's certified enrollment are currently unknown.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Tim Reinert, Chief Financial Officer and Board Secretary/Treasurer Glenwood Community School District, 103 Central, Suite 300, Glenwood, Iowa, 51534.

BASIC FINANCIAL STATEMENTS

GLENWOOD COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business Type Activities	Total
ASSETS:			
Cash and pooled investments	\$ 16,780,585	\$ 1,414,000	\$ 18,194,585
Receivables:			
Property tax:			
Delinquent	70,292	-	70,292
Succeeding year	11,252,612	-	11,252,612
Income surtax	793,521	-	793,521
Accounts	813,044	-	813,044
Internal balances	9,155	(9,155)	-
Due from other governments	186,357	-	186,357
Inventories	-	35,864	35,864
Capital assets not being depreciated:			
Land	956,466	-	956,466
Capital assets, net of accumulated depreciation:			
Buildings, land improvements and machinery and equipment	39,553,516	88,712	39,642,228
TOTAL ASSETS	<u>70,415,548</u>	<u>1,529,421</u>	<u>71,944,969</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension related deferred outflows	1,324,058	412,580	1,736,638
OPEB related deferred outflows	37,494	1,562	39,056
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,361,552</u>	<u>414,142</u>	<u>1,775,694</u>
LIABILITIES:			
Accounts payable	1,179,293	12,333	1,191,626
Salaries and benefits payable	1,859,295	-	1,859,295
Accrued interest payable	32,117	-	32,117
Unearned revenue	-	27,401	27,401
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	1,350,000	-	1,350,000
Revenue bonds	400,000	-	400,000
Capital loan notes	435,000	-	435,000
Lease agreements	115,061	-	115,061
IT subscription liability	22,027	-	22,027
Compensated absences	77,650	8,148	85,798
Portion due after one year:			
General obligation bonds	3,790,000	-	3,790,000
Revenue bonds	2,201,000	-	2,201,000
Capital loan notes	1,875,000	-	1,875,000
Lease agreements	88,250	-	88,250
IT subscription liability	68,638	-	68,638
Net pension liability	6,208,798	472,357	6,681,155
Total OPEB liability	983,571	43,335	1,026,906
TOTAL LIABILITIES	<u>20,685,700</u>	<u>563,574</u>	<u>21,249,274</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable property tax revenue	11,252,612	-	11,252,612
Pension related deferred inflows	807,405	415,137	1,222,542
OPEB related deferred inflows	309,989	14,448	324,437
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>12,370,006</u>	<u>429,585</u>	<u>12,799,591</u>
NET POSITION:			
Net investment in capital assets	30,165,006	88,712	30,253,718
Restricted for:			
Categorical funding	1,505,235	-	1,505,235
Debt service	1,623,257	-	1,623,257
Management levy purposes	1,333,566	-	1,333,566
Student activities	335,314	-	335,314
School infrastructure	5,847,550	-	5,847,550
Physical plant and equipment	480,992	-	480,992
Unrestricted	(2,569,526)	861,692	(1,707,834)
TOTAL NET POSITION	<u>\$ 38,721,394</u>	<u>\$ 950,404</u>	<u>\$ 39,671,798</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

		Program Revenues		
<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants, Contributions and Restricted Interest</u>	<u>Capital Grants, Contributions and Restricted Interest</u>	
<u>FUNCTIONS/PROGRAMS:</u>				
Governmental activities:				
Instruction:				
Regular	\$ 10,752,130	\$ 1,152,089	\$ 613,773	\$ -
Special	3,522,398	6,591	247,909	-
Other	<u>1,912,961</u>	<u>297,586</u>	<u>592,480</u>	-
	<u>16,187,489</u>	<u>1,456,266</u>	<u>1,454,162</u>	<u>-</u>
Support services:				
Student	647,395	-	-	-
Instructional staff	2,100,433	-	56,071	-
Administration	3,708,978	-	-	-
Operation and maintenance of plant	2,745,615	-	-	-
Transportation	<u>1,460,110</u>	<u>-</u>	<u>4,549</u>	<u>-</u>
	<u>10,662,531</u>	<u>-</u>	<u>60,620</u>	<u>-</u>
Long-term debt interest	<u>352,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenditures:				
AEA flow through	927,088	-	927,088	-
Depreciation (unallocated)*	<u>1,533,059</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,460,147</u>	<u>-</u>	<u>927,088</u>	<u>-</u>
Total governmental activities	<u>29,662,682</u>	<u>1,456,266</u>	<u>2,441,870</u>	<u>-</u>
Business type activities:				
Support services:				
Operation of maintenance and plant	56,021	-	-	-
Non-instructional programs:				
Food service operations	1,550,347	573,557	937,700	-
Other enterprise operations	3,754	782	150,118	-
Community service operations	<u>513,914</u>	<u>372,790</u>	<u>2,710</u>	<u>-</u>
Total business type activities	<u>2,124,036</u>	<u>947,129</u>	<u>1,090,528</u>	<u>-</u>
Total	<u>\$ 31,786,718</u>	<u>\$ 2,403,395</u>	<u>\$ 3,532,398</u>	<u>\$ -</u>
<u>GENERAL REVENUES:</u>				
Property tax levied for:				
General purposes				
Debt service				
Capital outlay				
Income surtax				
Statewide sales, services and use tax				
Unrestricted state grants				
Unrestricted investment earnings				
Total general revenues				
Changes in net position				
Net position - Beginning of year				
Net position - End of year				

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

See Notes to Financial Statements

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business Type Activities	Total
\$ (8,986,268)	\$ -	\$ (8,986,268)
(3,267,898)	-	(3,267,898)
<u>(1,022,895)</u>	-	<u>(1,022,895)</u>
<u>(13,277,061)</u>	-	<u>(13,277,061)</u>
(647,395)	-	(647,395)
(2,044,362)	-	(2,044,362)
(3,708,978)	-	(3,708,978)
(2,745,615)	-	(2,745,615)
<u>(1,455,561)</u>	-	<u>(1,455,561)</u>
<u>(10,601,911)</u>	-	<u>(10,601,911)</u>
<u>(352,515)</u>	-	<u>(352,515)</u>
-	-	-
<u>(1,533,059)</u>	-	<u>(1,533,059)</u>
<u>(1,533,059)</u>	-	<u>(1,533,059)</u>
<u>(25,764,546)</u>	-	<u>(25,764,546)</u>
-	(56,021)	(56,021)
-	(39,090)	(39,090)
-	147,146	147,146
<u>-</u>	<u>(138,414)</u>	<u>(138,414)</u>
<u>-</u>	<u>(86,379)</u>	<u>(86,379)</u>
\$ <u>(25,764,546)</u>	\$ <u>(86,379)</u>	\$ <u>(25,850,925)</u>
7,894,846	-	7,894,846
2,278,895	-	2,278,895
985,466	-	985,466
843,456	-	843,456
2,645,894	-	2,645,894
13,703,952	11,897	13,715,849
435,142	20,197	455,339
<u>28,787,651</u>	<u>32,094</u>	<u>28,819,745</u>
3,023,105	(54,285)	2,968,820
<u>35,698,289</u>	<u>1,004,689</u>	<u>36,702,978</u>
\$ <u>38,721,394</u>	\$ <u>950,404</u>	\$ <u>39,671,798</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

