

GLENWOOD COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2021

## Table of Contents

		<u>Page</u>
Officials		3
Independent Auditor's Report		4-5
Management's Discussion and Analysis		7-16
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	18
Statement of Activities	B	19
Governmental Fund Financial Statements:		
Balance Sheet	C	20
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D	21
Statement of Revenues, Expenditures and Changes in Fund Balances	E	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F	23
Proprietary Fund Financial Statements:		
Statement of Net Position	G	24
Statement of Revenues, Expenses and Changes in Fund Net Position	H	25
Statement of Cash Flows	I	26
Notes to Financial Statements		27-42
Required Supplementary Information:		
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Funds		44
Notes to Required Supplementary Information - Budgetary Reporting		45
Schedule of the District's Proportionate Share of the Net Pension Liability		46
Schedule of District Contributions		47
Notes to Required Supplementary Information - Pension Liability		48
Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes		49
Supplementary Information:	<u>Schedule</u>	
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	52
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	53
Capital Projects Fund Accounts:		
Combining Balance Sheet	3	54
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	4	55
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	5	56-57
Internal Service Funds:		
Combining Schedule of Net Position	6	58
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	7	59
Combining Schedule of Cash Flows	8	60
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	9	61
Schedule of Expenditures of Federal Awards	10	62
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 <u>Government Auditing Standards</u>		63-64
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance		65-66
Schedule of Findings and Questioned Costs		67-74

**Glenwood Community School District**

**Officials**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
<b>Board of Education</b>		
Curt Becker	President	2023
Ann Staiert	Vice President	2021
Greg Schultz	Board Member	2021
Elizabeth Richardson	Board Member	2021
Tim Becker	Board Member	2023
<b>School Officials</b>		
Devin Embray	Superintendent	2021
Kristi Meckna	School Business Official and Board Secretary/Treasurer (resigned May 2021)	2021
Tim Reinert	Director of Finance and Board Secretary/Treasurer (appointed May 2021)	2021
Lynch Dallas, P.C.	Attorney	2021

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

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Education of Glenwood Community School District:**

**Report on the Financial Statements**

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 7 through 16 and 44 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Glenwood Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for nine years ended June 30, 2020 (which are not presented herein) and express unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, including the Schedule of Expenditures of Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information, including the Schedule of Expenditures of Federal Awards, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated May 24, 2022 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.



NOLTE, CORNMEN & JOHNSON, P.C.

May 24, 2022  
Newton, Iowa



---

---

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

### 2021 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$22,675,871 in fiscal year 2020 to \$22,538,612 in fiscal year 2021, while General Fund expenditures increased from \$21,813,567 in fiscal year 2020 to \$22,717,182 in fiscal year 2021. The District's General Fund balance decreased from \$4,447,306 at June 30, 2020 to \$4,268,736 at June 30, 2021, a 4.02% decrease from the prior year.
- The decrease in General Fund total revenues was primarily attributable to a decrease in state source revenues received in fiscal year 2021 while the increase in total expenditures was due in part to increased spending for regular instruction and administration support services.
- The District's total net position increased from \$25,943,205 at June 30, 2020 to \$28,433,233 at June 30, 2021. Total revenues increased from \$30,110,779 in fiscal year 2020 to \$30,992,763 in fiscal year 2021, a 2.93% increase, while total expenses increased from \$26,822,785 in fiscal year 2020 to \$28,502,735 in fiscal year 2021, a 6.26% increase compared to the prior year. Increased revenues from property tax, income surtax and operating grants, contributions and restricted interest led to the increase in total revenues. The increase in total expenses occurred primarily in the support services function.

