

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

JUNE 30, 2022

GLENWOOD COMMUNITY SCHOOL DISTRICT
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GLENWOOD COMMUNITY SCHOOL DISTRICT

OFFICIALS
JUNE 30, 2022

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
	<u>Board of Education</u>	
Curt Becker	President	2023
John Zak, IV	Vice President	2025
Matt Portrey	Board Member	2025
Elizabeth Richardson	Board Member	2025
Tim Becker	Board Member	2023
	<u>School Officials</u>	
Devin Embray	Superintendent	2022
Tim Reinert	Chief Financial Officer, School Business Official, Board Secretary/Treasurer	2022
Lynch Dallas, P.C.	Attorney	2022



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

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, 2022, 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, 2022, and the respective changes in financial position, and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of 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. 87 Leases. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 44 through 52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Glenwood Community School District's basic financial statements. Other auditors audited, in accordance with standards referred to in the third paragraph of this report, the financial statements for the nine 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 with auditing standards generally accepted in the United States of America. 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 March 24, 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.



Ottumwa, Iowa
March 24, 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, 2022. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2022 FINANCIAL HIGHLIGHTS

- The District implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, Leases, during fiscal year 2022. The implementation of this standard revised certain assets and liability accounts related to leases, however had no effect on the beginning net position for governmental activities.
- General Fund revenues increased from \$22,538,612 in fiscal year 2021 to \$24,985,046 in fiscal year 2022, while General Fund expenditures increased from \$22,660,144 in fiscal year 2021 to \$25,202,787 in fiscal year 2022. The District's General Fund balance decreased from \$4,268,736 at June 30, 2021 to \$4,050,995 at June 30, 2022, a 5.1% decrease from the prior year.
- The increase in General Fund total revenues was primarily attributable to an increase in federal source revenues received in fiscal year 2022 while the increase in total expenditures was due in part to increased spending for instructional staff support services and operation of maintenance of plant.
- The District's total net position increased from \$28,433,233 at June 30, 2021 to \$36,702,978 at June 30, 2022. Total revenues increased from \$30,992,763 in fiscal year 2021 to \$37,076,114 in fiscal year 2022, a 19.63% increase, while total expenses decreased from \$28,502,735 in fiscal year 2021 to \$26,491,723 in fiscal year 2022, a 7.06% decrease compared to the prior year. Increased revenues from unrestricted state grants led to the increase in total revenues. The decrease in total expenses occurred primarily in the instruction function.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of 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.

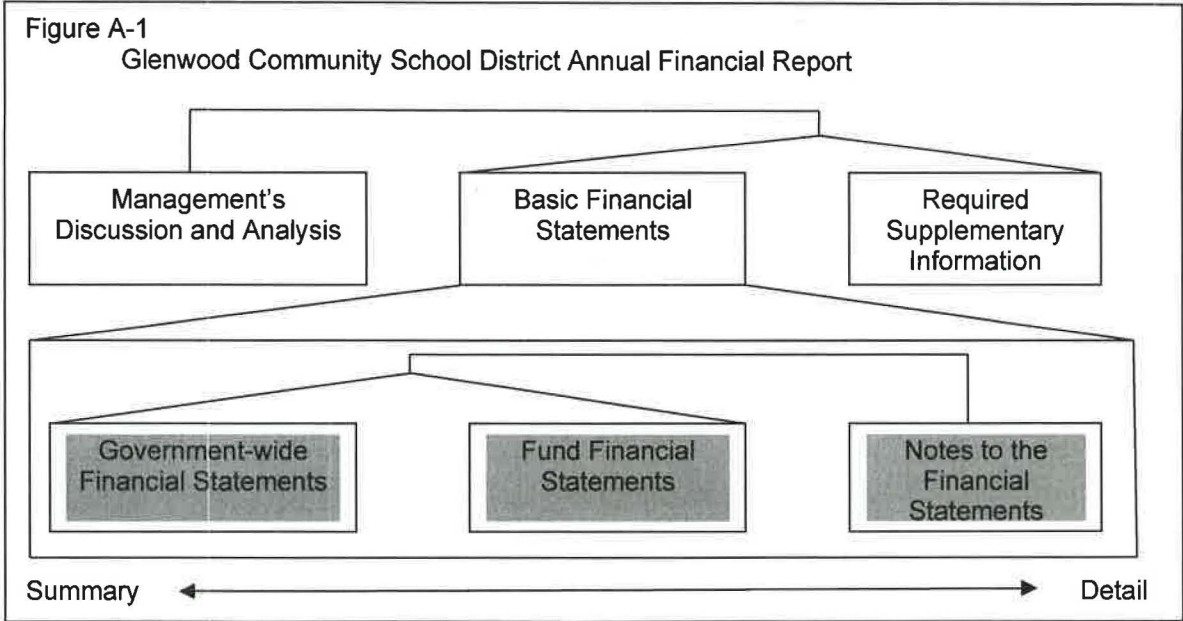


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

	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, 2022 compared to June 30, 2021.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2022	Restated 2021	2022	2021	2022	Restated 2021	2021 -2022
Current and other assets	\$ 27,338,803	\$ 25,799,702	\$ 1,423,605	\$ 972,346	\$ 28,762,408	\$ 26,772,048	7.43%
Capital assets	<u>40,706,932</u>	<u>40,273,937</u>	<u>103,320</u>	<u>112,189</u>	<u>40,810,252</u>	<u>40,386,126</u>	1.05
Total assets	<u>68,045,735</u>	<u>66,073,639</u>	<u>1,526,925</u>	<u>1,084,535</u>	<u>69,572,660</u>	<u>67,158,174</u>	3.60
Deferred outflows of resources	<u>1,605,877</u>	<u>2,537,672</u>	<u>120,790</u>	<u>177,629</u>	<u>1,726,667</u>	<u>2,715,301</u>	(36.41)
Long-term liabilities	<u>13,676,420</u>	<u>26,882,181</u>	<u>68,943</u>	<u>912,075</u>	<u>13,745,363</u>	<u>27,794,256</u>	(50.55)
Other liabilities	<u>2,245,156</u>	<u>2,293,021</u>	<u>43,610</u>	<u>57,823</u>	<u>2,288,766</u>	<u>2,350,844</u>	(2.64)
Total liabilities	<u>15,921,576</u>	<u>28,175,202</u>	<u>112,553</u>	<u>969,898</u>	<u>16,034,129</u>	<u>30,145,100</u>	(46.81)
Deferred inflows of resources	<u>18,031,747</u>	<u>11,242,775</u>	<u>530,473</u>	<u>52,367</u>	<u>18,562,220</u>	<u>11,295,142</u>	64.34
Net position:							
Net investment in capital assets	28,374,883	25,795,262	103,320	112,189	28,478,203	25,907,451	9.92
Restricted	9,163,391	8,037,087	-	-	9,163,391	8,037,087	14.01
Unrestricted	<u>(1,839,985)</u>	<u>(5,639,015)</u>	<u>901,369</u>	<u>127,710</u>	<u>(938,616)</u>	<u>(5,511,305)</u>	82.96
Total net position	\$ <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>	29.08

The District's total net position increased by 29.08%, or \$8,269,745, 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 \$1,126,304, or 14.01% from the prior year. This increase in restricted net position is primarily due to the increase in the amount restricted for school infrastructure 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 – increased \$4,572,689, or 82.96%. The increase in unrestricted net position was primarily a result of the decrease in the District's Net Pension Liability.

Figure A-4 shows the change in net position for the year ended June 30, 2022 compared to the year ended June 30, 2021.

	Figure A-4 Change in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change	
	June 30,		June 30,		June 30,		June 30, 2021- 2022	
	2022	2021	2022	2021	2022	2021		
Revenues								
Program revenues:								
Charges for services	\$ 1,569,027	\$ 1,326,875	\$ 576,562	\$ 515,386	\$ 2,145,589	\$ 1,842,261	16.46%	
Operating grants, contributions and restricted interest	2,556,326	2,153,331	1,738,084	1,342,468	4,294,410	3,495,799	22.84	
Capital grants, contributions and restricted interest	106,576	275,709	-	-	106,576	275,709	(61.34)	
General revenues:								
Property tax	10,608,801	10,301,511	-	-	10,608,801	10,301,511	2.98	
Income surtax	788,721	860,887	-	-	788,721	860,887	(8.38)	
Statewide sales, services and use tax	2,320,926	1,930,695	-	-	2,320,926	1,930,695	20.21	
Unrestricted state grants	14,051,541	11,991,408	101,125	-	14,152,666	11,910,408	18.83	
PPP loan forgiveness Unrestricted	-	-	-	96,909	-	96,909	(100.00)	
investment earnings	31,476	24,699	855	886	32,331	25,585	26.37	
Other	-	166,437	311,448	5,562	311,448	171,999	77.58	
Total revenues	<u>34,348,040</u>	<u>29,031,552</u>	<u>2,728,074</u>	<u>1,961,211</u>	<u>37,076,114</u>	<u>30,992,763</u>	19.63	
Program expenses:								
Instruction	12,630,105	14,849,142	-	-	12,630,105	14,849,142	(14.94)	
Support services	10,024,490	8,906,199	28,096	31,219	10,052,586	8,937,418	12.48	
Non-instructional programs	-	-	1,935,188	2,018,237	1,935,188	2,018,237	(4.11)	
Other expenses	<u>1,873,844</u>	<u>2,697,938</u>	-	-	<u>1,873,844</u>	<u>2,697,938</u>	(30.54)	
Total expenses	<u>24,528,439</u>	<u>26,453,279</u>	<u>1,963,284</u>	<u>2,049,452</u>	<u>26,491,723</u>	<u>28,502,735</u>	(7.06)	
Change in net position	7,504,955	2,578,273	764,790	(88,245)	8,269,745	2,490,028	232.11	
Net position beginning of year	<u>28,193,334</u>	<u>25,615,061</u>	<u>239,899</u>	<u>328,144</u>	<u>28,433,233</u>	<u>25,943,205</u>	9.60	
Net position end 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>	29.08	

In the fiscal year 2022, property tax and unrestricted state grants accounted for 71.8% of governmental activities revenue while charges for services and operating grants, contributions and restricted interest accounted for 88.6% of business-type activities revenues.