<u>ASSETS</u>	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
Cash and pooled investments	\$ 5,169,085	\$ 6,501,082	\$ 1,609,066	\$ 1,697,317	\$ 14,976,550
Receivables:					
Property tax:					
Delinquent	45,056	5,198	14,191	5,847	70,292
Succeeding year	7,317,738	847,872	2,187,000	900,002	11,252,612
Income surtax	793,521	-	-	-	793,521
Accounts	813,044	-	-	-	813,044
Due from other funds	9,155	-	-	-	9,155
Due from other governments	-	186,357	-	-	186,357
TOTAL ASSETS	<u>\$ 14,147,599</u>	<u>\$ 7,540,509</u>	<u>\$ 3,810,257</u>	<u>\$ 2,603,166</u>	<u>\$ 28,101,531</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
<u>LIABILITIES:</u>					
Accounts payable	\$ 780,914	\$ 364,095	\$ -	\$ 34,284	\$ 1,179,293
Salaries and benefits payable	1,859,295	-	-	-	1,859,295
TOTAL LIABILITIES	<u>2,640,209</u>	<u>364,095</u>	<u>-</u>	<u>34,284</u>	<u>3,038,588</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>					
Unavailable revenues:					
Succeeding year property tax	7,317,738	847,872	2,187,000	900,002	11,252,612
Income surtax	793,521	-	-	-	793,521
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,111,259</u>	<u>847,872</u>	<u>2,187,000</u>	<u>900,002</u>	<u>12,046,133</u>
<u>FUND BALANCES:</u>					
Restricted for:					
Categorical funding	1,505,235	-	-	-	1,505,235
Debt service	-	-	1,623,257	-	1,623,257
Management levy purposes	-	-	-	1,333,566	1,333,566
Student activities	-	-	-	335,314	335,314
School infrastructure	-	5,847,550	-	-	5,847,550
Physical plant and equipment	-	480,992	-	-	480,992
Unassigned	1,890,896	-	-	-	1,890,896
TOTAL FUND BALANCES	<u>3,396,131</u>	<u>6,328,542</u>	<u>1,623,257</u>	<u>1,668,880</u>	<u>13,016,810</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 14,147,599</u>	<u>\$ 7,540,509</u>	<u>\$ 3,810,257</u>	<u>\$ 2,603,166</u>	<u>\$ 28,101,531</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

<u>TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS (page 18)</u>	\$	13,016,810
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		40,509,982
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.		793,521
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.		(32,117)
Blending of the Internal Service Funds to be reflected on an entity-wide basis.		1,804,035
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	\$ 1,361,552	
Deferred inflows of resources	<u>(1,117,394)</u>	244,158
Long-term liabilities, including general obligation bonds payable, revenue bonds payable, capital loan notes payable, lease agreements payable, IT subscription liability, 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>(17,614,995)</u>
<u>NET POSITION OF GOVERNMENTAL ACTIVITIES (page 15)</u>	\$	<u>38,721,394</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
REVENUES:					
Local sources:					
Local tax	\$ 7,824,789	\$ 834,432	\$ 2,276,494	\$ 905,577	\$ 11,841,292
Tuition	1,355,769	-	-	-	1,355,769
Other	299,742	182,412	35,853	891,181	1,409,188
State sources	14,058,319	2,646,186	795	320	16,705,620
Federal sources	<u>1,282,692</u>	-	-	-	<u>1,282,692</u>
Total revenues	<u>24,821,311</u>	<u>3,663,030</u>	<u>2,313,142</u>	<u>1,797,078</u>	<u>32,594,561</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular	9,727,040	179,397	-	805,885	10,712,322
Special	3,522,398	-	-	-	3,522,398
Other	<u>1,925,266</u>	-	-	-	<u>1,925,266</u>
	<u>15,174,704</u>	<u>179,397</u>	-	<u>805,885</u>	<u>16,159,986</u>
Support services:					
Student	647,395	-	-	-	647,395
Instructional staff	2,057,776	214,073	-	-	2,271,849
Administration	3,280,932	244,545	-	172,457	3,697,934
Operation and maintenance of plant	2,290,126	-	-	528,342	2,818,468
Transportation	<u>1,098,154</u>	<u>204,804</u>	-	<u>71,070</u>	<u>1,374,028</u>
	<u>9,374,383</u>	<u>663,422</u>	-	<u>771,869</u>	<u>10,809,674</u>
Capital outlay	-	855,076	-	-	855,076
Long-term debt:					
Principal	-	-	2,276,223	-	2,276,223
Interest and fiscal charges	-	-	<u>362,882</u>	-	<u>362,882</u>
	-	-	<u>2,639,105</u>	-	<u>2,639,105</u>
Other expenditures:					
AEA flow through	<u>927,088</u>	-	-	-	<u>927,088</u>
Total expenditures	<u>25,476,175</u>	<u>1,697,895</u>	<u>2,639,105</u>	<u>1,577,754</u>	<u>31,390,929</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(654,864)</u>	<u>1,965,135</u>	<u>(325,963)</u>	<u>219,324</u>	<u>1,203,632</u>
Other financing sources (uses):					
Proceeds from leases	-	150,742	-	-	150,742
Transfer in	-	-	1,102,656	-	1,102,656
Transfer out	-	<u>(1,102,656)</u>	-	-	<u>(1,102,656)</u>
Total other financing sources (uses)	-	<u>(951,914)</u>	<u>1,102,656</u>	-	<u>150,742</u>
Change in fund balances	<u>(654,864)</u>	<u>1,013,221</u>	<u>776,693</u>	<u>219,324</u>	<u>1,354,374</u>
FUND BALANCES - Beginning of year	<u>4,050,995</u>	<u>5,315,321</u>	<u>846,564</u>	<u>1,449,556</u>	<u>11,662,436</u>
FUND BALANCES - End of year	\$ <u>3,396,131</u>	\$ <u>6,328,542</u>	\$ <u>1,623,257</u>	\$ <u>1,668,880</u>	\$ <u>13,016,810</u>

GLENWOOD 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, 2023

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,354,374

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 and depreciation expense in the current year are as follows:

Capital outlay	\$ 1,765,287	
Depreciation/amortization expense	<u>(1,953,665)</u>	(188,378)

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		33,307
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In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources.		(146,979)
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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 repayments are as follows:

Issued	(150,742)	
Repaid	<u>2,276,223</u>	2,125,481

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.		10,367
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Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance on an entity-wide basis.		48,919
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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.		1,333,355
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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 governmental funds, as follows:

Compensated absences	12,305	
Pension expense	(1,532,679)	
Total OPEB liability and related expenses	<u>(26,967)</u>	<u>(1,547,341)</u>

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 3,023,105

GLENWOOD COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business Type Activities: Enterprise Funds				Total	Governmental Activities: Internal Service Funds
	School Nutrition	Daycare	Marketing Class	Culinary Class		
ASSETS:						
Current assets:						
Cash, cash equivalents and pooled investments	\$ 1,088,905	\$ 321,122	\$ 53	\$ 3,920	\$ 1,414,000	\$ 1,804,035
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Inventories	35,864	-	-	-	35,864	-
Total current assets	1,124,769	321,122	53	3,920	1,449,864	1,804,035
Noncurrent assets:						
Capital assets, net of accumulated depreciation	86,521	2,191	-	-	88,712	-
TOTAL ASSETS	1,211,290	323,313	53	3,920	1,538,576	1,804,035
DEFERRED OUTFLOWS OF RESOURCES:						
Pension related deferred outflows	215,124	197,456	-	-	412,580	-
OPEB related deferred outflows	857	705	-	-	1,562	-
Total deferred outflows of resources	215,981	198,161	-	-	414,142	-
LIABILITIES:						
Current liabilities:						
Accounts payable	11,186	1,094	53	-	12,333	-
Due to other funds	9,155	-	-	-	9,155	-
Compensated absences	6,755	1,393	-	-	8,148	-
Unearned revenue	27,401	-	-	-	27,401	-
Total current liabilities	54,497	2,487	53	-	57,037	-
Noncurrent liabilities:						
Net pension liability	261,233	211,124	-	-	472,357	-
Total OPEB liability	29,164	14,171	-	-	43,335	-
Total noncurrent liabilities	290,397	225,295	-	-	515,692	-
TOTAL LIABILITIES	344,894	227,782	53	-	572,729	-
DEFERRED INFLOWS OF RESOURCES:						
Pension related deferred inflows	229,588	185,549	-	-	415,137	-
OPEB related deferred inflows	10,001	4,447	-	-	14,448	-
Total deferred inflows of resources	239,589	189,996	-	-	429,585	-
NET POSITION:						
Net investment in capital assets	86,521	2,191	-	-	88,712	-
Restricted fund balance	35,865	-	-	-	35,865	-
Unrestricted	720,402	101,505	-	3,920	825,827	1,804,035
TOTAL NET POSITION	\$ 842,788	\$ 103,696	\$ -	\$ 3,920	\$ 950,404	\$ 1,804,035