### USING THIS ANNUAL REPORT

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

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

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

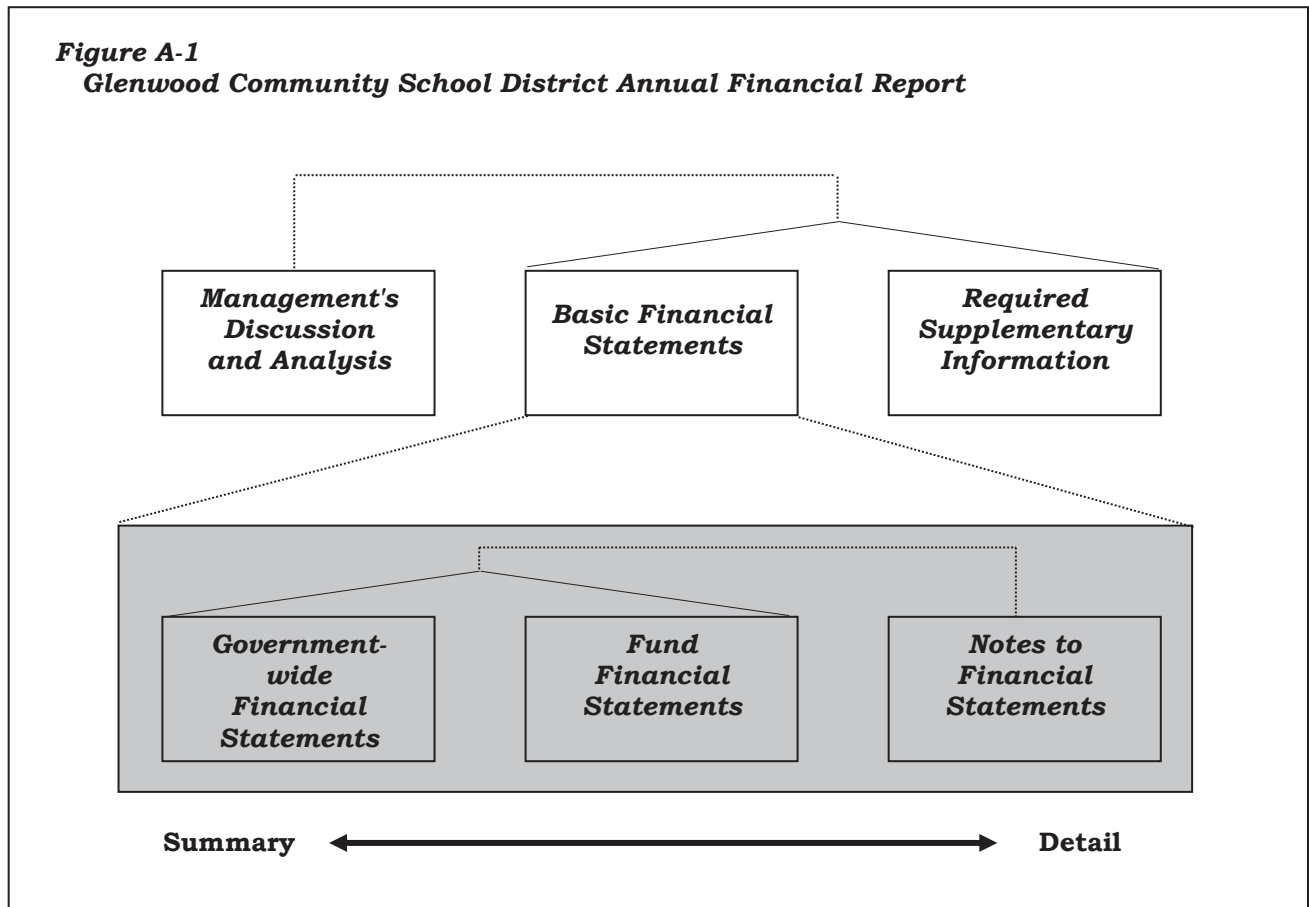




Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### Government-wide Financial Statements

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

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

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

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

## **Fund Financial Statements**

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

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

The District has two kinds of funds:

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

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

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

- 2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise 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, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2021 compared to June 30, 2020.

Figure A-3 Condensed Statement of Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2021	2020	2021	2020	2021	2020	2020-21
Current and other assets	\$ 25,799,702	24,265,175	972,346	945,063	26,772,048	25,210,238	6.20%
Capital assets	40,061,262	40,676,719	112,189	152,922	40,173,451	40,829,641	-1.61%
Total assets	<u>65,860,964</u>	<u>64,941,894</u>	<u>1,084,535</u>	<u>1,097,985</u>	<u>66,945,499</u>	<u>66,039,879</u>	<u>1.37%</u>
Deferred outflows of resources	2,537,672	2,325,039	177,629	163,581	2,715,301	2,488,620	9.11%
Long-term liabilities	26,669,506	27,025,777	912,075	679,666	27,581,581	27,705,443	-0.45%
Other liabilities	2,293,021	2,472,012	57,823	138,374	2,350,844	2,610,386	-9.94%
Total liabilities	<u>28,962,527</u>	<u>29,497,789</u>	<u>969,898</u>	<u>818,040</u>	<u>29,932,425</u>	<u>30,315,829</u>	<u>-1.26%</u>
Deferred inflows of resources	11,242,775	12,154,083	52,367	115,382	11,295,142	12,269,465	-7.94%
Net position:							
Net investment in capital assets	25,795,262	24,413,719	112,189	152,922	25,907,451	24,566,641	5.46%
Restricted	8,037,087	6,843,551	-	-	8,037,087	6,843,551	17.44%
Unrestricted	(5,639,015)	(5,642,209)	127,710	175,222	(5,511,305)	(5,466,987)	-0.81%
Total net position	<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>	<u>9.60%</u>

The District's total net position increased 9.60%, or \$2,490,028, compared to the prior year.

The largest portion of the District's net position is the invested in capital assets (e.g., land, infrastructure, buildings and equipment), less the related debt. The debt related to the invested 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 \$1,193,536, or 17.44%, from the prior year. The 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 - decreased \$44,318, or 0.81%. The decrease in unrestricted net position was primarily a result of the decrease in the District's unassigned General Fund balance.