The District's total revenues were approximately \$37.1 million, of which approximately \$34.4 million was for governmental activities and approximately \$2.7 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced an 19.63 % increase in revenues and a 7.06% decrease in expenses. The increase in total revenues is mainly due to increased revenues from unrestricted state grants compared to the prior year while the decrease in expenses occurred primarily in the instruction and other expenses functions.

Governmental Activities

Revenues for governmental activities were \$34,348,040 and expenses were \$24,528,439 for the year ended June 30, 2022.

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, 2022 compared to those expenses for the year ended June 30, 2021.

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
	<u>2022</u>	<u>2021</u>	<u>2021-2022</u>	<u>2022</u>	<u>2021</u>	<u>2021-2022</u>
Instruction	\$ 12,630,105	\$ 14,849,142	(14.94)%	\$ 9,463,386	\$ 12,497,582	(24.28)%
Support services	10,024,490	8,906,199	12.56	9,868,993	8,392,913	17.59
Other expenses	<u>1,873,844</u>	<u>2,697,938</u>	(30.54)	<u>964,131</u>	<u>1,806,869</u>	(46.64)
Total expenses	\$ <u>24,528,439</u>	\$ <u>26,453,279</u>	(7.28)	\$ <u>20,296,510</u>	\$ <u>22,697,364</u>	(10.58)

For the year ended June 30, 2022:

- The cost financed by users of the District's programs was \$1,569,027.
- Federal and state governments along with contributions from local sources subsidized certain programs and projects with grants and contributions totaling \$2,662,902.
- The net cost of governmental activities was financed with \$10,608,801 in property tax, \$788,721 in income surtax, \$2,320,926 in statewide sales, services and use tax, \$14,051,541 in unrestricted state grants, and \$31,476 in interest income.

Business Type Activities

Revenues of the District's business-type activities were \$2,728,074 and expenses were \$1,963,284 for the year ended June 30, 2022. 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 \$11,662,436, an increase over last year's ending combined fund balances of \$10,495,286. The primary reason for the increase in combined fund balances was the increase in the Capital Projects Fund Balance.

Governmental Fund Highlights

- The District's General Fund balance decreased from \$4,268,736 at June 30, 2021 to \$4,050,995 at June 30, 2022. An increase in instruction expenses was the primary reason for the decrease in General Fund balance from the previous year.

Governmental Fund Highlights (Continued)

- The Capital Projects Fund balance increased from \$4,466,819 at June 30, 2021 to \$5,315,321 at June 30, 2022. Revenues remained increased compared to the prior year and expenses remained stable compared to the prior year.
- The Debt Service Fund balance increased from \$507,375 at June 30, 2021 to \$846,564 at June 30, 2022. Expenses decreased compared to the prior year.

Proprietary Fund Highlights

- The School Nutrition Fund net position increased from \$427,966 at June 30, 2021 to \$858,172 at June 30, 2022 representing an increase of 100.52%. An increase in federal source revenue contributed to the increase in net position.
- The Day Care Fund net position increased from a deficit \$192,699 at June 30, 2021 to \$142,335 at June 30, 2022, representing an increase of 173.8%. An increase in federal source revenue contributed to the increase in net position.
- The Marketing Class Fund net position decreased slightly from \$232 at June 30, 2021 to \$1 at June 30, 2022.
- The Culinary Class Fund net position decreased slightly from \$4,400 at June 30, 2021 to \$4,181 at June 30, 2022.

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 \$3,009,680 more than budgeted revenues, a variance of 9.58%. The most significant variance resulted from the District receiving more in federal 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 instruction expenditures functions exceeded the amended amount budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the District had invested approximately \$40,810,252, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net increase of 1.05% from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation expense for the year was \$1,824,643.

The original cost of the District's capital assets was \$62,418,947. Governmental activities account for \$61,647,733 with the remainder of \$771,214 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,		
	2022	Restated 2021	2022	2021	2022	Restated 2021	2021-2022
Land	\$ 956,466	\$ 875,121	\$ -	\$ -	\$ 956,466	\$ 875,121	9.30 %
Buildings	30,293,813	29,982,574	-	-	30,293,813	29,982,574	1.04
Right-to-Use Leased Asset	144,628	212,675	-	-	144,628	212,675	32.00
Land improvements	8,074,917	8,416,104	-	-	8,074,917	8,416,104	(4.05)
Machinery and equipment	<u>1,237,108</u>	<u>787,463</u>	<u>103,320</u>	<u>112,189</u>	<u>1,340,428</u>	<u>899,652</u>	49.0
Total	\$ <u>40,706,932</u>	\$ <u>40,273,973</u>	\$ <u>103,320</u>	\$ <u>112,189</u>	\$ <u>40,810,252</u>	\$ <u>40,386,162</u>	1.10 %

Long-Term Debt

At June 30, 2022, the District had \$12,332,049 in total long-term debt outstanding. This represents a decrease of 14.83% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The District had outstanding general obligation bonded indebtedness of \$6,460,000 at June 30, 2022.

The District had outstanding lease agreement indebtedness of \$148,049 at June 30, 2022.

The District had outstanding revenue bonded indebtedness of \$2,994,000 at June 30, 2022, 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 \$2,730,000 at June 30, 2022, payable from revenues collected in the Capital Projects: Physical Plant and Equipment Levy Fund.

Figure A-7 Outstanding Long-term Obligations

	Total District		Total Change
	June 30,		
	2022	Restated 2021	2021-2022
General obligation bonds	\$ 6,460,000	\$ 7,745,000	(16.59) %
Revenue bonds	2,994,000	3,381,000	(11.45)
Lease agreements	148,049	212,675	(30.39)
Capital loan notes	<u>2,730,000</u>	<u>3,140,000</u>	(13.10)
Total	\$ <u>12,332,049</u>	\$ <u>14,478,675</u>	(14.83) %

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

Exhibit A

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business Type Activities	Total
ASSETS:			
Cash and pooled investments	\$ 13,923,687	\$ 1,400,113	\$ 15,323,800
Receivables:			
Property tax:			
Delinquent	67,179	-	67,179
Succeeding year	10,958,364	-	10,958,364
Income surtax	760,214	-	760,214
Accounts	1,455,504	-	1,455,504
Internal balances	11,027	(11,027)	-
Due from other governments	162,828	-	162,828
Inventories	-	34,519	34,519
Capital assets not being depreciated:			
Land	956,466	-	956,466
Capital assets, net of accumulated depreciation:			
Buildings, land improvements and machinery and equipment	39,750,466	103,320	39,853,786
	<u>68,045,735</u>	<u>1,526,925</u>	<u>69,572,660</u>
TOTAL ASSETS			
DEFERRED OUTFLOWS OF RESOURCES:			
Pension related deferred outflows	1,562,710	118,888	1,681,598
OPEB related deferred outflows	43,167	1,902	45,069
	<u>1,605,877</u>	<u>120,790</u>	<u>1,726,667</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES			
LIABILITIES:			
Accounts payable	385,342	16,336	401,678
Salaries and benefits payable	1,817,331	-	1,817,331
Accrued interest payable	42,483	-	42,483
Unearned revenue	-	27,274	27,274
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	1,320,000	-	1,320,000
Revenue bonds	393,000	-	393,000
Capital loan notes	420,000	-	420,000
Lease agreements	67,995	-	67,995
Compensated absences	89,955	6,585	96,540
Portion due after one year:			
General obligation bonds	5,140,000	-	5,140,000
Revenue bonds	2,601,000	-	2,601,000
Capital loan notes	2,310,000	-	2,310,000
Lease agreements	80,054	-	80,054
Net pension liability	221,405	16,845	238,250
Total OPEB liability	1,033,011	45,513	1,078,524
	<u>15,921,576</u>	<u>112,553</u>	<u>16,034,129</u>
TOTAL LIABILITIES			
DEFERRED INFLOWS OF RESOURCES:			
Unavailable property tax revenue	10,958,364	-	10,958,364
Pension related deferred inflows	6,834,128	519,932	7,354,060
OPEB related deferred inflows	239,255	10,541	249,796
	<u>18,031,747</u>	<u>530,473</u>	<u>18,562,220</u>
TOTAL DEFERRED INFLOWS OF RESOURCES			
NET POSITION:			
Net investment in capital assets	28,374,883	103,320	28,478,203
Restricted for:			
Categorical funding	1,551,950	-	1,551,950
Debt service	846,564	-	846,564
Management levy purposes	1,174,227	-	1,174,227
Student activities	275,329	-	275,329
School infrastructure	5,102,546	-	5,102,546
Physical plant and equipment	212,775	-	212,775
Unrestricted	(1,839,985)	901,369	(938,616)
	<u>35,698,289</u>	<u>1,004,689</u>	<u>36,702,978</u>
TOTAL NET POSITION			