GLENWOOD COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Business Type Activities Enterprise Funds				Total	Governmental
	School Nutrition	Day Care	Marketing Class	Culinary Class		Activities: Internal Service Funds
Operating revenues:						
Local sources:						
Charges for service	\$ 573,557	\$ 372,790	\$ 2,710	\$ 782	\$ 949,839	\$ -
Miscellaneous	-	-	-	-	-	2,756,995
Total operating revenues	<u>573,557</u>	<u>372,790</u>	<u>2,710</u>	<u>782</u>	<u>949,839</u>	<u>2,756,995</u>
Operating expenses:						
Support services:						
Administration:						
Services	-	-	-	-	-	2,666,616
Operation and maintenance of plant:						
Services	-	36,452	-	-	36,452	-
Supplies	-	19,569	-	-	19,569	-
Total support services	<u>-</u>	<u>56,021</u>	<u>-</u>	<u>-</u>	<u>56,021</u>	<u>2,666,616</u>
Non-instructional programs:						
Food service operations:						
Salaries	580,899	-	-	-	580,899	-
Benefits	221,240	-	-	-	221,240	-
Services	6,268	-	-	-	6,268	-
Supplies	712,422	-	-	-	712,422	-
Depreciation	20,112	-	-	-	20,112	-
Other	9,406	-	-	-	9,406	-
Total non-instructional programs	<u>1,550,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,550,347</u>	<u>-</u>
Other enterprise operations						
Services	-	-	-	-	-	41,460
Supplies	-	-	2,711	1,043	3,754	-
Total other enterprise operations	<u>-</u>	<u>-</u>	<u>2,711</u>	<u>1,043</u>	<u>3,754</u>	<u>41,460</u>
Community service operations						
Salaries	-	392,541	-	-	392,541	-
Benefits	-	81,392	-	-	81,392	-
Supplies	-	39,563	-	-	39,563	-
Depreciation	-	418	-	-	418	-
Total community service operations	<u>-</u>	<u>513,914</u>	<u>-</u>	<u>-</u>	<u>513,914</u>	<u>-</u>
Total non-instructional programs	<u>1,550,347</u>	<u>513,914</u>	<u>2,711</u>	<u>1,043</u>	<u>2,068,015</u>	<u>41,460</u>
Total operating expenses	<u>1,550,347</u>	<u>569,935</u>	<u>2,711</u>	<u>1,043</u>	<u>2,124,036</u>	<u>2,708,076</u>
Operating income (loss)	<u>(976,790)</u>	<u>(197,145)</u>	<u>(1)</u>	<u>(261)</u>	<u>(1,174,197)</u>	<u>48,919</u>
Non-operating revenues:						
State sources	11,897	-	-	-	11,897	-
Federal sources	937,700	150,118	-	-	1,087,818	-
Interest income	11,809	8,388	-	-	20,197	-
Total non-operating revenues	<u>961,406</u>	<u>158,506</u>	<u>-</u>	<u>-</u>	<u>1,119,912</u>	<u>-</u>
Change in net position	(15,384)	(38,639)	(1)	(261)	(54,285)	48,919
NET POSITION - Beginning of year	<u>858,172</u>	<u>142,335</u>	<u>1</u>	<u>4,181</u>	<u>1,004,689</u>	<u>1,755,116</u>
NET POSITION - End of year	\$ <u>842,788</u>	\$ <u>103,696</u>	\$ <u>-</u>	\$ <u>3,920</u>	\$ <u>950,404</u>	\$ <u>1,804,035</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	School Nutrition	Day Care	Marketing Class	Culinary Class	Total	Governmental Activities: Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>						
Cash received from sale of lunches and breakfasts	\$ 573,684	\$ -	\$ -	\$ -	\$ 573,684	\$ -
Cash received from other enterprise operations	-	-	2,710	782	3,492	-
Cash received from community service operation	-	372,790	-	-	372,790	-
Cash received from miscellaneous	-	-	-	-	-	2,748,796
Cash payments to employees for services	(814,417)	(510,017)	-	-	(1,324,434)	-
cash payments to suppliers for goods or services	(520,961)	(58,038)	(2,658)	(1,043)	(582,700)	(2,703,909)
Net cash provided by (used in) operating activities	(761,694)	(195,265)	52	(261)	(957,168)	44,887
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>						
State grants received	11,897	-	-	-	11,897	-
Federal grants received	782,122	162,761	-	-	944,883	-
Net cash provided by non-capital financing activities	794,019	162,761	-	-	956,780	-
<u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>						
Acquisition of capital assets	(5,922)	-	-	-	(5,922)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>						
Interest on investments	11,809	8,388	-	-	20,197	-
Net increase (decrease) in cash and pooled investments	38,212	(24,116)	52	(261)	13,887	44,887
<u>CASH AND POOLED INVESTMENTS</u> - beginning of year	1,050,693	345,238	1	4,181	1,400,113	1,759,148
<u>CASH AND POOLED INVESTMENTS</u> - end of year	\$ 1,088,905	\$ 321,122	\$ 53	\$ 3,920	\$ 1,414,000	\$ 1,804,035
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES:</u>						
Operating income (loss)	\$ (976,790)	\$ (197,145)	\$ (1)	\$ (261)	\$ (1,174,197)	\$ 48,919
Adjustments to reconcile operating income (loss) to net cash used in operating activities:						
Commodities consumed	155,578	-	-	-	155,578	-
Depreciation	20,112	418	-	-	20,530	-
Increase (decrease) in accounts payable	(7,021)	1,094	53	-	(5,874)	(4,032)
Decrease in inventories	1,346	-	-	-	1,346	-
Decrease in net pension liability	(262,857)	-	-	-	(262,857)	-
Decrease in deferred outflows of resources	32,472	-	-	-	32,472	-
Increase in deferred inflows of resources	274,367	-	-	-	274,367	-
Increase in unearned revenue	127	-	-	-	127	-
Increase in compensated absences	1,195	368	-	-	1,563	-
Decrease in OPEB liability	(223)	-	-	-	(223)	-
Net cash provided by (used in) operating activities	\$ (761,694)	\$ (195,265)	\$ 52	\$ (261)	\$ (957,168)	\$ 44,887
<u>NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:</u>						
During the year ended June 30, 2023, the District received \$155,578 of federal commodities.						

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Glenwood Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the City of Glenwood, Iowa, and the predominate agricultural territory in Pottawattamie and Mills 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 Governmental Accounting Standards Board.

Reporting Entity

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

Jointly Governed Organization – 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 Mills County Assessor's Conference Board.

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 are 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.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The District reports the following nonmajor proprietary funds.

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District. The Enterprise, Daycare Fund is used to account for childcare services provided by the District. The Enterprise, Marketing Class Fund and Culinary Class Fund are used to account for the items sold from these classes.

The Internal Service Funds are used to account for the District's flex benefit and partially self-funded insurance programs.

Measurement Focus and Basis of Accounting

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

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

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

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

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

When an expenditure is incurred in governmental funds that can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balances 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.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/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, on the day of purchase, they have a maturity date no longer than three months.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

Property Tax Receivable – Property tax in the 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 becomes due and collectible in September and March of the fiscal year with a 1½ % per month penalty for delinquent payments; is based on the January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2022.

Due from Other Governments – Due from other governments represent 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 (except for intangible right-to-use lease assets and right-to-use IT subscriptions, the measurement of which are discussed under “Leases” and “Subscription-Based Information Technology Arrangements (SBITA)” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,500
Buildings	2,500
Right-to use leased assets	5,000
Right-to use IT subscriptions	5,000
Intangibles	150,000
Land improvements	2,500
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	2,500

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

Capital Assets (Continued)

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Land improvements	20 years
Right-to-use leased assets	Life of lease
Right-to-use IT subscriptions	Life of subscription
Intangibles	5-12 years
Machinery and equipment	5-12 years

Leases – Glenwood Community School District is the lessee for noncancellable leases of equipment. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of \$5,000 or more.

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

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

Glenwood Community School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option that the District is reasonably certain to exercise.

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

Subscription-Based Information Technology Agreements (SBITA) – Glenwood Community School District has entered into a contract that conveys control of the right to use information technology software. The county has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The District recognized IT subscription liabilities with an initial, individual value of \$5,000, or more.

At the commencement of the IT subscription term, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Subscription-Based Information Technology Agreements (SBITA) (Continued)

The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus the capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how Glenwood CSD determines the discount rate it uses to discount the expected payments to present value, term and payments.

Glenwood CSD uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the Statement of Net Position.

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the District after the measurement date but before the end of the District's reporting period.

Salaries and Benefits Payable – Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Unearned Revenue – 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 activities columns in the Statement of Net Position.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death, or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2023. The compensated absences liability attributable to the governmental activities will be primarily paid by the General Fund while the liability attributable to the business type activities will be primarily paid by the School Nutrition Fund and Day Care Fund.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

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 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 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 the unrecognized items not yet charged to pension 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 are imposed by law through constitutional provisions or enabling legislation.