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

Figure A-4 Changes in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	2021	2020	2021	2020	2021	2020	2020-21
Revenues:							
Program revenues:							
Charges for service	\$ 1,326,875	1,343,192	515,386	905,891	1,842,261	2,249,083	-18.09%
Operating grants, contributions and restricted interest	2,153,331	2,000,798	1,342,468	944,831	3,495,799	2,945,629	18.68%
Capital grants, contributions and restricted interest	275,709	500,000	-	-	275,709	500,000	-44.86%
General revenues:							
Property tax	10,301,511	9,537,811	-	-	10,301,511	9,537,811	8.01%
Income surtax	860,887	226,664	-	-	860,887	226,664	279.81%
Statewide sales, services and use tax	1,930,695	2,079,412	-	-	1,930,695	2,079,412	-7.15%
Unrestricted state grants	11,991,408	12,286,299	-	-	11,991,408	12,286,299	-2.40%
PPP loan forgiveness	-	-	96,909	-	96,909	-	100.00%
Unrestricted investment earnings	24,699	106,505	886	1,930	25,585	108,435	-76.41%
Other	166,437	152,452	5,562	24,994	171,999	177,446	-3.07%
Total revenues	<u>29,031,552</u>	<u>28,233,133</u>	<u>1,961,211</u>	<u>1,877,646</u>	<u>30,992,763</u>	<u>30,110,779</u>	<u>2.93%</u>
Program expenses:							
Instruction	14,849,142	14,770,559	-	-	14,849,142	14,770,559	0.53%
Support services	8,906,199	7,786,685	31,219	32,423	8,937,418	7,819,108	14.30%
Non-instructional programs	-	91	2,018,237	1,899,628	2,018,237	1,899,719	6.24%
Other expenses	2,697,938	2,333,399	-	-	2,697,938	2,333,399	15.62%
Total expenses	<u>26,453,279</u>	<u>24,890,734</u>	<u>2,049,456</u>	<u>1,932,051</u>	<u>28,502,735</u>	<u>26,822,785</u>	<u>6.26%</u>
Change in net position	2,578,273	3,342,399	(88,245)	(54,405)	2,490,028	3,287,994	-24.27%
Net position beginning of year	<u>25,615,061</u>	<u>22,272,662</u>	<u>328,144</u>	<u>382,549</u>	<u>25,943,205</u>	<u>22,655,211</u>	<u>14.51%</u>
Net position end 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>	<u>9.60%</u>

In fiscal year 2021, property tax and unrestricted state grants accounted for 76.79% of governmental activities revenues while charges for service and operating grants, contributions and restricted interest accounted for 94.73% of business type activities revenues.

The District's total revenues were approximately \$30.99 million, of which approximately \$29.03 million was for governmental activities and approximately \$1.96 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 2.93% increase in revenues and 6.26% increase in expenses. The increase in total revenues is mainly due to increased revenues from property tax, income surtax and federal grants compared to the prior year while the increase in expenses occurred primarily in the support services function.

## Governmental Activities

Revenues for governmental activities were \$29,031,552 and expenses were \$26,453,279 for the year ended June 30, 2021.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses for the year ended June 30, 2021 compared to those expenses for the year ended June 30, 2020.

	Total Cost of Services			Net Cost of Services		
	2021	2020	Change 2020-21	2021	2020	Change 2020-21
Instruction	\$ 14,849,142	14,770,559	0.53%	12,497,582	12,547,373	-0.40%
Support services	8,906,199	7,786,685	14.38%	8,392,913	7,059,647	18.89%
Non-instructional programs	-	91	-100.00%	-	91	-100.00%
Other expenses	2,697,938	2,333,399	15.62%	1,806,869	1,439,633	25.51%
<b>Total</b>	<b>\$ 26,453,279</b>	<b>24,890,734</b>	<b>6.28%</b>	<b>22,697,364</b>	<b>21,046,744</b>	<b>7.84%</b>

For the year ended June 30, 2021:

- The cost financed by users of the District's programs was \$1,326,875.
- Federal and state governments along with contributions from local sources subsidized certain programs and projects with grants and contributions totaling \$2,429,040.
- The net cost of governmental activities was financed with \$10,301,511 in property tax, \$860,887 in income surtax, \$1,930,695 in statewide sales, services and use tax, \$11,991,408 in unrestricted state grants, \$24,699 in interest income and \$166,437 in other general revenues.

## Business Type Activities

Revenues of the District's business type activities were \$1,961,211 and expenses were \$2,049,456 for the year ended June 30, 2021. 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 balances of \$10,495,286, above last year's ending combined fund balances of \$9,722,179. 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 financial position is the product of many factors. The General Fund balance decreased from \$4,447,306 at June 30, 2020 to \$4,268,736 at June 30, 2021. Total revenues decreased mainly due a decrease in state source revenues compared to the prior year while the increase in total expenditures was due in part to increased spending for regular instruction and administration support services

- The Capital Projects Fund balance increased from \$3,640,879 at June 30, 2020 to \$4,466,819 at June 30, 2021. Contributing to the increase was a substantial decrease in capital outlay expenditures compared to the prior year when the majority of work on the Athletic Complex project was performed.
- The Debt Service Fund balance increased slightly from \$475,648 at June 30, 2020 to \$507,375 at June 30, 2021. After removing any bond refinancing, revenues and expenditures did not vary significantly from the prior year.