GLENWOOD COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	<u>Expenses</u>	<u>Program Revenues</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	\$ 7,352,976	\$ 1,092,285	\$ 1,273,448	\$ -
Special	2,868,771	7,392	86,666	-
Other	2,408,358	469,350	237,578	-
	<u>12,630,105</u>	<u>1,569,027</u>	<u>1,597,692</u>	<u>-</u>
Support services:				
Student	542,136	-	-	-
Instructional staff	1,784,362	-	44,657	-
Administration	3,498,185	-	-	-
Operation and maintenance of plant	2,984,783	-	-	106,576
Transportation	1,215,024	-	4,264	-
	<u>10,024,490</u>	<u>-</u>	<u>48,921</u>	<u>106,576</u>
Long-term debt interest	<u>347,538</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenditures:				
AEA flow through	909,713	-	909,713	-
Depreciation (unallocated)*	616,593	-	-	-
	<u>1,526,306</u>	<u>-</u>	<u>909,713</u>	<u>-</u>
Total governmental activities	<u>24,528,439</u>	<u>1,569,027</u>	<u>2,556,326</u>	<u>106,576</u>
Business type activities:				
Support services:				
Operation of maintenance and plant	28,096	-	-	-
Non-instructional programs:				
Food service operations	1,451,421	141,649	1,526,165	-
Other enterprise operations	3,066	1,368	211,231	-
Community service operations	480,701	433,545	688	-
Total business type activities	<u>1,963,284</u>	<u>576,562</u>	<u>1,738,084</u>	<u>-</u>
Total	<u>\$ 26,491,723</u>	<u>\$ 2,145,589</u>	<u>\$ 4,294,410</u>	<u>\$ 106,576</u>

GENERAL REVENUES:

Property tax levied for:
General purposes
Debt service
Capital outlay
Income surtax
Statewide sales, services and use tax
Unrestricted state grants
Unrestricted investment earnings
Other
Total general revenues

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	Buisness Type Activities	Total
\$ (4,987,243)	\$ -	\$ (4,987,243)
(2,774,713)	-	(2,774,713)
(1,701,430)	-	(1,701,430)
<u>(9,463,386)</u>	<u>-</u>	<u>(9,463,386)</u>
(542,136)	-	(542,136)
(1,739,705)	-	(1,739,705)
(3,498,185)	-	(3,498,185)
(2,878,207)	-	(2,878,207)
(1,210,760)	-	(1,210,760)
<u>(9,868,993)</u>	<u>-</u>	<u>(9,868,993)</u>
<u>(347,538)</u>	<u>-</u>	<u>(347,538)</u>
-	-	-
<u>(616,593)</u>	<u>-</u>	<u>(616,593)</u>
<u>(616,593)</u>	<u>-</u>	<u>(616,593)</u>
<u>(20,296,510)</u>	<u>-</u>	<u>(20,296,510)</u>
-	(28,096)	(28,096)
-	216,393	216,393
-	209,533	209,533
-	<u>(46,468)</u>	<u>(46,468)</u>
-	<u>351,362</u>	<u>351,362</u>
\$ <u>(20,296,510)</u>	\$ <u>351,362</u>	\$ <u>(19,945,148)</u>
7,927,506	-	7,927,506
1,887,979	-	1,887,979
793,316	-	793,316
788,721	-	788,721
2,320,926	-	2,320,926
14,051,541	101,125	14,152,666
31,476	855	32,331
-	<u>311,448</u>	<u>311,448</u>
<u>27,801,465</u>	<u>413,428</u>	<u>28,214,893</u>
7,504,955	764,790	8,269,745
<u>28,193,334</u>	<u>239,899</u>	<u>28,433,233</u>
\$ <u>35,698,289</u>	\$ <u>1,004,689</u>	\$ <u>36,702,978</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

Exhibit C

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

<u>ASSETS</u>	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
Cash and pooled investments	\$ 4,741,341	\$ 5,143,773	\$ 835,571	\$ 1,443,719	\$ 12,164,404
Receivables:					
Property tax:					
Delinquent	41,898	8,814	10,993	5,474	67,179
Succeeding year	6,944,874	834,689	2,278,801	900,000	10,958,364
Income surtax	760,214	-	-	-	760,214
Accounts	1,454,520	-	-	984	1,455,504
Due from other funds	11,027	-	-	-	11,027
Due from other governments	-	162,828	-	-	162,828
TOTAL ASSETS	<u>\$ 13,953,874</u>	<u>\$ 6,150,104</u>	<u>\$ 3,125,365</u>	<u>\$ 2,350,177</u>	<u>\$ 25,579,520</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
<u>LIABILITIES:</u>					
Accounts payable	\$ 380,460	\$ 94	\$ -	\$ 621	\$ 381,175
Salaries and benefits payable	1,817,331	-	-	-	1,817,331
TOTAL LIABILITIES	<u>2,197,791</u>	<u>94</u>	<u>-</u>	<u>621</u>	<u>2,198,506</u>
 <u>DEFERRED INFLOWS OF RESOURCES :</u>					
Unavailable revenues:					
Succeeding year property tax	6,944,874	834,689	2,278,801	900,000	10,958,364
Income surtax	760,214	-	-	-	760,214
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,705,088</u>	<u>834,689</u>	<u>2,278,801</u>	<u>900,000</u>	<u>11,718,578</u>
 <u>FUND BALANCES:</u>					
Restricted for:					
Categorical funding	1,551,950	-	-	-	1,551,950
Debt service	-	-	846,564	-	846,564
Management levy purposes	-	-	-	1,174,227	1,174,227
Student activities	-	-	-	275,329	275,329
School infrastructure	-	5,102,546	-	-	5,102,546
Physical plant and equipment	-	212,775	-	-	212,775
Unassigned	2,499,045	-	-	-	2,499,045
TOTAL FUND BALANCES	<u>4,050,995</u>	<u>5,315,321</u>	<u>846,564</u>	<u>1,449,556</u>	<u>11,662,436</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 13,953,874</u>	<u>\$ 6,150,104</u>	<u>\$ 3,125,365</u>	<u>\$ 2,350,177</u>	<u>\$ 25,579,520</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

<u>TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS (page 20)</u>	\$	11,662,436
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.		40,706,932
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.		760,214
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.		(42,483)
Blending of the Internal Service Funds to be reflected on an entity-wide basis.		1,755,116
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	\$ 1,605,877	
Deferred inflows of resources	<u>(7,073,383)</u>	(5,467,506)
Long-term liabilities, including general obligation bonds payable, revenue bonds payable, capital loan notes payable, lease agreements payable, compensated absences payable, net pension liability and total OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(13,676,420)</u>
<u>NET POSITION OF GOVERNMENTAL ACTIVITIES (page 18)</u>	\$	<u>35,698,289</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
REVENUES:					
Local sources:					
Local tax	\$ 7,736,938	\$ 786,293	\$ 1,871,263	\$ 907,281	\$ 11,301,775
Tuition	1,101,332	-	-	-	1,101,332
Other	191,608	11,553	2,862	659,657	865,680
State sources	13,619,907	2,371,752	15,814	7,871	16,015,344
Federal sources	2,335,261	62,395	-	-	2,397,656
Total revenues	<u>24,985,046</u>	<u>3,231,993</u>	<u>1,889,939</u>	<u>1,574,809</u>	<u>31,681,787</u>
EXPENDITURES:					
Current:					
Instruction:					
Regular	9,876,959	181,422	-	712,267	10,770,648
Special	2,868,771	-	-	-	2,868,771
Other	2,404,841	-	-	-	2,404,841
	<u>15,150,571</u>	<u>181,422</u>	<u>-</u>	<u>712,267</u>	<u>16,044,260</u>
Support services:					
Student	542,136	-	-	-	542,136
Instructional staff	2,015,608	119,806	-	-	2,135,414
Administration	3,083,962	234,084	-	160,950	3,478,996
Operation and maintenance of plant	2,538,581	-	-	450,217	2,988,798
Transportation	962,216	281,246	-	54,175	1,297,637
	<u>9,142,503</u>	<u>635,136</u>	<u>-</u>	<u>665,342</u>	<u>10,442,981</u>
Capital outlay	-	612,769	-	-	612,769
Long-term debt:					
Principal	-	-	2,082,000	-	2,082,000
Interest and fiscal charges	-	-	422,914	-	422,914
	<u>-</u>	<u>-</u>	<u>2,504,914</u>	<u>-</u>	<u>2,504,914</u>
Other expenditures:					
AEA flow through	909,713	-	-	-	909,713
Total expenditures	<u>25,202,787</u>	<u>1,429,327</u>	<u>2,504,914</u>	<u>1,377,609</u>	<u>30,514,637</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(217,741)</u>	<u>1,802,666</u>	<u>(614,975)</u>	<u>197,200</u>	<u>1,167,150</u>
Other financing sources (uses):					
Transfer in	-	-	954,164	-	954,164
Transfer out	-	(954,164)	-	-	(954,164)
Total other financing sources (uses)	<u>-</u>	<u>(954,164)</u>	<u>954,164</u>	<u>-</u>	<u>-</u>
Change in fund balances	(217,741)	848,502	339,189	197,200	1,167,150
FUND BALANCES - Beginning of year	<u>4,268,736</u>	<u>4,466,819</u>	<u>507,375</u>	<u>1,252,356</u>	<u>10,495,286</u>
FUND BALANCES - End 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>