Unassigned – All amounts not included in the preceding classifications.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, expenditures exceeded the amended amounts budgeted in the non-instructional programs and other expenditures functions.

NOTE 2: CASH AND POOLED INVESTMENTS

The District's deposits in banks on June 30, 2023, 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.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2: CASH AND POOLED INVESTMENTS (Continued)

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, 2023, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Direct Government Obligations Portfolio which are valued at an amortized cost of \$14,702,520. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 was as follows:

	<u>Restated Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 956,466	\$ -	\$ -	\$ 956,466
Total capital assets not being depreciated	<u>956,466</u>	<u>-</u>	<u>-</u>	<u>956,466</u>
Capital assets being depreciated:				
Buildings	45,348,361	818,771	-	46,167,132
Land improvements	9,566,353	148,407	32,969	9,681,791
Machinery and equipment	5,563,879	647,368	684,458	5,526,789
Right-to-use leased equipment	212,675	150,742	-	363,417
Right-to-use subscription-based asset	138,407	-	-	138,407
Total capital assets being depreciated	<u>60,829,675</u>	<u>1,765,288</u>	<u>717,427</u>	<u>61,877,536</u>
Less accumulated depreciation for:				
Buildings	15,054,548	893,991	-	15,948,539
Land improvements	1,491,435	472,497	32,969	1,930,963
Machinery and equipment	4,326,776	419,606	537,481	4,208,891
Right-to-use leased equipment	68,047	118,295	-	186,342
Right-to-use subscription-based asset	-	49,275	-	49,275
Total accumulated depreciation	<u>20,940,806</u>	<u>1,953,664</u>	<u>570,450</u>	<u>22,324,020</u>
Total capital assets being depreciated, net	<u>39,888,869</u>	<u>(188,376)</u>	<u>146,977</u>	<u>39,553,516</u>
Governmental activities capital assets, net	\$ <u>40,845,335</u>	\$ <u>(188,376)</u>	\$ <u>146,977</u>	\$ <u>40,509,982</u>
Business type activities:				
Machinery and equipment	\$ 771,214	\$ 5,922	\$ -	\$ 777,136
Less accumulated depreciation	<u>667,894</u>	<u>20,530</u>	<u>-</u>	<u>688,424</u>
Business-type activities capital assets, net	\$ <u>103,320</u>	\$ <u>(14,608)</u>	\$ <u>-</u>	\$ <u>88,712</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 70,464
Support services:	
Instructional staff	127,587
Administration	11,044
Operation and maintenance of plant	43,030
Transportation	168,480
	<u>1,533,059</u>
Total governmental activities depreciation expense	\$ <u>1,953,664</u>
Business type activities:	
Food service operations	\$ 20,112
Community service operations	418
Total governmental activities depreciation expense	\$ <u>20,530</u>

NOTE 4: LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2023, are summarized as follows:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 6,460,000	\$ -	\$ 1,320,000	\$ 5,140,000	\$ 1,350,000
Revenue bonds	2,994,000	-	393,000	2,601,000	400,000
Capital loan notes	2,730,000	-	420,000	2,310,000	435,000
Compensated absences	89,955	77,650	89,955	77,650	77,650
Lease agreements	148,049	150,742	95,480	203,311	115,061
IT subscription liability	138,407	-	47,742	90,665	22,027
Net pension liability	221,405	5,987,393	-	6,208,798	-
Total OPEB liability	<u>1,033,011</u>	<u>-</u>	<u>49,440</u>	<u>983,571</u>	<u>-</u>
Total	\$ <u>13,814,827</u>	\$ <u>6,215,785</u>	\$ <u>2,415,617</u>	\$ <u>17,614,995</u>	\$ <u>2,399,738</u>
Business type activities:					
Compensated absences	\$ 6,585	\$ 8,148	\$ 6,585	\$ 8,148	\$ 8,148
Net pension liability	16,845	455,512	-	472,357	-
Total OPEB liability	<u>45,513</u>	<u>-</u>	<u>2,178</u>	<u>43,335</u>	<u>-</u>
Total	\$ <u>68,943</u>	\$ <u>463,660</u>	\$ <u>8,763</u>	\$ <u>523,840</u>	\$ <u>8,148</u>

Lease Agreements

The District has entered into lease agreements for various equipment. The agreements require annual payments totaling \$67,262 over dates ranging from two to four years, with implicit rates of 3.00%-7.48% and final payment due through July 2026. During the year ended June 30, 2023 principal and interest paid were \$95,480 and \$3,876, respectively. Future principal and interest payments are due on the lease liabilities, as follows:

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: LONG-TERM LIABILITIES

Lease Agreements (Continued)

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2024	3.00-7.48	\$ 126,659	\$ 10,179	\$ 136,838
2025	7.48	50,157	4,814	54,971
2026	7.48	<u>26,495</u>	<u>991</u>	<u>27,486</u>
	Totals	\$ <u>203,311</u>	\$ <u>15,984</u>	\$ <u>219,295</u>

General Obligation Bonds

Details of the District's June 30, 2023 general obligation bonded indebtedness are as follows:

Bonds Issued April 7, 2020

	Interest Rates	Principal	Interest	Total
2024	4.00	1,350,000	158,050	1,508,050
2025	3.00-4.00	1,410,000	110,300	1,520,300
2026	3.00-4.00	1,475,000	60,450	1,535,450
2027	3.00	<u>905,000</u>	<u>20,400</u>	<u>925,400</u>
Total		\$ <u>5,140,000</u>	\$ <u>349,200</u>	\$ <u>5,489,200</u>

Capital Loan Note

Capital Loan Notes issued April 19, 2018

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2024	3.00	435,000	69,300	504,300
2025	3.00	450,000	56,250	506,250
2026	3.00	460,000	42,750	502,750
2027	3.00	475,000	28,950	503,950
2028	3.00	<u>490,000</u>	<u>14,700</u>	<u>504,700</u>
		\$ <u>2,310,000</u>	\$ <u>211,950</u>	\$ <u>2,521,950</u>

Revenue Bonds

On November 12, 2020 the District issued \$2,420,000 of current refunding revenue bonds with interest rates ranging from 1.15-1.60% to refund \$2,350,000 of outstanding Series 2014 revenue bonds with interest rates of 2.92%. The new refunding revenue bonds have been added to the appropriate financial statements and schedules. The net present value of savings achieved by the current refunding is \$130,572. Details of the District's June 30, 2023 statewide sales, services and use tax revenue bonded indebtedness are as follows:

GLENWOOD COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4: LONG-TERM LIABILITIES (Continued)

Revenue Bonds (Continued)

Year Ending June 30,	<u>Bonds Issued April 19, 2018</u>			<u>Bonds Issued November 12, 2020</u>			<u>Total</u>	
	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	2.79	146,000	49,277	1.25	254,000	23,078	400,000	72,355
2025	2.79	150,000	42,028	1.30	257,000	19,904	407,000	61,932
2026	2.79	154,000	34,502	1.35	261,000	16,562	415,000	51,064
2027	2.79	159,000	26,682	1.40	264,000	13,039	423,000	39,721
2028-2030	2.79	<u>330,000</u>	<u>13,866</u>	1.40-1.60	<u>626,000</u>	<u>9,343</u>	<u>956,000</u>	<u>23,209</u>
Total		\$ <u>939,000</u>	\$ <u>166,355</u>		\$ <u>1,662,000</u>	\$ <u>81,926</u>	\$ <u>2,601,000</u>	\$ <u>248,281</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$1,601,000 of bonds issued in April 2019 and the \$2,420,000 of bonds issued in December of 2020. The bonds were issued for the purpose of financing a portion of the high school auxiliary gymnasium and locker room and refunding prior revenue bonds. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 23% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$3,225,949. For the current year \$393,000 of principal and \$56,251 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$2,645,894. The resolution providing for the issuance of the statewide sales, services and use tax revenues bonds requires the District to set aside each month an amount equal to 1/6 of the upcoming bi-annual interest payments and 1/12 of the upcoming annual principal payments.