### **Proprietary Fund Highlights**

- The School Nutrition Fund net position decreased from \$431,078 at June 30, 2020 to \$427,966 at June 30, 2021, representing a decrease of 0.72%. An increase in federal grant revenues helped offset an increase in operating expenses compared to the prior year.
- The Day Care Fund net position deteriorated from deficit \$107,729 at June 30, 2020 to deficit \$192,699 at June 30, 2021, representing a decrease of 78.87%. An increase in operating expenses combined with less revenues from charges for service and federal grants led to the decline in fund net position compared to prior year.
- The Marketing Class Fund net position remained unchanged from \$232 at June 30, 2020 to \$232 at June 30, 2021.
- The Culinary Class Fund net position decreased slightly from \$4,563 at June 30, 2020 to \$4,400 at June 30, 2021.

### **BUDGETARY HIGHLIGHTS**

Over the course of the year, Glenwood Community School District amended its budget one time to reflect additional revenues and expenditures associated with the District's revenue bond refinancing.

The District's revenues were \$448,153 more than budgeted revenues, a variance of 1.51%. The most significant variance resulted from the District receiving more from federal sources than originally anticipated.

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

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

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

At June 30, 2021, the District had invested approximately \$40.17 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net decrease of 1.61% 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 \$1,606,903.

The original cost of the District's capital assets was \$60,008,959. Governmental activities accounted for \$59,244,272 with the remainder of \$764,687 accounted for in the District's business-type activities.

The largest change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled \$0 at June 30, 2021 compared to \$7,854,924 at June 30, 2020. The decrease in construction in progress is due to the completion and reclassification of the District's Activity Complex project during the year.

Figure A-6							
Capital Assets, Net of Depreciation							
	Governmental		Business Type		Total		Total
	Activities		Activities		District		Change
	June 30,		June 30,		June 30,		June 30,
	2021	2020	2021	2020	2021	2020	2020-21
Land	\$ 875,121	876,121	-	-	875,121	876,121	-0.11%
Construction in progress	-	7,854,924	-	-	-	7,854,924	-100.00%
Buildings	29,982,574	30,838,662	-	-	29,982,574	30,838,662	-2.78%
Land improvements	8,416,104	493,217	-	-	8,416,104	493,217	1606.37%
Machinery and equipment	787,463	613,795	112,189	152,922	899,652	766,717	17.34%
Total	<u>\$ 40,061,262</u>	<u>40,676,719</u>	<u>112,189</u>	<u>152,922</u>	<u>40,173,451</u>	<u>40,829,641</u>	<u>-1.61%</u>

### Long-Term Debt

At June 30, 2021, the District had \$14,266,000 of total long-term debt outstanding. This represents a decrease of 12.28% 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 \$7,745,000 at June 30, 2021.

The District had outstanding revenue bonded indebtedness of \$3,381,000 at June 30, 2021, 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 \$3,140,000 at June 30, 2021, payable from revenues collected in the Capital Projects: Physical Plant and Equipment Levy Fund.

Figure A-7			
Outstanding Long-Term Obligations			
	Total		Total
	District		Change
	June 30,		June 30,
	2021	2020	2020-21
General obligation bonds	\$ 7,745,000	9,020,000	-14.14%
Revenue bonds	3,381,000	3,703,000	-8.70%
Capital loan notes	3,140,000	3,540,000	-11.30%
Total	<u>\$ 14,266,000</u>	<u>16,263,000</u>	<u>-12.28%</u>

### ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Union negotiated agreements for salaries and benefits cost continue to exceed the District's new money.
- The many unknowns around ACA, Collective Bargaining, and School Choice will potentially impact the District with increased costs or decreased funding.
- Due to Covid-19 in spring 2020, there could be an impact that is unknown at this time.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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



## BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 13,359,163	932,970	14,292,133
Receivables:			
Property tax:			
Delinquent	104,323	-	104,323
Succeeding year	10,450,906	-	10,450,906
Income surtax	854,574	-	854,574
Accounts	12,056	-	12,056
Internal balances	30,715	(30,715)	-
Due from other governments	987,965	44,203	1,032,168
Inventories	-	25,888	25,888
Capital assets not being depreciated:			
Land	875,121	-	875,121
Capital assets, net of accumulated depreciation:			
Buildings and land improvements and machinery and equipment	39,186,141	112,189	39,298,330
<b>Total assets</b>	<b>65,860,964</b>	<b>1,084,535</b>	<b>66,945,499</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	2,453,751	173,931	2,627,682
OPEB related deferred outflows	83,921	3,698	87,619
<b>Total deferred outflows of resources</b>	<b>2,537,672</b>	<b>177,629</b>	<b>2,715,301</b>
<b>Liabilities</b>			
Accounts payable	447,742	18,651	466,393
Salaries and benefits payable	1,792,046	-	1,792,046
Accrued interest payable	53,233	-	53,233
Unearned revenue	-	39,172	39,172
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	1,285,000	-	1,285,000
Revenue bonds	387,000	-	387,000
Capital loan notes	410,000	-	410,000
Compensated absences	86,438	6,261	92,699
Portion due after one year:			
General obligation bonds	6,460,000	-	6,460,000
Revenue bonds	2,994,000	-	2,994,000
Capital loan notes	2,730,000	-	2,730,000
Net pension liability	11,340,995	862,809	12,203,804
Total OPEB liability	976,073	43,005	1,019,078
<b>Total liabilities</b>	<b>28,962,527</b>	<b>969,898</b>	<b>29,932,425</b>
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenue	10,450,906	-	10,450,906
Pension related deferred inflows	545,840	41,527	587,367
OPEB related deferred inflows	246,029	10,840	256,869
<b>Total deferred inflows of resources</b>	<b>11,242,775</b>	<b>52,367</b>	<b>11,295,142</b>
<b>Net Position</b>			
Net investment in capital assets	25,795,262	112,189	25,907,451
Restricted for:			
Categorical funding	1,863,770	-	1,863,770
Debt service	454,142	-	454,142
Management levy purposes	927,708	-	927,708
Student activities	324,648	-	324,648
School infrastructure	4,358,050	-	4,358,050
Physical plant and equipment	108,769	-	108,769
Unrestricted	(5,639,015)	127,710	(5,511,305)
<b>Total net position</b>	<b>\$ 28,193,334</b>	<b>239,899</b>	<b>28,433,233</b>

SEE NOTES TO FINANCIAL STATEMENTS.

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

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Govern- mental Activities	Business Type Activities	Total
<b>Functions/Programs:</b>							
Governmental activities:							
Instruction:							
Regular	\$ 9,540,343	822,105	140,400	-	(8,577,838)	-	(8,577,838)
Special	2,777,236	150,048	199,535	-	(2,427,653)	-	(2,427,653)
Other	2,531,563	351,284	688,188	-	(1,492,091)	-	(1,492,091)
	<u>14,849,142</u>	<u>1,323,437</u>	<u>1,028,123</u>	<u>-</u>	<u>(12,497,582)</u>	<u>-</u>	<u>(12,497,582)</u>
Support services:							
Student	658,857	-	-	-	(658,857)	-	(658,857)
Instructional staff	1,430,781	-	117,431	-	(1,313,350)	-	(1,313,350)
Administration	3,403,150	-	18,300	-	(3,384,850)	-	(3,384,850)
Operation and maintenance of plant	2,327,113	-	93,792	275,709	(1,957,612)	-	(1,957,612)
Transportation	1,086,298	3,438	4,616	-	(1,078,244)	-	(1,078,244)
	<u>8,906,199</u>	<u>3,438</u>	<u>234,139</u>	<u>275,709</u>	<u>(8,392,913)</u>	<u>-</u>	<u>(8,392,913)</u>
Long-term debt interest	491,899	-	-	-	(491,899)	-	(491,899)
Other expenditures:							
AEA flowthrough	891,069	-	891,069	-	-	-	-
Depreciation (unallocated)*	1,314,970	-	-	-	(1,314,970)	-	(1,314,970)
	<u>2,206,039</u>	<u>-</u>	<u>891,069</u>	<u>-</u>	<u>(1,314,970)</u>	<u>-</u>	<u>(1,314,970)</u>
Total governmental activities	<u>26,453,279</u>	<u>1,326,875</u>	<u>2,153,331</u>	<u>275,709</u>	<u>(22,697,364)</u>	<u>-</u>	<u>(22,697,364)</u>
Business type activities:							
Support services:							
Operation and maintenance of plant	31,219	-	-	-	-	(31,219)	(31,219)
Non-instructional programs:							
Food service operations	1,402,259	134,534	1,264,358	-	-	(3,367)	(3,367)
Other enterprise operations	2,908	2,745	78,110	-	-	77,947	77,947
Community service operations	613,070	378,107	-	-	-	(234,963)	(234,963)
	<u>2,018,237</u>	<u>515,386</u>	<u>1,342,468</u>	<u>-</u>	<u>-</u>	<u>(160,383)</u>	<u>(160,383)</u>
Total business type activities	<u>2,049,456</u>	<u>515,386</u>	<u>1,342,468</u>	<u>-</u>	<u>-</u>	<u>(191,602)</u>	<u>(191,602)</u>
Total	<u>\$ 28,502,735</u>	<u>1,842,261</u>	<u>3,495,799</u>	<u>275,709</u>	<u>(22,697,364)</u>	<u>(191,602)</u>	<u>(22,888,966)</u>
<b>General Revenues:</b>							
Property tax levied for:							
General purposes					\$ 7,902,735	-	7,902,735
Debt service					1,612,007	-	1,612,007
Capital outlay					786,769	-	786,769
Income surtax					860,887	-	860,887
Statewide sales, services and use tax					1,930,695	-	1,930,695
Unrestricted state grants					11,991,408	-	11,991,408
PPP Loan forgiveness					-	96,909	96,909
Unrestricted investment earnings					24,699	886	25,585
Other					166,437	5,562	171,999
Total general revenues					<u>25,275,637</u>	<u>103,357</u>	<u>25,378,994</u>
Change in net position					2,578,273	(88,245)	2,490,028
Net position beginning of year					25,615,061	328,144	25,943,205
Net position end of year					<u>\$ 28,193,334</u>	<u>239,899</u>	<u>28,433,233</u>