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, 2022

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,167,150

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	\$ 2,235,661	
Depreciation expense	<u>(1,802,667)</u>	432,994

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds. (94,360)

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 issuances and repayments are as follows:

Repaid		2,146,626
--------	--	-----------

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. 10,750

Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance on an entity-wide basis. (4,032)

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. 1,249,434

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	(3,517)	
Pension expense	2,690,828	
Total OPEB liability and related expenses	<u>(90,918)</u>	<u>2,596,393</u>

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 7,504,955

GLENWOOD COMMUNITY SCHOOL DISTRICT

Exhibit G

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	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	\$ 1,050,693	\$ 345,238	\$ 1	\$ 4,181	\$ 1,400,113	\$ 1,759,283
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Inventories	34,519	-	-	-	34,519	-
Total current assets	1,085,212	345,238	1	4,181	1,434,632	1,759,283
Noncurrent assets:						
Capital assets, net of accumulated depreciation	100,711	2,609	-	-	103,320	-
TOTAL ASSETS	1,185,923	347,847	1	4,181	1,537,952	1,759,283
DEFERRED OUTFLOWS OF RESOURCES:						
Pension related deferred outflows	65,750	53,138	-	-	118,888	-
OPEB related deferred outflows	1,280	622	-	-	1,902	-
Total deferred outflows of resources	67,030	53,760	-	-	120,790	-
LIABILITIES:						
Current liabilities:						
Accounts payable	16,336	-	-	-	16,336	4,167
Due to other funds	11,027	-	-	-	11,027	-
Compensated absences	5,560	1,025	-	-	6,585	-
Unearned revenue	27,274	-	-	-	27,274	-
Total current liabilities	60,197	1,025	-	-	61,222	4,167
Noncurrent liabilities:						
Net pension liability	9,316	7,529	-	-	16,845	-
Total OPEB liability	30,630	14,883	-	-	45,513	-
Total noncurrent liabilities	39,946	22,412	-	-	62,358	-
TOTAL LIABILITIES	100,143	23,437	-	-	123,580	4,167
DEFERRED INFLOWS OF RESOURCES:						
Pension related deferred inflows	287,544	232,388	-	-	519,932	-
OPEB related deferred inflows	7,094	3,447	-	-	10,541	-
Total deferred inflows of resources	294,638	235,835	-	-	530,473	-
NET POSITION:						
Net investment in capital assets	100,711	2,609	-	-	103,320	-
Restricted fund balance	34,519	-	-	-	34,519	-
Unrestricted	722,942	139,726	1	4,181	866,850	1,755,116
TOTAL NET POSITION	\$ 858,172	\$ 142,335	\$ 1	\$ 4,181	\$ 1,004,689	\$ 1,755,116

GLENWOOD COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business Type Activities Enterprise Funds				Total	Governmental Activities: Internal Service Funds
	School Nutrition	Day Care	Marketing Class	Culinary Class		
Operating revenues:						
Local sources:						
Charges for service	\$ 141,649	\$ 433,545	\$ 688	\$ 1,368	\$ 577,250	\$ -
Miscellaneous	169,761	141,687	-	-	311,448	2,601,298
Total operating revenues	311,410	575,232	688	1,368	888,698	2,601,298
Operating expenses:						
Support services:						
Administration:						
Services	-	-	-	-	-	2,554,540
Operation and maintenance of plant:						
Services	3,915	-	-	-	3,915	-
Supplies	-	24,181	-	-	24,181	-
Total support services	3,915	24,181	-	-	28,096	2,554,540
Non-instructional programs:						
Food service operations:						
Salaries	538,988	-	-	-	538,988	-
Benefits	153,825	-	-	-	153,825	-
Services	1,118	-	-	-	1,118	-
Supplies	735,880	-	-	-	735,880	-
Depreciation	21,510	-	-	-	21,510	-
Other	100	-	-	-	100	-
Total non-instructional programs	1,451,421	-	-	-	1,451,421	-
Other enterprise operations						
Services	-	560	-	-	560	50,790
Supplies	-	-	919	1,587	2,506	-
Total other enterprise operations	-	560	919	1,587	3,066	50,790
Community service operations						
Salaries	-	357,811	-	-	357,811	-
Benefits	-	79,696	-	-	79,696	-
Supplies	-	42,728	-	-	42,728	-
Depreciation	-	466	-	-	466	-
Total community service operations	-	480,701	-	-	480,701	-
Total non-instructional programs	1,451,421	481,261	919	1,587	1,935,188	50,790
Total operating expenses	1,455,336	505,442	919	1,587	1,963,284	2,605,330
Operating income (loss)	(1,143,926)	69,790	(231)	(219)	(1,074,586)	(4,032)
Non-operating revenues:						
State sources	47,720	53,405	-	-	101,125	-
Federal sources	1,526,165	211,231	-	-	1,737,396	-
Interest income	247	608	-	-	855	-
Total non-operating revenues	1,574,132	265,244	-	-	1,839,376	-
Change in net position	430,206	335,034	(231)	(219)	764,790	(4,032)
NET POSITION - Beginning of year	427,966	(192,699)	232	4,400	239,899	1,759,148
NET POSITION - End of year	\$ 858,172	\$ 142,335	\$ 1	\$ 4,181	\$ 1,004,689	\$ 1,755,116

GLENWOOD COMMUNITY SCHOOL DISTRICT

Exhibit I

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2022

	School Nutrition	Day Care	Marketing Class	Culinary Class	Total	Governmental Activities: Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from sale of lunches and breakfasts	\$ 129,751	\$ -	\$ -	\$ -	\$ 129,751	\$ -
Cash received from other enterprise operations	-	-	688	1,368	2,056	-
Cash received from community service operation	-	433,545	-	-	433,545	-
Cash received from miscellaneous	-	141,687	-	-	141,687	2,601,298
Cash payments to employees for services	(693,066)	(575,677)	-	-	(1,268,743)	-
cash payments to suppliers for goods or services	(592,537)	(70,225)	(919)	(1,587)	(665,268)	(2,601,163)
Net cash provided by (used in) operating activities	(1,155,852)	(70,670)	(231)	(219)	(1,226,972)	135
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
State grants received	47,720	53,405	-	-	101,125	-
Federal grants received	1,394,011	211,231	-	-	1,605,242	-
Net cash provided by non-capital financing activities	1,441,731	264,636	-	-	1,706,367	-
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
	(13,107)	-	-	-	(13,107)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	247	608	-	-	855	-
Net increase (decrease) in cash and pooled investments	273,019	194,574	(231)	(219)	467,143	135
CASH AND POOLED INVESTMENTS - beginning of year	777,674	150,664	232	4,400	932,970	1,759,148
CASH AND POOLED INVESTMENTS - end of year	\$ 1,050,693	\$ 345,238	\$ 1	\$ 4,181	\$ 1,400,113	\$ 1,759,283
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES						
Operating income (loss)	\$ (1,143,926)	\$ 69,790	\$ (231)	\$ (219)	\$ (1,074,586)	\$ (4,032)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:						
Commodities consumed	132,154	-	-	-	132,154	-
Depreciation	21,510	466	-	-	21,976	-
Increase in accounts payable	(19,247)	(2,756)	-	-	(22,003)	4,167
Increase in inventories	(8,631)	-	-	-	(8,631)	-
Decrease in accounts receivable	44,203	-	-	-	44,203	-
Net pension liability	(467,853)	-	-	-	(467,853)	-
Deferred outflows of resources	32,472	-	-	-	32,472	-
Deferred inflows of resources	264,377	-	-	-	264,377	-
Decrease in unearned revenue	(11,898)	-	-	-	(11,898)	-
Decrease in compensated absences	(701)	(1,025)	-	-	(1,726)	-
Decrease in OPEB liability	1,688	-	-	-	1,688	-
Net cash used in operating activities	\$ (1,155,852)	\$ 66,475	\$ (231)	\$ (219)	\$ (1,089,827)	\$ 135
NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES						

During the year ended June 30, 2022, the District received \$132,154 of federal commodities.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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 accounting principles generally accepted in the United States of America 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, 2022

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, 2022

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, 2022

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, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2021.

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, 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, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. 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
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, 2022

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
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.

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

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

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2022. 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.

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 and deferred inflows and 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) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources 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 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.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2022, expenditures exceeded the amended amounts budgeted in the non-instructional programs and instruction expenditures functions.