IT Subscription Liability

During 2021, the District entered into IT subscription licenses and services information technology agreements for communication and fiber services. An initial IT subscription liability was recorded in the amount of \$138,407. The agreements require annual payments of \$52,152, initial monthly payment made during 2021 for \$4,346, with interest rates of 4.20% and final payment due dates through December 2025. During the year ended June 30, 2023, principal and interest paid were \$47,742 and \$4,407, respectively. Future principal and interest payments as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	4.20	\$ 42,849	\$ 2,900	\$ 45,749
2025	4.20	31,543	1,406	32,949
2026	4.20	<u>16,273</u>	<u>200</u>	<u>16,473</u>
Totals		\$ <u>90,665</u>	\$ <u>4,506</u>	\$ <u>95,171</u>

NOTE 5: DUE TO AND FROM OTHER FUNDS

The amounts of interfund receivables and payables are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	School Nutrition	\$ <u>9,155</u>

The School Nutrition Fund is repaying the General Fund for salaries and benefits paid by the General Fund but not yet reimbursed before year-end.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 6: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2023, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service Fund	PEEL Fund	\$ 529,386
Debt Service Fund	SAVE Fund	<u>573,270</u>
		\$ <u>1,102,656</u>

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

NOTE 7: PENSION PLAN – IPERS

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system.

Employees of the District are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org. IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, 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 percent 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 percent for each month that the member receives benefits before age 65. Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits are 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.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7: PENSION PLAN - IPERS (Continued)

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 that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board. In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll, and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent. The District's contributions to IPERS for the year ended June 30, 2023 totaled \$1,434,794.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the District reported a liability of \$6,681,155 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportion was .168329 percent, which was a decrease of .001616 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$242,083. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 296,175	\$ 91,517
Changes of assumptions	5,669	159
Net difference between projected and actual earnings on IPERS' investments	-	715,196
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	-	415,670
District contributions subsequent to the measurement date	<u>1,434,794</u>	<u>-</u>
Total	\$ <u>1,736,638</u>	\$ <u>1,222,542</u>

\$1,434,794 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7: PENSION PLAN - IPERS (Continued)

Year Ended <u>June 30,</u>	<u>Total</u>
2024	\$ (776,463)
2025	(614,200)
2026	(964,505)
2027	1,426,517
2028	<u>7,953</u>
	\$ <u>(920,698)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021. Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0 %	3.57 %
International equity	17.5	4.79
Global smart beta equity	6.0	4.16
Core plus fixed income	20.0	1.66
Public credit	4.0	3.77
Cash	1.0	.77
Private equity	13.0	7.57
Private real assets	8.5	3.55
Private credit	<u>8.0</u>	3.63
Total	<u>100.0 %</u>	

Discount Rate – The discount rate used to measure the total pension liability was 7 percent. 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 currently 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.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 7: PENSION PLAN - IPERS (Continued)

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 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate.

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
District's proportionate share of the net pension liability	\$ <u>12,447,795</u>	\$ <u>6,681,155</u>	\$ <u>1,599,160</u>

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

Payables to IPERS – At June 30, 2023, the District reported to IPERS of \$214,158 for legally required District contributions and \$142,697 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

OPEB Benefits – Individuals who are employed by the District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability. Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Active employees	<u>207</u>
Total	<u>212</u>

Total OPEB Liability – The District's total OPEB liability of \$1,026,906 was measured as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2023 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 inflation (effective June 30, 2022)	3.25% per annum.
Rates of salary increase (effective June 30, 2022)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2022)	3.69% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	6.70% initial rate decreasing by 0.50% annually to an ultimate rate of 5.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.19% 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 SOA Public Plan 2010 tables. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$	<u>1,078,524</u>
Changes for the year:		
Service cost		103,479
Interest cost		22,238
Change in assumptions or other inputs		(129,835)
Benefit payments		<u>(47,500)</u>
 Net Changes		 (51,618)
 Total OPEB liability end of year	 \$	 <u>(1,026,906)</u>

Changes of assumptions reflect a change in the discount rate from 1.92% in fiscal year 2022 to 3.69% in fiscal year 2023.

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 that is 1% lower (2.69%) or 1% higher (4.69%) than the current discount rate.

		1% Decrease (2.69%)		Discount Rate (3.69%)		1% Increase (4.69%)
Total OPEB liability	\$	1,098,799	\$	1,026,906	\$	959,131

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 what the District's total OPEB liability would be if it was calculated using healthcare cost trend rates that are 1% lower (5.70%) or 1% higher (7.70%) than the current healthcare cost trend rates.

		1% Decrease (5.70%)		Healthcare Cost Trend Rate (6.70%)		1% Increase (7.70%)
Total OPEB liability	\$	914,898	\$	1,026,906	\$	1,159,131

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2023, the District recognized OPEB expense of \$76,446. As of June 30, 2023, the District reported deferred inflows and deferred outflows of resources related to OPEB from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 125,025
Change of assumptions	<u>39,056</u>	<u>199,322</u>
Total	\$ <u>39,056</u>	\$ <u>324,347</u>

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

<u>Year Ended June 30,</u>		
2024	\$	(49,271)
2025		(49,271)
2026		(45,245)
2027		(43,586)
2028		(43,461)
Thereafter		<u>(54,457)</u>
	\$	<u>(285,291)</u>

NOTE 9: RISK MANAGEMENT

The District is a member in 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 in July 1999 for the purpose of managing and funding employee benefits. The Association provides coverage and protection in the following categories: dental, life and long-term disability. The District's contributions, which include 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, 2023 were \$2,443,044. Members agree to continue membership in the pool for a period of not less than one full year. After such period, a member who has given 30 days' prior notice may withdraw. The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10: AREA EDUCATION AGENCY

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$927,088 for the year ended June 30, 2023 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 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. The District was not impacted by any tax abatements which meet the disclosure requirements of Governmental Accounting Standards Board Statement No. 77 for fiscal year 2023.

NOTE 12: CATEGORICAL FUNDING

In accordance with Iowa Administrative Code Section 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 District's ending restricted balances for categorical funding as of June 30, 2023, are comprised of the following programs:

<u>Program</u>	<u>Amount</u>
Flexibility Fund Iowa Core	\$ 17,671
Limited English Proficient (LEP)	22,164
Gifted and talented programs	233,529
Teacher leadership state aid	377,541
Early readers	160,656
Teacher salary supplement	11,814
Other	44,392
Professional development for model core curriculum	373,599
Preschool state aid	<u>263,869</u>
Total	\$ <u>1,505,235</u>

NOTE 13: ACCOUNTING CHANGE

Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), was implemented during fiscal year 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements and liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

	<u>Capital Assets</u>	<u>Long-Term Liabilities</u>
Balance June 30, 2022, as previously reported	\$ 40,706,932	\$ 18,000,428
Change to implement GASBS No. 96	<u>138,407</u>	<u>138,407</u>
Balances July 1, 2022, as restated	\$ <u>40,845,339</u>	\$ <u>18,138,835</u>

NOTE 14: SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 18, 2023, the date statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

GLENWOOD COMMUNITY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
AND PROPRIETARY FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>	Total <u>Actual</u>
<u>REVENUES:</u>			
Local sources	\$ 14,606,249	\$ 970,036	\$ 15,576,285
State sources	16,705,620	11,897	16,717,517
Federal sources	<u>1,282,692</u>	<u>1,087,818</u>	<u>2,370,510</u>
Total revenues	<u>32,594,561</u>	<u>2,069,751</u>	<u>34,664,312</u>
<u>EXPENDITURES/EXPENSES:</u>			
Instruction	16,159,986	56,021	16,216,007
Support services	10,809,674	-	10,809,674
Non-instructional programs	-	2,068,015	2,068,015
Other expenditures	<u>4,421,269</u>	<u>-</u>	<u>4,421,269</u>
Total expenditures/expenses	<u>31,390,929</u>	<u>2,124,036</u>	<u>33,514,965</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	1,203,632	(54,285)	1,149,347
Other financing sources, net	<u>150,742</u>	<u>-</u>	<u>150,742</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	1,354,374	(54,285)	1,300,089
<u>BALANCE</u> - Beginning of year	<u>11,662,436</u>	<u>1,004,689</u>	<u>12,667,125</u>
<u>BALANCE</u> - End of year	\$ <u>13,016,810</u>	\$ <u>950,404</u>	\$ <u>13,967,214</u>

<u>Budgeted Amounts</u>		<u>Final to</u>
<u>Original</u>	<u>Amended/Final</u>	<u>Actual</u>
		<u>Variance</u>
\$ 14,037,205	\$ 14,024,897	\$ 1,551,388
17,808,352	15,695,284	1,022,233
<u>1,685,000</u>	<u>1,680,000</u>	<u>690,510</u>
<u>33,530,557</u>	<u>31,400,181</u>	<u>3,264,131</u>
14,835,000	17,007,000	790,993
10,861,000	11,700,000	890,326
1,869,000	2,000,000	(68,015)
<u>3,871,118</u>	<u>4,293,000</u>	<u>(128,269)</u>
<u>31,436,118</u>	<u>35,000,000</u>	<u>1,485,035</u>
2,094,439	(3,599,819)	4,749,166
<u>-</u>	<u>-</u>	<u>150,742</u>
2,094,439	(3,599,819)	4,899,908
<u>11,043,491</u>	<u>11,043,491</u>	<u>1,623,634</u>
\$ <u>13,137,930</u>	\$ <u>7,443,672</u>	\$ <u>6,523,542</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2023

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except for the 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 functional areas 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 \$3,563,882.