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

SEE NOTES TO FINANCIAL STATEMENTS.

GLENWOOD COMMUNITY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General	Capital Projects	Debt Service	Nonmajor	Total
<b>Assets</b>					
Cash and pooled investments	\$ 5,888,352	3,976,979	491,256	1,243,428	11,600,015
Receivables:					
Property tax:					
Delinquent	74,125	7,867	16,119	6,212	104,323
Succeeding year	6,893,440	786,266	1,871,201	899,999	10,450,906
Income surtax	854,574	-	-	-	854,574
Accounts	-	-	-	12,056	12,056
Due from other funds	30,715	326,255	-	-	356,970
Due from other governments	826,537	161,428	-	-	987,965
<b>Total assets</b>	<b>\$ 14,567,743</b>	<b>5,258,795</b>	<b>2,378,576</b>	<b>2,161,695</b>	<b>24,366,809</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Due to other funds	\$ 326,255	-	-	-	326,255
Accounts payable	432,692	5,710	-	9,340	447,742
Salaries and benefits payable	1,792,046	-	-	-	1,792,046
Total liabilities	2,550,993	5,710	-	9,340	2,566,043
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	6,893,440	786,266	1,871,201	899,999	10,450,906
Income surtax	854,574	-	-	-	854,574
Total deferred inflows of resources	7,748,014	786,266	1,871,201	899,999	11,305,480
Fund balances:					
Restricted for:					
Categorical funding	1,863,770	-	-	-	1,863,770
Debt service	-	-	507,375	-	507,375
Management levy purposes	-	-	-	927,708	927,708
Student activities	-	-	-	324,648	324,648
School infrastructure	-	4,358,050	-	-	4,358,050
Physical plant and equipment	-	108,769	-	-	108,769
Unassigned	2,404,966	-	-	-	2,404,966
Total fund balances	4,268,736	4,466,819	507,375	1,252,356	10,495,286
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 14,567,743</b>	<b>5,258,795</b>	<b>2,378,576</b>	<b>2,161,695</b>	<b>24,366,809</b>

SEE NOTES TO FINANCIAL STATEMENTS.

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

**Total fund balances of governmental funds (page 20)** \$ 10,495,286

***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. 40,061,262

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. 854,574

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. (53,233)

Blending of the Internal Service Funds to be reflected on an entity-wide basis. 1,759,148

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	\$ 2,537,672	
Deferred inflows of resources	<u>(791,869)</u>	1,745,803

Long-term liabilities, including general obligation bonds payable, revenue bonds payable, capital loan notes 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. (26,669,506)