NOTE 2: CASH AND POOLED INVESTMENTS

The District's deposits in banks on June 30, 2022, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2022, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Direct Government Obligations Portfolio which are valued at an amortized cost of \$2,533,630. 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.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	<u>Restated</u> <u>Balance</u> <u>Beginning</u> <u>of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>End</u> <u>of Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 875,121	\$ 81,345	\$ -	\$ 956,466
Total capital assets not being depreciated	<u>875,121</u>	<u>81,345</u>	<u>-</u>	<u>956,466</u>
Capital assets being depreciated:				
Buildings	44,159,507	1,188,854	-	45,348,361
Land improvements	9,442,462	123,890	-	9,566,352
Machinery and equipment	4,767,182	841,572	44,875	5,563,879
Right-to-use leased equipment	<u>212,675</u>	<u>-</u>	<u>-</u>	<u>212,675</u>
Total capital assets being depreciated	<u>58,581,826</u>	<u>2,154,316</u>	<u>44,875</u>	<u>60,691,267</u>
Less accumulated depreciation for:				
Buildings	14,176,933	877,615	-	15,054,548
Land improvements	1,026,358	465,077	-	1,491,435
Machinery and equipment	3,979,719	391,928	44,875	4,326,771
Right-to-use leased equipment	<u>-</u>	<u>68,047</u>	<u>-</u>	<u>68,047</u>
Total accumulated depreciation	<u>19,183,010</u>	<u>1,802,667</u>	<u>44,875</u>	<u>20,940,801</u>
Total capital assets being depreciated, net	<u>39,398,816</u>	<u>351,649</u>	<u>-</u>	<u>39,750,466</u>
Governmental activities capital assets, net	\$ <u>40,273,973</u>	\$ <u>432,994</u>	\$ <u>-</u>	\$ <u>40,706,932</u>
Business type activities:				
Machinery and equipment	\$ 764,687	\$ 13,107	\$ 6,580	\$ 771,214
Less accumulated depreciation	<u>652,498</u>	<u>21,976</u>	<u>6,580</u>	<u>667,894</u>
Business-type activities capital assets, net	\$ <u>112,189</u>	\$ <u>(8,403)</u>	\$ <u>-</u>	\$ <u>103,320</u>

Depreciation expense was charged to the following functions:

Governmental activities:		
Instruction:		
Regular	\$	22,503
Support services:		
Instructional staff		105,403
Administration		20,767
Operation and maintenance of plant		40,427
Transportation		202,828
Unallocated depreciation		<u>1,410,739</u>
Total governmental activities depreciation expense	\$	<u>1,802,667</u>
Business type activities:		
Food service operations	\$	21,510
Community service operations		<u>466</u>
Total governmental activities depreciation expense	\$	<u>21,976</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4: LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2022, are summarized as follows:

	Restated Balance Beginning of Year		Additions		Reductions		Balance End of Year		Due Within One Year
Governmental activities:									
General obligation bonds	\$ 7,745,000	\$ -	\$ -	\$ 1,285,000	\$ 6,460,000	\$ 1,320,000			
Revenue bonds	3,381,000	-	-	387,000	2,994,000	393,000			
Capital loan notes	3,140,000	-	-	410,000	2,730,000	420,000			
Compensated absences	86,438	89,955	-	86,438	89,955	89,955			
Lease agreements	212,675	-	-	64,626	148,049	67,995			
Net pension liability	11,340,995	-	-	11,119,590	221,405	-			
Total OPEB liability	<u>976,073</u>	<u>56,936</u>	<u>-</u>	<u>-</u>	<u>1,033,011</u>	<u>-</u>			
Total	\$ <u>26,669,506</u>	\$ <u>146,891</u>	\$ <u>13,352,654</u>	\$ <u>13,676,420</u>	\$ <u>2,222,955</u>				
Business type activities:									
Compensated absences	\$ 6,261	\$ 6,585	\$ -	\$ 6,261	\$ 6,585	\$ 6,585			
Net pension liability	862,809	-	-	845,964	16,845	-			
Total OPEB liability	<u>43,005</u>	<u>2,510</u>	<u>-</u>	<u>-</u>	<u>45,513</u>	<u>-</u>			
Total	\$ <u>912,075</u>	\$ <u>9,095</u>	\$ <u>852,226</u>	\$ <u>68,943</u>	\$ <u>6,585</u>				

Lease Agreements

Prior to July 1, 2021, the District entered into lease agreements for various equipment. An initial lease liability was recorded in the amount of \$212,675 per Accounting Change/Restatement Note 13. The agreements require annual payments totaling \$71,875 over dates ranging from two to four years, with implicit rates of 3.00%-4.20% and final payment due through June 2024. During the year ended June 30, 2022 principal and interest paid were \$64,626 and \$5,265 respectively. Future principal and interest payments are due on the lease liabilities, as follows:

Year Ending June 30,	Interest Rate		Principal	Interest	Total
2023	3.00-4.20 %	\$	67,995	3,689	71,684
2024	3.00-4.20	\$	80,054	1,813	81,867
	Totals	\$	<u>148,049</u>	<u>5,502</u>	<u>153,551</u>

General Obligation Bonds

Details of the District's June 30, 2022 general obligation bonded indebtedness are as follows:

Bonds Issued April 7, 2020

	Interest Rates		Principal		Interest		Total
2023	4.00%	\$	1,320,000	\$	207,800	\$	1,527,800
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>6,460,000</u>	\$	<u>557,000</u>	\$	<u>7,017,000</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4: LONG-TERM LIABILITIES (Continued)

Capital Loan Note

Capital Loan Notes issued April 19, 2018

<u>Year Ending June 30,</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	3.00%	\$ 420,000	\$ 81,900	\$ 501,900
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	470,000	28,950	498,950
2028	3.00	<u>495,000</u>	<u>14,700</u>	<u>509,700</u>
		\$ <u>2,730,000</u>	\$ <u>293,850</u>	<u>3,023,850</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, 2022 statewide sales, services and use tax revenue bonded indebtedness are as follows:

<u>Year Ending June 30,</u>	<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>
2023	2.79%	\$ 142,000	\$ 30,160		1.20%	\$ 251,000	\$ 26,091	\$ 393,000	\$ 56,251
2024	2.79	146,000	26,198		1.25	254,000	23,078	400,000	49,276
2025	2.79	150,000	22,125		1.30	257,000	19,904	407,000	42,029
2026	2.79	154,000	17,940		1.35	261,000	16,562	415,000	34,502
2027	2.79	159,000	13,643		1.40	264,000	13,039	423,000	26,682
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>1,081,000</u>	\$ <u>123,932</u>			\$ <u>1,913,000</u>	\$ <u>108,017</u>	\$ <u>2,994,000</u>	\$ <u>231,949</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 \$387,000 of principal and \$62,964 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$2,365,107.

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.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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>11,027</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.

NOTE 6: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2022, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	PPEL	\$ 504,200
Debt Service	SAVE	<u>449,964</u>
		\$ <u>954,164</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 e 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.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7: PENSION PLAN – IPERS (continued)

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.

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 2022, 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, 2022 totaled \$1,344,489.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – On June 30, 2022, the District reported a liability of \$238,250 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the District's proportion was 0.169946 percent, which was an increase of 0.029838 percent from its proportion measured as of June 30, 2020.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7: PENSION PLAN - IPERS (Continued)

For the year ended June 30, 2022, the District recognized pension expense of \$986,685. At June 30, 2022, 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	\$ 181,274	\$ 182,010
Changes of assumptions	155,835	-
Net difference between projected and actual earnings on IPERS' investments	-	6,698,924
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	-	473,126
District contributions subsequent to the measurement date	<u>1,344,489</u>	<u>-</u>
Total	\$ <u>1,681,598</u>	\$ <u>7,354,060</u>

\$1,344,489 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>		<u>Total</u>
2023	\$	(1,965,709)
2024		(1,984,305)
2025		(1,837,173)
2026		(2,254,913)
2027		<u>1,025,149</u>
	\$	<u>(7,016,951)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7: PENSION PLAN - IPERS (Continued)

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, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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 %	4.43 %
International equity	17.5	6.01
Global smart beta equity	6.0	5.10
Core plus fixed income	26.0	0.29
Public credit	4.0	2.08
Cash	1.0	(.25)
Private equity	13.0	9.51
Private real assets	7.5	4.63
Private credit	<u>3.0</u>	2.87
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.

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>8,432,412</u>	\$ <u>238,249</u>	\$ <u>(6,628,979)</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.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7: PENSION PLAN - IPERS (Continued)

Payables to IPERS – At June 30, 2022, the District reported to IPERS of \$118,919 for legally required District contributions and \$79,237 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, 2021, 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 \$1,078,524 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2022 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)	1.92% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2022)	8.00% 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 1.92% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 1,019,078
Changes for the year:	
Service cost	102,848
Interest cost	26,936
Change in assumptions or other inputs	(25,367)
Benefit payments	<u>(44,971)</u>
Net Changes	59,446
Total OPEB liability end of year	\$ <u>1,078,524</u>

Changes of assumptions reflect a change in the discount rate from 2.45% in fiscal year 2021 to 1.92% in fiscal year 2022.

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 (1.16%) or 1% higher (3.16%) than the current discount rate.

	1% Decrease (.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB liability	\$ 1,151,349	\$ 1,078,524	\$ 1,008,757

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 (4.50%) or 1% higher (6.50%) than the current healthcare cost trend rates.

	1% Decrease (5.70%)	Healthcare Cost Trend Rate (6.70%)	1% Increase (7.70%)
Total OPEB liability	\$ 961,822	\$ 1,078,524	\$ 1,216,559

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2022, the District recognized OPEB expense of \$94,923. As of June 30, 2022, the District reported deferred inflows and deferred outflows of resources related to OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 147,058
Change of assumptions	<u>45,069</u>	<u>102,738</u>
Total	\$ <u>45,069</u>	\$ <u>249,796</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

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

Year Ended <u>June 30,</u>		
2023	\$	(34,861)
2024		(34,861)
2025		(34,861)
2026		(30,835)
2027		(29,176)
Thereafter		<u>(40,133)</u>
	\$	<u>(204,727)</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, 2022 were \$2,354,482.

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 \$909,713 for the year ended June 30, 2022 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, 2022

NOTE 11: TAX ABATEMENTS

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

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 2022.