During the year ended June 30, 2023, expenditures in the noninstructional programs and other expenditure functions exceeded the amounts budgeted.

GLENWOOD COMMUNITY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST NINE FISCAL YEARS*

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability	0.168329 %	0.169946 %	0.173726 %
District's proportionate share of the net pension liability	\$ 6,681,155	\$ 238,249	\$ 12,203,804
District's covered-employee payroll	\$ 14,242,468	\$ 13,789,569	\$ 13,784,947
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	46.91 %	1.68 %	88.53 %
IPERS' net position as a percentage of the total pension liability	91.41 %	100.81 %	82.90 %

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

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.180471 %	0.180730 %	0.179319 %	0.181116 %	0.185006 %	0.188997 %
\$ 10,450,450	\$ 11,437,000	\$ 11,945,000	\$ 11,398,000	\$ 9,140,000	\$ 7,495,000
\$ 13,728,814	\$ 13,594,625	\$ 11,388,578	\$ 13,001,120	\$ 12,676,372	\$ 12,385,218
76.12 %	84.13 %	104.89 %	87.67 %	72.10 %	60.52 %
85.45 %	83.62 %	82.21 %	81.82 %	85.19 %	87.61 %

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Statutorily required contribution	\$ 1,434,794	\$ 1,344,489	\$ 1,301,735
Contributions in relation to the statutorily required contribution	<u>(1,434,794)</u>	<u>(1,344,489)</u>	<u>(1,301,735)</u>
Contribution deficiency (excess)	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
District's covered-employee payroll	\$ 15,199,089	\$ 14,242,468	\$ 13,789,569
Contributions as a percentage of covered-employee payroll	9.44 %	9.44 %	9.44 %

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,301,299	\$ 1,296,000	\$ 1,214,000	\$ 1,017,000	\$ 1,161,000	\$ 1,132,000	\$ 1,106,000
<u>(1,301,299)</u>	<u>(1,296,000)</u>	<u>(1,214,000)</u>	<u>(1,017,000)</u>	<u>(1,161,000)</u>	<u>(1,132,000)</u>	<u>(1,106,000)</u>
\$ _____ -	_____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
\$ 13,784,947	13,728,814	\$ 13,594,625	\$ 11,388,578	\$ 13,001,120	\$ 12,676,372	\$ 12,385,218
9.44 %	9.44 %	8.93 %	8.93 %	8.93 %	8.93 %	8.93 %

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2023

Changes of benefit terms:

There were no changes to benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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.

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES
FOR THE LAST SIX YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 103,479	\$ 102,848	\$ 86,579	\$ 87,601	\$ 83,253	\$ 86,344
Interest cost	22,238	26,936	30,072	42,589	39,437	31,031
Differences between expected and actual experience	-	(33,801)	-	(171,854)	-	-
Changes in assumptions	(129,835)	8,434	47,725	(122,492)	(4,269)	(43,602)
Benefit payments	<u>(47,500)</u>	<u>(44,971)</u>	<u>(38,956)</u>	<u>(62,171)</u>	<u>(45,906)</u>	<u>(5,296)</u>
Net change in total OPEB liability	(51,618)	59,446	125,420	(226,327)	72,515	68,477
Total OPEB liability, beginning of year	<u>1,078,524</u>	<u>1,019,078</u>	<u>893,658</u>	<u>1,119,985</u>	<u>1,047,470</u>	<u>978,993</u>
Total OPEB liability, end of year	\$ <u>1,026,906</u>	\$ <u>1,078,524</u>	\$ <u>1,019,078</u>	\$ <u>893,658</u>	\$ <u>1,119,985</u>	\$ <u>1,047,470</u>
Covered-employee payroll	\$ 12,009,022	\$ 11,456,088	\$ 11,332,620	\$ 10,495,620	\$ 11,298,623	\$ 7,859,667
Total OPEB liability as a percentage of covered - employee payroll	8.55%	9.41%	8.99%	8.51%	9.91%	13.33%

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.

Year ended June 30, 2023	3.69%
Year ended June 30, 2022	1.92%
Year ended June 30, 2021	2.45%
Year ended June 30, 2020	3.13%
Year ended June 30, 2019	3.62%
Year ended June 30, 2018	3.56%
Year ended June 30, 2017	2.92%

SUPPLEMENTARY INFORMATION

GLENWOOD COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>Special Revenue</u>		
	<u>Student Activity</u>	<u>Management Levy</u>	<u>Total</u>
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments	\$ 369,598	\$ 1,327,719	\$ 1,697,317
Receivables:			
Property tax:			
Delinquent	-	5,847	5,847
Succeeding year	-	900,002	900,002
TOTAL ASSETS	<u>\$ 369,598</u>	<u>\$ 2,233,568</u>	<u>\$ 2,603,166</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ 34,284	-	\$ 34,284
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Succeeding year property tax	-	900,002	900,002
<u>FUND BALANCES:</u>			
Restricted for:			
Student activities	335,314	-	335,314
Management levy purposes	-	1,333,566	1,333,566
TOTAL FUND BALANCES	<u>335,314</u>	<u>1,333,566</u>	<u>1,668,880</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 369,598</u>	<u>\$ 2,233,568</u>	<u>\$ 2,603,166</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2023

	<u>Special Revenue</u>		
	<u>Student Activity</u>	<u>Management Levy</u>	<u>Total</u>
<u>REVENUES:</u>			
Local sources:			
Local tax	\$ -	\$ 905,577	\$ 905,577
Other	861,723	29,458	891,181
State sources	-	320	320
Total revenues	<u>861,723</u>	<u>935,355</u>	<u>1,797,078</u>
<u>EXPENDITURES:</u>			
Current:			
Instruction:			
Regular	795,206	10,679	805,885
Support services:			
Administration	-	172,457	172,457
Operation and maintenance of plant	6,532	521,810	528,342
Transportation	-	71,070	71,070
Total expenditures	<u>801,738</u>	<u>776,016</u>	<u>1,577,754</u>
Excess of revenues over expenditures	<u>59,985</u>	<u>159,339</u>	<u>219,324</u>
<u>FUND BALANCES</u> - Beginning of year	<u>275,329</u>	<u>1,174,227</u>	<u>1,449,556</u>
<u>FUND BALANCES</u> - End of year	\$ <u>335,314</u>	\$ <u>1,333,566</u>	\$ <u>1,668,880</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
JUNE 30, 2023

<u>ASSETS</u>	Statewide Sales, Service and Use Tax	Physical Plant and Equipment Levy	<u>Total</u>
Cash, cash equivalents and pooled investments	\$ 6,025,288	\$ 475,794	\$ 6,501,082
Receivables:			
Property tax:			
Delinquent	-	5,198	5,198
Succeeding year	-	847,872	847,872
Due from other governments	<u>186,357</u>	<u>-</u>	<u>186,357</u>
TOTAL ASSETS	\$ <u>6,211,645</u>	\$ <u>1,328,864</u>	\$ <u>7,540,509</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ <u>364,095</u>	\$ <u>-</u>	\$ <u>364,095</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Succeeding year property tax	<u>-</u>	<u>847,872</u>	<u>847,872</u>
 <u>FUND BALANCES:</u>			
Restricted for:			
School infrastructure	5,847,550	-	5,847,550
Physical plant and equipment	<u>-</u>	<u>480,992</u>	<u>480,992</u>
TOTAL FUND BALANCES	<u>5,847,550</u>	<u>480,992</u>	<u>6,328,542</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>6,211,645</u>	\$ <u>1,328,864</u>	\$ <u>7,540,509</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2023