**Net position of governmental activities (page 18)** \$ 28,193,334

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

	General	Capital Projects	Debt Service	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 7,375,282	786,769	1,612,007	610,947	10,385,005
Tuition	1,043,031	-	-	-	1,043,031
Other	276,763	8,582	1,654	432,544	719,543
State sources	13,087,885	1,952,125	30,099	11,851	15,081,960
Federal sources	755,651	268,969	-	-	1,024,620
Total revenues	<u>22,538,612</u>	<u>3,016,445</u>	<u>1,643,760</u>	<u>1,055,342</u>	<u>28,254,159</u>
Expenditures:					
Current:					
Instruction:					
Regular	9,374,401	187,493	-	36,049	9,597,943
Special	2,791,022	-	-	-	2,791,022
Other	2,115,060	-	-	325,882	2,440,942
	<u>14,280,483</u>	<u>187,493</u>	<u>-</u>	<u>361,931</u>	<u>14,829,907</u>
Support services:					
Student	633,945	-	-	-	633,945
Instructional staff	1,391,787	74,905	-	-	1,466,692
Administration	2,854,521	192,662	49,428	188,786	3,285,397
Operation and maintenance of plant	1,810,987	73,717	-	368,650	2,253,354
Transportation	797,352	184,850	-	48,457	1,030,659
	<u>7,488,592</u>	<u>526,134</u>	<u>49,428</u>	<u>605,893</u>	<u>8,670,047</u>
Capital outlay	-	571,170	-	-	571,170
Long-term debt:					
Principal	-	-	4,417,000	-	4,417,000
Interest and fiscal charges	-	-	521,859	-	521,859
	<u>-</u>	<u>-</u>	<u>4,938,859</u>	<u>-</u>	<u>4,938,859</u>
Other expenditures:					
AEA flowthrough	891,069	-	-	-	891,069
Total expenditures	<u>22,660,144</u>	<u>1,284,797</u>	<u>4,988,287</u>	<u>967,824</u>	<u>29,901,052</u>
Excess (Deficiency) of revenues over (under) expenditures	(121,532)	1,731,648	(3,344,527)	87,518	(1,646,893)
Other financing sources (uses):					
Revenue bond issuance	-	-	2,420,000	-	2,420,000
Transfer in	-	50,546	956,254	6,492	1,013,292
Transfer out	(57,038)	(956,254)	-	-	(1,013,292)
Total other financing sources (uses)	<u>(57,038)</u>	<u>(905,708)</u>	<u>3,376,254</u>	<u>6,492</u>	<u>2,420,000</u>
Change in fund balances	(178,570)	825,940	31,727	94,010	773,107
Fund balances beginning of year	4,447,306	3,640,879	475,648	1,158,346	9,722,179
Fund balances end 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>

SEE NOTES TO FINANCIAL STATEMENTS.

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, 2021

**Change in fund balances - total governmental funds (page 22)** \$ 773,107

***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. Depreciation expense exceeded capital outlay expenditures and loss on disposal in the current year, as follows:

Capital outlay	\$ 949,422	
Depreciation expense	(1,563,879)	
Loss on disposal	<u>(1,000)</u>	(615,457)

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds. 777,393

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances and repayments are as follows:

Issued	(2,420,000)	
Repaid	<u>4,417,000</u>	1,997,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 29,960

Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance on an entity-wide basis. (33,274)

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. 1,221,548

District costs associated with the total OPEB liability implicit subsidy after the measurement date but before year end. 43,073

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Compensated absences	6,375	
Pension expense	(1,540,418)	
Total OPEB liability and related expenses	<u>(81,034)</u>	<u>(1,615,077)</u>

**Change in net position of governmental activities (page 19)** \$ 2,578,273

SEE NOTES TO FINANCIAL STATEMENTS.

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

	Business Type Activities: Enterprise Funds				Total	Governmental Activities: Internal Service Funds
	School Nutrition	Day Care	Marketing Class	Culinary Class		
<b>Assets</b>						
Current assets:						
Cash and pooled investments	\$ 777,674	150,664	232	4,400	932,970	1,759,148
Due from other governments	44,203	-	-	-	44,203	-
Inventories	25,888	-	-	-	25,888	-
<b>Total current assets</b>	<b>847,765</b>	<b>150,664</b>	<b>232</b>	<b>4,400</b>	<b>1,003,061</b>	<b>1,759,148</b>
Noncurrent assets:						
Capital assets, net of accumulated depreciation	109,114	3,075	-	-	112,189	-
<b>Total assets</b>	<b>956,879</b>	<b>153,739</b>	<b>232</b>	<b>4,400</b>	<b>1,115,250</b>	<b>1,759,148</b>
<b>Deferred Outflows of Resources</b>						
Pension related deferred outflows	97,014	76,917	-	-	173,931	-
OPEB related deferred outflows	2,488	1,210	-	-	3,698	-
<b>Total deferred outflows of resources</b>	<b>99,502</b>	<b>78,127</b>	<b>-</b>	<b>-</b>	<b>177,629</b>	<b>-</b>
<b>Liabilities</b>						
Current liabilities:						
Due to other funds	30,715	-	-	-	30,715	-
Accounts payable	15,895	2,756	-	-	18,651	-
Unearned revenue	39,172	-	-	-	39,172	-
<b>Total current liabilities</b>	<b>85,782</b>	<b>2,756</b>	<b>-</b>	<b>-</b>	<b>88,538</b>	<b>-</b>
Noncurrent liabilities:						
Compensated absences	6,261	-	-	-	6,261	-
Net pension liability	477,169	385,640	-	-	862,809	-
Total OPEB liability	28,942	14,063	-	-	43,005	-
<b>Total noncurrent liabilities</b>	<b>512,372</b>	<b>399,703</b>	<b>-</b>	<b>-</b>	<b>912,075</b>	<b>-</b>
<b>Total liabilities</b>	<b>598,154</b>	<b>402,459</b>	<b>-</b>	<b>-</b>	<b>1,000,613</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>						
Pension related deferred inflows	22,966	18,561	-	-	41,527	-
OPEB related deferred inflows	7,295	3,545	-	-	10,840	-
<b>Total deferred inflows of resources</b>	<b>30,261</b>	<b>22,106</b>	<b>-</b>	<b>-</b>	<b>52,367</b>	<b>-</b>
<b>Net Position</b>						
Net investment in capital assets	109,114	3,075	-	-	112,189	-
Unrestricted	318,852	(195,774)	232	4,400	127,710	1,759,148
<b>Total net position</b>	<b>\$ 427,966</b>	<b>(192,699)</b>	<b>232</b>	<b>4,400</b>	<b>239,899</b>	<b>1,759,148</b>

SEE NOTES TO FINANCIAL STATEMENTS.