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, 2022, are comprised of the following programs:

<u>Program</u>	<u>Amount</u>
Flexibility Fund Iowa Core	\$ 83,995
Limited English Proficient (LEP)	13,277
Gifted and talented programs	283,254
Teacher leadership state aid	321,136
Early readers	167,162
Teacher salary supplement	14,440
Other	59,881
Professional development for model core curriculum	393,289
Preschool state aid	<u>215,516</u>
Total	\$ <u>1,551,950</u>

NOTE 13: ACCOUNTING CHANGE/RESTATEMENT

Governmental Accounting Standards Board has issued Statement No. 87, Leases, which as implemented during fiscal year 2022. The new requirements require the reporting of certain lease liabilities which were previous not reported. The result of these changes had no effect on the beginning net position.

	<u>Capital Assets</u>	<u>Long-term Liabilities Lease Agreements</u>
Balances June 30, 2021, as previously reported	\$ 40,173,487	\$ -
Change to implement GASB No. 87	<u>212,675</u>	<u>212,675</u>
Balances July 1, 2021, as restated	\$ <u>40,386,162</u>	\$ <u>212,675</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14: SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 24, 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, 2022

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>	Total <u>Actual</u>
<u>REVENUES:</u>			
Local sources	\$ 13,268,787	\$ 889,553	\$ 14,158,340
State sources	16,015,344	101,125	16,116,469
Federal sources	<u>2,397,656</u>	<u>1,737,396</u>	<u>4,135,052</u>
Total revenues	<u>31,681,787</u>	<u>2,728,074</u>	<u>34,409,861</u>
<u>EXPENDITURES/EXPENSES:</u>			
Instruction	16,044,260	28,096	16,072,356
Support services	10,442,981	-	10,442,981
Non-instructional programs	-	1,935,188	1,935,188
Other expenditures	<u>4,027,396</u>	<u>-</u>	<u>4,027,396</u>
Total expenditures/expenses	<u>30,514,637</u>	<u>1,963,284</u>	<u>32,477,921</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	1,167,150	764,790	1,931,940
Other financing sources, net	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	1,167,150	764,790	1,931,940
<u>BALANCE - Beginning of year</u>	<u>10,495,286</u>	<u>239,899</u>	<u>10,735,185</u>
<u>BALANCE - End of year</u>	\$ <u>11,662,436</u>	\$ <u>1,004,689</u>	\$ <u>12,667,125</u>

<u>Budgeted Amounts</u>		<u>Final to</u>
<u>Original</u>	<u>Amended/Final</u>	<u>Actual</u>
		<u>Variance</u>
\$ 14,024,897	\$ 14,024,897	\$ 133,443
15,695,284	15,695,284	421,185
<u>1,680,000</u>	<u>1,680,000</u>	<u>2,455,052</u>
<u>31,400,181</u>	<u>31,400,181</u>	<u>3,009,680</u>
14,835,000	15,322,876	(749,480)
10,861,000	11,052,006	609,025
1,869,000	1,869,000	(66,188)
<u>3,871,118</u>	<u>5,571,118</u>	<u>1,543,722</u>
<u>31,436,118</u>	<u>33,815,000</u>	<u>1,337,079</u>
(35,937)	(2,414,819)	4,346,759
<u>-</u>	<u>-</u>	<u>-</u>
(35,937)	(2,414,819)	4,346,759
<u>11,043,491</u>	<u>11,043,491</u>	<u>(308,306)</u>
\$ <u>11,007,554</u>	\$ <u>8,628,672</u>	\$ <u>4,038,453</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2022

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 \$2,378,882.

During the year ended June 30, 2022, expenditures in the noninstructional programs and instruction 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 EIGHT FISCAL YEARS*

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2022</u>	<u>2021</u>
District's proportion of the net pension liability	0.169946 %	0.173726 %
District's proportionate share of the net pension liability	\$ 238,249	\$ 12,203,804
District's covered-employee payroll	\$ 13,789,569	\$ 13,784,947
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	1.68 %	88.53 %
IPERS' net position as a percentage of the total pension liability	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

<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>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 1,344,489	\$ 1,301,735	\$ 1,301,299
Contributions in relation to the statutorily required contribution	<u>(1,344,489)</u>	<u>(1,301,735)</u>	<u>(1,301,299)</u>
Contribution deficiency (excess)	\$ _____ -	\$ _____ -	\$ _____ -
District's covered-employee payroll	\$ 14,242,468	\$ 13,789,569	\$ 13,784,947
Contributions as a percentage of covered-employee payroll	9.44 %	9.44 %	9.44 %

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	1,296,000	\$ 1,214,000	\$ 1,017,000	\$ 1,161,000	\$ 1,132,000	\$ 1,106,000	\$ 1,055,000
	<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>	<u>(1,055,000)</u>
	<u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
	13,728,814	\$ 13,594,625	\$ 11,388,578	\$ 13,001,120	\$ 12,676,372	\$ 12,385,218	\$ 12,168,397
	9.44 %	8.93 %	8.93 %	8.93 %	8.93 %	8.93 %	8.67 %

GLENWOOD COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2022

Changes of benefit terms:

There were no changes to benefit terms.

Changes of assumptions:

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

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

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

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 102,848	\$ 86,579	\$ 87,601	\$ 83,253	\$ 86,344
Interest cost	26,936	30,072	42,589	39,437	31,031
Differences between expected and actual experience	(33,801)	-	(171,854)	-	-
Changes in assumptions	8,434	47,725	(122,492)	(4,269)	(43,602)
Benefit payments	<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	59,446	125,420	(226,327)	72,515	68,477
Total OPEB liability, beginning of year	<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>1,078,524</u>	\$ <u>1,019,078</u>	\$ <u>893,658</u>	\$ <u>1,119,985</u>	\$ <u>1,047,470</u>
Covered-employee payroll	\$ 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	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, 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

SCHEDULE 1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Special Revenue</u>		
	<u>Student Activity</u>	<u>Management Levy</u>	<u>Total</u>
<u>ASSETS</u>			
Cash, cash equivalents and pooled investments	\$ 274,966	\$ 1,168,753	\$ 1,443,719
Receivables:			
Property tax:			
Delinquent	-	5,474	5,474
Succeeding year	-	900,000	900,000
Accounts	984	-	984
TOTAL ASSETS	<u>\$ 275,950</u>	<u>\$ 2,074,227</u>	<u>\$ 2,350,177</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ 621	\$ -	\$ 621
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Succeeding year property tax	-	900,000	900,000
<u>FUND BALANCES:</u>			
Restricted for:			
Student activities	275,329	-	275,329
Management levy purposes	-	1,174,227	1,174,227
TOTAL FUND BALANCES	<u>275,329</u>	<u>1,174,227</u>	<u>1,449,556</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 275,950</u>	<u>\$ 2,074,227</u>	<u>\$ 2,350,177</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Special Revenue</u>		
	<u>Student Activity</u>	<u>Management Levy</u>	<u>Total</u>
<u>REVENUES:</u>			
Local sources:			
Local tax	\$ -	\$ 907,281	\$ 907,281
Other	647,410	12,247	659,657
State sources	-	7,871	7,871
Total revenues	<u>647,410</u>	<u>927,399</u>	<u>1,574,809</u>
<u>EXPENDITURES:</u>			
Current:			
Instruction:			
Regular	690,234	22,033	712,267
Support services:			
Administration	-	160,950	160,950
Operation and maintenance of plant	6,495	443,722	450,217
Transportation	-	54,175	54,175
Total expenditures	<u>696,729</u>	<u>680,880</u>	<u>1,377,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(49,319)</u>	<u>246,519</u>	<u>197,200</u>
<u>FUND BALANCES</u> - Beginning of year	<u>324,648</u>	<u>927,708</u>	<u>1,252,356</u>
<u>FUND BALANCES</u> - End of year	<u>\$ 275,329</u>	<u>\$ 1,174,227</u>	<u>\$ 1,449,556</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
JUNE 30, 2022

<u>ASSETS</u>	Statewide Sales, Service and <u>Use Tax</u>	Physical Plant and Equipment <u>Levy</u>	<u>Total</u>
Cash, cash equivalents and pooled investments	\$ 4,939,812	\$ 203,961	\$ 5,143,773
Receivables:			
Property tax:			
Delinquent	-	8,814	8,814
Succeeding year	-	834,689	834,689
Due from other governments	<u>162,828</u>	<u>-</u>	<u>162,828</u>
TOTAL ASSETS	\$ <u>5,102,640</u>	\$ <u>1,047,464</u>	\$ <u>6,150,104</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ <u>94</u>	\$ <u>-</u>	\$ <u>94</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Succeeding year property tax	<u>-</u>	<u>834,689</u>	<u>834,689</u>
<u>FUND BALANCES:</u>			
Restricted for:			
School infrastructure	5,102,546	-	5,102,546
Physical plant and equipment	<u>-</u>	<u>212,775</u>	<u>212,775</u>
TOTAL FUND BALANCES	<u>5,102,546</u>	<u>212,775</u>	<u>5,315,321</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>5,102,640</u>	\$ <u>1,047,464</u>	\$ <u>6,150,104</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2022