	Statewide Sales, Service and Use Tax	Physical Plant and Equipment Levy	Total
<u>REVENUES:</u>			
Local sources:			
Local tax	\$ -	\$ 834,432	\$ 834,432
Other	165,471	16,941	182,412
State sources	<u>2,645,894</u>	<u>292</u>	<u>2,646,186</u>
Total revenues	<u>2,811,365</u>	<u>851,665</u>	<u>3,663,030</u>
<u>EXPENDITURES:</u>			
Current:			
Instruction:			
Regular	179,397	-	179,397
Support services:			
Instructional Staff	214,073	-	214,073
Administration	244,545	-	244,545
Transportation	-	204,804	204,804
Other expenditures:			
Capital outlay	<u>855,076</u>	<u>-</u>	<u>855,076</u>
Total expenditures	<u>1,493,091</u>	<u>204,804</u>	<u>1,697,895</u>
Excess of revenues over expenditures	<u>1,318,274</u>	<u>646,861</u>	<u>1,965,135</u>
Other financing sources (uses):			
Proceeds from leases	-	150,742	150,742
Transfer out	<u>(573,270)</u>	<u>(529,386)</u>	<u>(1,102,656)</u>
Total other financing (uses)	<u>(573,270)</u>	<u>(378,644)</u>	<u>(951,914)</u>
Change in fund balances	<u>745,004</u>	<u>268,217</u>	<u>1,013,221</u>
<u>FUND BALANCES</u> - Beginning of year	<u>5,102,546</u>	<u>212,775</u>	<u>5,315,321</u>
<u>FUND BALANCES</u> - End of year	\$ <u>5,847,550</u>	\$ <u>480,992</u>	\$ <u>6,328,542</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND -
STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2023

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Intrafund Transfers</u>	<u>Balance End of Year</u>
TALENT SHOW	\$ 2,933	\$ -	\$ -	\$ -	\$ 2,933
HS THEATRE	419	390	1,831	1,022	-
MS DRAMA	2,715	375	324	-	2,766
HS SPEECH	1	-	2,198	2,198	1
HS VOCAL	7,523	1,967	4,053	-	5,437
MS SHOW CHOIR	490	-	-	-	490
SHOW CHOIR	17,632	37,763	46,300	-	9,095
MS BAND	3,316	15,154	10,543	-	7,927
BAND/VOCAL TRIP	49,190	10,280	-	-	59,470
SW IOWA HONOR BAND	91	-	-	-	91
BAND	39,666	64,092	45,435	-	58,323
CROSS COUNTRY BOYS	407	9,646	11,641	1,588	-
CROSS COUNTRY GIRLS	272	2,295	2,202	-	365
BOWLING	-	575	-	-	575
CHEERLEADING STUDENT ACCTS	11,721	18,401	35,396	6,122	848
DANCE TEAM - STUDENT ACCT	4,431	23,667	38,090	10,000	8
BASKETBALL BOYS	6,643	5,568	12,115	-	96
FOOTBALL	-	23,555	42,972	20,600	1,183
SOCCER BOYS	1,794	2,586	8,376	4,000	4
BASEBALL	1,675	5,604	13,935	8,000	1,344
TRACK BOYS	2,027	11,520	12,053	-	1,494
TENNIS BOYS	123	112	1,712	1,477	-
GOLF BOYS	3	-	3,202	3,199	-
WRESTLING	1,622	16,073	28,323	10,629	1
BASKETBALL GIRLS	3,907	12,453	14,828	1,068	2,600
VOLLEYBALL	3,446	5,353	8,179	-	620
SOCCER GIRLS	1,581	2,910	5,579	1,108	20
SOFTBALL	1,377	3,497	9,849	5,000	25
TRACK GIRLS	2,281	9,559	7,891	-	3,949
TENNIS GIRLS	178	-	40	-	138
GOLF GIRLS	28	-	3,106	3,078	-
ACTIVITY	553	77,154	55,122	(6,510)	16,075
BOOSTER	-	366,172	293,598	(37,560)	35,014
HS ANNUAL	9,180	3,702	7,374	-	5,508
MS ANNUAL	257	992	799	-	450
HS ART CLUB	118	-	-	-	118
HS NEWSPAPER	1,570	-	-	-	1,570
BLACK & GOLD CONCESSIONS	8,236	-	-	-	8,236
CLASS OF 2023	7,045	6,340	5,090	-	8,295
FFA	5,138	2,836	4,636	-	3,338
BUSINESS CLUB	323	10,569	8,693	105	2,304
FCCLA	4,015	1,885	4,438	-	1,462
MS FCCLA	602	4,320	4,241	-	681
SADD	6,903	3,713	4,765	-	5,851
RAMILY	2,665	-	-	-	2,665
MS BUILDERS CLUB	1,508	2,237	-	-	3,745
HS BAND FUNDRAISER	-	10,000	-	-	10,000
MS STUDENT COUNCIL	4,804	583	693	-	4,694
KEY CLUB	2,358	-	-	-	2,358
HS STUDENT COUNCIL	1,701	1,816	775	-	2,742
NATIONAL HONOR SOCIETY	1,106	807	1,378	-	535
	<u>225,574</u>	<u>776,521</u>	<u>761,775</u>	<u>35,124</u>	<u>275,444</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND -
 STUDENT ACTIVITY ACCOUNTS
 YEAR ENDED JUNE 30, 2023

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Intrafund Transfers</u>	<u>Balance End of Year</u>
ACTIVITY ACCOUNTS (Continued)					
TRAP CLUB	77	17,802	25,468	3,069	(4,520)
IJAG	-	2,521	2,521	-	-
VIDEO BOARD	30,401	58,000	9,000	(28,568)	50,833
TEAMMATES	5,931	130	1,574	-	4,487
MAC SHOOTOUT	<u>13,346</u>	<u>6,749</u>	<u>1,400</u>	<u>(9,625)</u>	<u>9,070</u>
	<u>49,755</u>	<u>85,202</u>	<u>39,963</u>	<u>(35,124)</u>	<u>59,870</u>
Total	\$ <u>275,329</u>	\$ <u>861,723</u>	\$ <u>801,738</u>	\$ <u>-</u>	\$ <u>335,314</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

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

	Modified Accrual Basis Years Ended June 30,			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues:				
Local sources:				
Local tax	\$ 11,841,292	\$ 11,301,775	\$ 10,385,005	\$ 10,199,894
Tuition	1,355,769	1,101,332	1,043,031	1,037,578
Other	1,409,188	865,680	719,543	1,312,421
State sources	16,705,620	16,015,344	15,081,960	15,488,030
Federal sources	<u>1,282,692</u>	<u>2,397,656</u>	<u>1,024,620</u>	<u>630,629</u>
Total revenues	\$ <u>32,594,561</u>	\$ <u>31,681,787</u>	\$ <u>28,254,159</u>	\$ <u>28,668,552</u>
Expenditures:				
Instruction:				
Regular	\$ 10,712,322	\$ 10,770,648	\$ 9,597,943	\$ 9,149,375
Special	3,522,398	2,868,771	2,791,022	2,653,125
Other	1,925,266	2,404,841	2,440,942	2,566,408
Support services:				
Student	647,395	542,136	633,945	636,580
Instructional staff	2,271,849	2,135,414	1,466,692	1,240,706
Administration	3,697,934	3,478,996	3,285,397	2,965,819
Operation and maintenance of plant	2,818,468	2,988,798	2,253,354	2,130,395
Transportation	1,374,028	1,297,637	1,030,659	1,057,195
Non-instructional programs	-	-	-	91
Other expenditures:				
Facilities acquisition	855,076	612,769	571,170	5,656,196
Long-Term Debt Principal	2,276,223	2,082,000	4,417,000	11,732,000
Interest and fiscal charges	362,882	422,914	521,859	501,873
AEA flow-through	<u>927,088</u>	<u>909,713</u>	<u>891,069</u>	<u>893,766</u>
Total expenditures	\$ <u>31,390,929</u>	\$ <u>30,514,637</u>	\$ <u>29,901,052</u>	\$ <u>41,183,529</u>

SCHEDULE 6

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 9,045,126	\$ 8,256,247	\$ 7,926,086	\$ 8,159,448	\$ 8,418,776	\$ 8,348,356
1,024,408	1,535,550	1,023,481	909,599	1,203,001	1,475,584
1,017,601	896,711	791,133	689,986	566,029	927,101
15,078,019	14,497,169	14,895,574	14,303,077	13,414,257	13,776,184
<u>480,563</u>	<u>492,089</u>	<u>723,700</u>	<u>559,898</u>	<u>534,702</u>	<u>535,023</u>
\$ <u>26,645,717</u>	\$ <u>25,677,766</u>	\$ <u>25,359,974</u>	\$ <u>24,622,008</u>	\$ <u>24,136,765</u>	\$ <u>25,062,248</u>
\$ 9,423,124	\$ 9,081,054	\$ 8,863,573	\$ 8,992,352	\$ 9,039,632	\$ 9,041,308
2,763,330	3,139,036	2,836,078	2,979,909	3,436,470	3,219,688
2,604,988	2,539,271	2,488,734	2,463,802	2,410,629	2,474,102
615,593	649,739	626,581	704,981	689,691	662,303
1,217,828	1,376,158	1,493,658	1,349,286	819,466	689,309
3,380,792	2,979,992	2,793,710	2,576,176	2,557,548	2,534,067
2,001,028	1,955,485	1,700,861	1,594,065	1,681,360	1,691,498
877,456	1,145,200	895,957	1,130,795	983,413	968,875
15,711	18,834	162	13,641	19,582	-
2,922,589	167,520	461,502	1,335,018	3,039,369	1,437,305
2,007,000	1,499,000	2,338,000	7,333,000	9,307,000	960,000
571,151	396,728	464,388	731,084	1,028,771	848,877
<u>859,366</u>	<u>850,798</u>	<u>838,231</u>	<u>820,715</u>	<u>806,984</u>	<u>805,200</u>
\$ <u>29,259,956</u>	\$ <u>25,798,815</u>	\$ <u>25,801,435</u>	\$ <u>32,024,824</u>	\$ <u>35,819,915</u>	\$ <u>25,332,532</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

GRANTOR/PROGRAM:	Assistance Living Number	Entity Identifying Number	Expenditures
<u>INDIRECT:</u>			
U.S. Department of Agriculture:			
Pass-Through From Iowa Department of Education			
Child and Adult Care Food Program	10.558	FY23	\$ 14,449
Child Nutrition Cluster:			
School breakfast program	10.553	FY23	132,128
National school lunch program	10.555	FY23	598,295
Summer food service program for children	10.559	FY23	20,420
Food Distribution (Child Nutrition Act, Commodities)	10.555	FY23	183,543 *
Local Food for Schools (LFS)	10.185	FY23	3,314
			<u>937,700</u>
			952,149
U.S. Department of Education:			
Pass-Through From Iowa Department of Education:			
Title I grants to local educational agencies	84.010	FY23	227,846
Title I grants to LEA's, carryover (District's Carryover Budget)	84.010	FY23	8,076
Title IV student support and academic enrichment program	84.424	FY23	15,422
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES) Cluster:			
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III – Learning Loss)			
	84.425U	FY23	216,598
American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth			
	84.425W	FY23	9,349
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III)			
	84.425U	FY23	448,984
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER III) (Teacher and Paraeducator Registered Apprenticeship Grant Program)			
	84.425U	FY23	30,124
			<u>705,055</u>
Public Assistance Grants (FEMA Disaster Assistance)	83.544	FY23	57,184
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (DHS)	93.596	FY23	30,477
Child Care Development Block Grants (DHS) (Wrap-Around Child Care)	93.575	FY23	105,192
Special education - grants to states	84.027	FY23	90,498
Career and technical education - basic grants to states	84.048	FY23	10,251
Supporting effective instruction state grant	84.367	FY23	43,575
Total			\$ <u>2,245,725</u>

* - Includes \$155,578 of non-cash awards.

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Glenwood Community School District under programs of the federal government for the year ended June 30, 2023. 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 a selected portion of the operations of Glenwood Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Glenwood 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 in the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate - Glenwood Community School District did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

See Accompanying Independent Auditor's Report



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Certified Public Accountants
"Your Success Is Our Business."

Kenneth E. Crosser, CPA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of
Glenwood Community School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Glenwood Community School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Glenwood Community School District's basic financial statements and have issued our report thereon dated December 18, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Glenwood 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 Glenwood Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Glenwood 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 statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-23 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Glenwood Community School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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, 2023, 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.

Glenwood Community School District's Responses to the Findings

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

Purpose of this Report

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

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

ANDERSON, LARKIN & CO., P.C.
Anderson, Larkin + Co, P.C.

December 18, 2023



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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
Glenwood Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Glenwood 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, 2023. Glenwood Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Glenwood Community School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Glenwood Community School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and not Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about Glenwood Community School District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-23, to be a material weakness.

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

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

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

ANDERSON, LARKIN & CO., P.C.

Anderson, Larkin + Co, P.C.

Ottumwa, Iowa
December 18, 2023

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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 non-compliance which is material to the financial statements.
- (d) A material weakness in internal control over the major program was disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose any findings which were required to be reported in accordance with the Uniform Guidance, Section 200.516(a).
- (g) Major programs were as follows:
 - Child Nutrition Cluster
 - Education Stabilization Fund Cluster
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Glenwood Community School District did not qualify as a low-risk auditee.

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

II-A-23 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 of 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, positing, and reconciling.
- 2) Receipts - posting and reconciling in the General and Student Activity Funds.
- 3) Payroll - recording approved pay rates.
- 4) Journal entries - writing, posting and approving.

Cause – The District has a limited number of employees, and therefore, 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, errors, or misappropriations on a timely basis by employees in the normal course of performing their assigned functions.

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INTERNAL CONTROL DEFICIENCIES:

II-A-23 Segregation of Duties (Continued)

Recommendation – We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review the operating procedures of the District to obtain maximum internal control possible under the circumstances.

Response and Corrective Action Planned - Compensating controls to address the segregation of duties internal control deficiency due to limited staff size have been established in these areas to obtain the maximum internal control possible under current circumstances. The District continuously reviews internal controls for opportunities to further enhance the internal control environment.

Conclusion – Response accepted.

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: FY23
Federal Award Year: 2023
Prior Year Finding Number: III-A-22 (2022-001)
U.S. Department of Agriculture
Passed through the Iowa Department of Education

AL Number 84.425 - Education Stabilization Fund
Pass-Through Entity Identifying Number: FY23
Federal Award Year: 2020 through 2023
Prior Year Finding Number: III-A-22 (2022-001)
U.S. Department of Education
Passed through the Iowa Department of Education

III-A-23 Segregation of Duties (2023-001)

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, payroll and journal entries. See finding II-A-23.

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

PART IV: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

IV-A-23 Certified Budget – Expenditures for the year ended June 30, 2023 exceeded the certified budget amount in the other expenditures and non-instructional programs functions.

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

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

Conclusion – Response accepted.

IV-B-23 Questionable Expenditures – No expenditures we believe may not meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-23 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-23 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, title and business connection</u>	<u>Transaction description</u>	<u>Amount</u>
Tim Reinert, Chief Financial Officer Spouse employed by Warren's	Supplies	\$ 3,252

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

IV-E-23 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-23 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage is reviewed annually to ensure that the coverage is adequate for current operations.

IV-G-23 Board Minutes – We noted no transactions requiring Board approval which have not been approved by the Board.

IV-H-23 Certified Enrollment – We noted variances in the certified enrollment data certified to the Iowa Department of Education. The certified enrollment was overstated by 2.0 for the October 2022 count.

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-23 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-J-23 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

- IV-K-23 Certified Annual Report – The certified annual report was certified timely to the Iowa Department of Education, and we noted no significant deficiencies in the amounts reported.
- IV-L-23 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.
- IV-M-23 Statewide Sales, Services and Use Tax – No instances of noncompliance 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, 2023, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance			\$	5,102,546	
Revenues:					
Other local tax revenues	\$	165,471			
Sales tax revenues		<u>2,645,894</u>		<u>2,811,365</u>	
				7,913,911	
Expenditures/transfers out:					
Instruction		179,397			
Support services		458,618			
Capital outlay		<u>855,076</u>		<u>1,493,091</u>	
Transfers to other funds:					
Debt service fund		<u>573,270</u>		<u>573,270</u>	
Ending balance			\$	<u>5,847,550</u>	

For the year ended June 30, 2023, the District did not reduce any levies as a result of the money received under Chapter 423E or 423F of the Code of Iowa.