	Statewide Sales, Service and <u>Use Tax</u>	Physical Plant and Equipment <u>Levy</u>	Total
<u>REVENUES:</u>			
Local sources:			
Local tax	\$ -	\$ 786,293	\$ 786,293
Other	10,477	1,076	11,553
State sources	2,365,107	6,645	2,371,752
Federal sources	62,395	-	62,395
Total revenues	<u>2,437,979</u>	<u>794,014</u>	<u>3,231,993</u>
<u>EXPENDITURES:</u>			
Current:			
Instruction:			
Regular	181,422	-	181,422
Support services:			
Instructional Staff	119,806		119,806
Administration	234,084	-	234,084
Transportation	95,438	185,808	281,246
Other expenditures:			
Capital outlay	612,769	-	612,769
Total expenditures	<u>1,243,519</u>	<u>185,808</u>	<u>1,429,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,194,460</u>	<u>608,206</u>	<u>1,802,666</u>
Other financing (uses):			
Transfer out	(449,964)	(504,200)	(954,164)
Total other financing (uses)	<u>(449,964)</u>	<u>(504,200)</u>	<u>(954,164)</u>
Change in fund balances	<u>744,496</u>	<u>104,006</u>	<u>848,502</u>
<u>FUND BALANCES</u> - Beginning of year	<u>4,358,050</u>	<u>108,769</u>	<u>4,466,819</u>
<u>FUND BALANCES</u> - End of year	<u>\$ 5,102,546</u>	<u>\$ 212,775</u>	<u>\$ 5,315,321</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND -
STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2022

<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	724	653	958	-	419
MS DRAMA	3,247	291	823	-	2,715
HS SPEECH	202	1,172	1,373	-	1
HS VOCAL	9,164	2,832	4,473	-	7,523
MS SHOW CHOIR	490	-	-	-	490
SHOW CHOIR	6,076	50,558	39,002	-	17,631
MS BAND	3,562	6,454	6,700	-	3,316
BAND/VOCAL TRIP	89,147	52,083	92,040	-	49,190
SW IOWA HONOR BAND	323	66,758	66,990	-	91
BAND	21,254	67,513	49,101	-	39,666
ATHLETICS	-	-	-	-	-
CROSS COUNTRY BOYS	0	4,265	3,858	-	407
CROSS COUNTRY GIRLS	0	4,457	4,185	-	272
CHEERLEADING STUDENT ACCTS	6,312	5,409	-	-	11,721
DANCE TEAM - STUDENT ACCT	398	4,033	-	-	4,431
BASKETBALL BOYS	7,953	17,104	18,414	-	6,643
FOOTBALL	1,600	35,127	36,727	-	-
SOCCER BOYS	1,257	9,608	9,071	-	1,794
BASEBALL	1,129	15,210	14,664	-	1,675
TRACK BOYS	3,431	12,134	13,537	-	2,027
TENNIS BOYS	78	1,500	1,455	-	123
GOLF BOYS	101	1,000	1,098	-	3
WRESTLING	100	17,853	16,744	-	1,209
BASKETBALL GIRLS	1	23,651	19,745	-	3,907
VOLLEYBALL	0	15,159	11,714	-	3,445
SOCCER GIRLS	1,500	8,802	8,721	-	1,581
SOFTBALL	4,537	9,148	12,308	-	1,376
TRACK GIRLS	3,160	13,260	14,139	-	2,281
TENNIS GIRLS	568	-	390	-	178
GOLF GIRLS	100	1,000	1,072	-	28
ACTIVITY	37,311	51,147	84,973	(2,933)	553
BOOSTER	21,426	6,514	27,940	-	0
HS ANNUAL	6,073	8,385	5,278	-	9,179
MS ANNUAL	226	1,654	1,622	-	257
HS ART CLUB	425	-	307	-	118
HS NEWSPAPER	1,570	-	-	-	1,570
BLACK & GOLD CONCESSIONS	8,236	-	-	-	8,236
CLASS OF 2021	2,515	-	2,515	-	-
CLASS OF 2022	4,261	-	4,261	-	-
CLASS OF 2020	439	-	439	-	-
CLASS OF 2023	-	7,045	-	-	7,045
FFA	3,980	5,494	4,336	-	5,138
BUSINESS CLUB	2,051	495	2,222	-	323
FCCLA	2,505	7,921	6,411	-	4,015
MS FCCLA	-	1,516	914	-	602
SADD	3,560	3,724	380	-	6,903
RAMILY	2,383	282	-	-	2,665
MS BUILDERS CLUB	1,827	1,849	2,167	-	1,508
HS VOCAL FUNDRAISER	2,013	-	2,013	-	-
HS BAND FUNDRAISER	1,246	9,076	10,322	-	-
MS STUDENT COUNCIL	4,458	633	287	-	4,804
KEY CLUB	2,074	284	-	-	2,358
HS STUDENT COUNCIL	2,036	2,029	2,364	-	1,701
NATIONAL HONOR SOCIETY	56	1,050	-	-	1,106
TRAP CLUB	1,711	8,777	10,411	-	77
XCOUNTRY BOYS FUNDRAISER	1,593	7,360	8,953	-	-
XOUNTRY GIRLS FUNDRAISER	843	-	843	-	-
	<u>284,162</u>	<u>572,267</u>	<u>628,263</u>	<u>(2,933)</u>	<u>225,234</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND -
STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2022

<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)					
CHEERLEADING FUNDRAISER	6,378	13,717	20,095	-	-
DANCE TEAM FUNDRAISER	7,290	10,954	18,244	-	-
BASKETBALL BOYS FUNDRAISER	-	-	-	-	-
WRESTLING FUNDRAISER	539	-	539	-	-
BASKETBALL GIRLS FUNDRAISER	2,524	-	2,524	-	-
VOLLEYBALL FUNDRAISER	1,730	-	1,730	-	-
SOFTBALL FUNDRAISER	1,404	2,591	3,995	-	-
VIDEO BOARD	10,001	40,000	19,600	-	30,401
TEAMMATES	6,611	273	540	-	6,344
MAC SHOOTOUT	7,950	6,600	1,200	-	13,350
ACTIVITY	(3,941)	1,008	-	2,933	-
	<u>40,485</u>	<u>75,143</u>	<u>68,466</u>	<u>2,933</u>	<u>50,095</u>
 Total	 \$ <u>324,648</u>	 \$ <u>647,410</u>	 \$ <u>696,729</u>	 \$ <u>-</u>	 \$ <u>275,329</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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues:				
Local sources:				
Local tax	\$ 11,301,775	\$ 10,385,005	\$ 10,199,894	\$ 9,045,126
Tuition	1,101,332	1,043,031	1,037,578	1,024,408
Other	865,680	719,543	1,312,421	1,017,601
State sources	16,015,344	15,081,960	15,488,030	15,078,019
Federal sources	<u>2,397,656</u>	<u>1,024,620</u>	<u>630,629</u>	<u>480,563</u>
Total revenues	\$ <u>31,681,787</u>	\$ <u>28,254,159</u>	\$ <u>28,668,552</u>	\$ <u>26,645,717</u>
Expenditures:				
Instruction:				
Regular	\$ 10,770,648	\$ 9,597,943	\$ 9,149,375	\$ 9,423,124
Special	2,868,771	2,791,022	2,653,125	2,763,330
Other	2,404,841	2,440,942	2,566,408	2,604,988
Support services:				
Student	542,136	633,945	636,580	615,593
Instructional staff	2,135,414	1,466,692	1,240,706	1,217,828
Administration	3,478,996	3,285,397	2,965,819	3,380,792
Operation and maintenance of plant	2,988,798	2,253,354	2,130,395	2,001,028
Transportation	1,297,637	1,030,659	1,057,195	877,456
Non-instructional programs	-	-	91	15,711
Other expenditures:				
Facilities acquisition	612,769	571,170	5,656,196	2,922,589
Long-Term Debt				
Principal	2,082,000	4,417,000	11,732,000	2,007,000
Interest and fiscal charges	422,914	521,859	501,873	571,151
AEA flow-through	<u>909,713</u>	<u>891,069</u>	<u>893,766</u>	<u>859,366</u>
Total expenditures	\$ <u>30,514,637</u>	\$ <u>29,901,052</u>	\$ <u>41,183,529</u>	\$ <u>29,259,956</u>

SCHEDULE 6

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	8,256,247	\$ 7,926,086	\$ 8,159,448	\$ 8,418,776	\$ 8,348,356	\$ 9,688,508
	1,535,550	1,023,481	909,599	1,203,001	1,475,584	1,164,015
	896,711	791,133	689,986	566,029	927,101	700,256
	14,497,169	14,895,574	14,303,077	13,414,257	13,776,184	12,366,256
	<u>492,089</u>	<u>723,700</u>	<u>559,898</u>	<u>534,702</u>	<u>535,023</u>	<u>660,334</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>	\$ <u>24,579,369</u>
\$	9,081,054	\$ 8,863,573	\$ 8,992,352	\$ 9,039,632	\$ 9,041,308	\$ 8,594,088
	3,139,036	2,836,078	2,979,909	3,436,470	3,219,688	3,085,550
	2,539,271	2,488,734	2,463,802	2,410,629	2,474,102	2,352,269
	649,739	626,581	704,981	689,691	662,303	638,268
	1,376,158	1,493,658	1,349,286	819,466	689,309	604,242
	2,979,992	2,793,710	2,576,176	2,557,548	2,534,067	2,335,896
	1,955,485	1,700,861	1,594,065	1,681,360	1,691,498	1,670,800
	1,145,200	895,957	1,130,795	983,413	968,875	1,160,136
	18,834	162	13,641	19,582	-	-
	167,520	461,502	1,335,018	3,039,369	1,437,305	625,326
	1,499,000	2,338,000	7,333,000	9,307,000	960,000	920,000
	396,728	464,388	731,084	1,028,771	848,877	884,436
	<u>850,798</u>	<u>838,231</u>	<u>820,715</u>	<u>806,984</u>	<u>805,200</u>	<u>781,351</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>	\$ <u>23,652,362</u>

GLENWOOD COMMUNITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

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 Nutrition Cluster:			
School breakfast program	10.553	FY22	\$ 208,494
National school lunch program	10.555	FY22	1,107,090
Child and Adult Care Food Program	10.558	FY22	10,751
Summer food service program for children	10.559	FY22	78,427
Food Distribution (Child Nutrition Act, Commodities)	10.555	FY22	132,154 *
			<u>1,536,916</u>
U.S. Department of Education:			
Pass-Through From Iowa Department of Education:			
Title I grants to local educational agencies	84.010	FY22	236,326
Title IV student support and academic enrichment program	84.424	FY22	42,692
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	FY22	150,102
American Rescue Plan Elementary and Secondary			
School Emergency Relief – Homeless Children and Youth	84.425W	FY22	320
American Rescue Plan Elementary and Secondary			
School Emergency Relief (ARP ESSER III)	84.425U	FY22	809,400
American Rescue Plan Elementary and Secondary			
School Emergency Relief (ARP ESSER III) (Teacher Retention Bonus)	84.425U	FY22	139,945
Education Stabilization Fund (Elementary and Secondary			
School Emergency Relief Fund II) (ESSER II Fund)	84.425D	FY22	642,868
			<u>1,742,635</u>
Medical Assistance Program (Medicaid Direct Service Reimbursement)	93.778	FY22	103,798
ARP Special Education - grants to states	84.391	FY22	13,821
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (DHS)	93.596	FY22	51,292
Child Care Development Block Grants (DHS) (Wrap-Around Child Care)	93.575	FY22	2,113
Special education - grants to states	84.027	FY22	89,583
Career and technical education - basic grants to states	84.048	FY22	9,528
Supporting effective instruction state grant	84.367	FY22	47,838
Total			\$ <u>3,876,542</u>

* - Includes \$132,154 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, 2022. 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



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

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 U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Glenwood Community School District, as of and for the year ended June 30, 2022, 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 March 24, 2023.

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 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified deficiencies in internal control we consider to be material weaknesses. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-22 and II-B-22 to be material weaknesses.

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, 2022, 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.



Ottumwa, Iowa
March 24, 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

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, 2022. Glenwood Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Opinion on Each Major Federal Program

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, 2022.

Basis for Opinion on Each Major 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 we do not provide 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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We identified deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items III-A-22 (2022-001) and III-B-22 (2022-002) we consider to be material weaknesses.

Glenwood Community School District's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Glenwood Community School District's response was not subjected to the audit procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

ANDERSON, LARKIN & CO., P.C.

Anderson, Larkin, + Co., P.C.

Ottumwa, Iowa
March 24, 2023

GLENWOOD COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

PART I: SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS:

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with accounting principles generally accepted in the United States of America.
- (b) Material weaknesses in internal control over financial reporting were 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) Material weaknesses in internal control over the major programs were 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-22 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, 2022

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INTERNAL CONTROL DEFICIENCIES:

II-A-22 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.

II-B-22 Payroll Procedures

Criteria – Management is responsible for establishing and maintaining internal controls related to payroll. These controls constitute a process designed to provide reasonable assurance regarding the prevention or timely detection and correction of inappropriate transactions involving payroll resulting from error or misappropriation.

Condition – During the course of the prior year (Fiscal Year 2021) audit, the District became aware of an instance of unapproved wage rate adjustments during fiscal year 2022. The District discovered that Amy Clark, former employee and payroll clerk, altered her hourly wage rate for payroll dates January 25, 2022 and February 11, 2022. Subsequent review of payroll records indicated unapproved wage rate changes and overpayments detailed as follows, amounting to an overpayment of \$78.39.

Initial improper disbursements would have also included the employer share of FICA and IPERS (approximately \$5.99 and \$7.40 respectively) related to the overpayment. In documentation provided by the District, Ms. Clark voluntarily acknowledged the overpayments resulted from pay rate discrepancies that caused the unauthorized payroll expenditures and agreed to repay the District \$78.39 for overpayments made to her. Clark reimbursed the District \$78.39 for the overpayments during Fiscal Year 2022. The District indicated both the employer expense and employee withholdings for FICA and IPERS related to the overpayment totaling \$25.31 were recouped by the District through subsequent pay period adjustments and, therefore, subsequently reimbursed Clark \$11.92, equal to the employee share of withholdings.

It was also noted instances of “unsch” hours when reviewing time card reports during the Fiscal Year 2021 audit. Although the time card reports we received lack documentation of administrative approval, District staff assured the prior auditors all hours on Clark’s January 2022 time card report had been approved.

Additionally, included in a post-employment contract with Clark to provide consulting services during the month of February, the District agreed to pay the single health plan premium for continued coverage on the District’s health plan from February 1, 2022 to February 28, 2022. Furthermore, the contract for consulting services lacked the Board President’s signature.

It was also noted during the Fiscal Year 2022 audit that Clark did not file the District’s Form W-2 filing to the government by the required due date of January 31, 2022.

Cause – District policies and procedures appear insufficient to prevent the inclusion of unapproved wage rate increases before payrolls are processed and disbursed. In addition, the policies and procedures appear insufficient to monitor the timely filing of required payroll filings.

Effect – The District appears to have internal controls in place related to payroll, however, these controls did not detect the unapproved wage rate adjustments before the former employee received overpayment beyond hourly amounts approved by the Board of Education. In addition, these controls did not detect or prevent the late filing of the District’s Form W-2 filing for 2021.

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INTERNAL CONTROL DEFICIENCIES:

II-B-22 Payroll Procedures (Continued)

Recommendation – The District should review policies and procedures and develop and implement alternatives to ensure all payrolls are processed with wage rates approved by the Board of Education. The District should review policies and procedures and development and implement controls so that all required payroll filings are filed timely. The District should develop procedures to include documentation of administrative approval of employee timecards. The District should contact their insurance provider and potentially consult legal counsel regarding the February health insurance coverage to ensure allowability and, if needed, determine how best to resolve the matter. And the Board President should sign all contracts entered into by the District in accordance with Chapter 291.1 of the Code of Iowa.

Response and Corrective Action Planned - The District did identify the wage rate falsification matter in a timely manner. We proactively worked with legal counsel, the Iowa Auditor of State, external auditors, the Glenwood Board of Education and our software vendor to appropriately report and resolve the situation.

We have requested our school accounting system vendor, Software Unlimited, to develop a wage rate change report that can be regularly reviewed. The requested report is in process of development and will be included in an upcoming software maintenance release.

We have received and reviewed a pay rate change query report from Software Unlimited for the months of January 2022 to April 2022 and no exceptions were discovered. Appropriate review procedures have been established to regularly review this report in the future.

We have both contacted the insurance company and legal counsel both of whom indicated that this is a School District decision that does not need approval by either of them. We will also work on revising procedures to include documentation of administrative approval of employee time cards and we do have procedures for the Board President to sign all contracts entered into by the District that comply with Chapter 291.1 of the Code of Iowa.

We have enhanced internal procedures so that procedures are in place to allow for confirmation of all required payroll filings and to ensure that the filings are timely. Our procedures now include a requirement that all W-2 filings are confirmed by two individuals at the District. In addition, we have contacted the District insurance company and informed them of the situation so that a claim can be filed if needed to cover any penalties associated with the late W-2 filing.

Conclusion – Response accepted.

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

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: FY22
Federal Award Year: 2022
Prior Year Finding Number: III-A-21 (2021-001)
U.S. Department of Agriculture
Passed through the Iowa Department of Education

AL Number 84.425 - Education Stabilization Fund
Pass-Through Entity Identifying Number: FY22
Federal Award Year: 2020 through 2022
Prior Year Finding Number: III-A-21 (2021-001)
U.S. Department of Education
Passed through the Iowa Department of Education

III-A-22 Segregation of Duties (2022-001)

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-22.

III-B -22 Payroll Procedures (2022-002)

Another important aspect of the internal control structure is the segregation of duties related to payroll to prevent and/or detect and correct, in a timely manner, inappropriate transactions involving payroll resulting from error or misappropriation. We noted a former employee had falsified wage rates for her final 2 pay periods of employment with the District. See finding II-B-22.

PART IV: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

IV-A-22 Certified Budget – Expenditures for the year ended June 30, 2022 exceeded the certified budget amount in the instructional 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-22 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-22 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.

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

PART IV: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING: (Continued)

IV-D-22 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	\$ 4,389

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-22 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-22 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-22 Board Minutes – We noted no transactions requiring Board approval which have not been approved by the Board.

IV-H-22 Certified Enrollment – We noted a variance in the certified enrollment data certified to the Iowa Department of Education. The certified enrollment was overstated by 1.00 for the October, 2021 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-22 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-J-22 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.

IV-K-22 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-22 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

GLENWOOD COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

PART IV: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING: (Continued)

IV-M-22 Statewide Sales, Services and Use Tax – No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services, and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2022, the following information includes the amounts the District reported for the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 4,358,050
Revenues:		
Other local tax revenues	\$ 10477	
Sales tax revenues	<u>2,427,502</u>	<u>2,437,979</u>
		6,796,029
Expenditures/transfers out:		
Instruction, Support services, operation and maintenance of plant	630,750	
Capital outlay	<u>612,769</u>	<u>1,243,519</u>
Transfers to other funds:		
Debt service fund	<u>449,964</u>	<u>449,964</u>
Ending balance		\$ <u>5,102,546</u>

For the year ended June 30, 2022, the District did not reduce any levies as a result of the money received under Chapter 423E or 423F of the Code of Iowa.