GLENWOOD COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

	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	\$ 134,534	378,107	-	2,745	515,386	-
Miscellaneous	-	5,562	-	-	5,562	2,508,044
Total operating revenues	134,534	383,669	-	2,745	520,948	2,508,044
Operating expenses:						
Support services:						
Administration:						
Services	-	-	-	-	-	2,501,232
Operation and maintenance of plant:						
Services	-	8,867	-	-	8,867	-
Supplies	-	22,352	-	-	22,352	-
Total support services	-	31,219	-	-	31,219	2,501,232
Non-instructional programs:						
Food service operations:						
Salaries	488,312	-	-	-	488,312	-
Benefits	227,692	-	-	-	227,692	-
Services	2,603	-	-	-	2,603	-
Supplies	640,902	-	-	-	640,902	-
Depreciation	42,558	-	-	-	42,558	-
Other	192	-	-	-	192	-
	1,402,259	-	-	-	1,402,259	-
Other enterprise operations:						
Benefits	-	-	-	-	-	42,766
Supplies	-	-	-	2,908	2,908	-
Community service operations:						
Salaries	-	403,138	-	-	403,138	-
Benefits	-	163,232	-	-	163,232	-
Supplies	-	46,234	-	-	46,234	-
Depreciation	-	466	-	-	466	-
	-	613,070	-	-	613,070	-
Total non-instructional programs	1,402,259	613,070	-	2,908	2,018,237	42,766
Total operating expenses	1,402,259	644,289	-	2,908	2,049,456	2,543,998
Operating loss	(1,267,725)	(260,620)	-	(163)	(1,528,508)	(35,954)
Non-operating revenues:						
State sources	9,133	-	-	-	9,133	-
Federal sources	1,255,225	78,110	-	-	1,333,335	-
Interest income	255	631	-	-	886	2,680
Total non-operating revenues	1,264,613	78,741	-	-	1,343,354	2,680
Change in net position before other financing sources	(3,112)	(181,879)	-	(163)	(185,154)	(33,274)
Other financing sources:						
PPP loan forgiveness	-	96,909	-	-	96,909	-
Change in net position	(3,112)	(84,970)	-	(163)	(88,245)	(33,274)
Net position beginning of year	431,078	(107,729)	232	4,563	328,144	1,792,422
Net position end of year	\$ 427,966	(192,699)	232	4,400	239,899	1,759,148

SEE NOTES TO FINANCIAL STATEMENTS.

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

	Business Type Activities: Enterprise Funds				Total	Governmental Activities: Internal Service Funds
	School Nutrition	Day Care	Marketing Class	Culinary Class		
Cash flows from operating activities:						
Cash received from sale of lunches and breakfasts	\$ 132,456	-	-	-	132,456	-
Cash received from other enterprise operations	-	-	-	2,745	2,745	-
Cash received from community service operations	-	378,107	-	-	378,107	-
Cash received from miscellaneous	-	5,562	-	-	5,562	2,508,044
Cash payments to employees for services	(634,998)	(492,030)	-	-	(1,127,028)	-
Cash payments to suppliers for goods or services	(522,086)	(74,908)	-	(2,908)	(599,902)	(2,543,998)
Net cash used in operating activities	<u>(1,024,628)</u>	<u>(183,269)</u>	<u>-</u>	<u>(163)</u>	<u>(1,208,060)</u>	<u>(35,954)</u>
Cash flows from non-capital financing activities:						
Net borrowings from General Fund	10,962	-	-	-	10,962	-
State grants received	7,035	-	-	-	7,035	-
Federal grants received	1,191,940	78,110	-	-	1,270,050	-
Net cash provided by non-capital financing activities	<u>1,209,937</u>	<u>78,110</u>	<u>-</u>	<u>-</u>	<u>1,288,047</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	(2,291)	-	-	-	(2,291)	-
Cash flows from investing activities:						
Interest on investments	255	631	-	-	886	2,680
Net increase (decrease) in cash and pooled investments	183,273	(104,528)	-	(163)	78,582	(33,274)
Cash and pooled investments beginning of year	594,401	255,192	232	4,563	854,388	1,792,422
Cash and pooled investments end of year	<u>\$ 777,674</u>	<u>150,664</u>	<u>232</u>	<u>4,400</u>	<u>932,970</u>	<u>1,759,148</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>						
Operating loss	\$ (1,267,725)	(260,620)	-	(163)	(1,528,508)	(35,954)
Adjustments to reconcile operating loss to net cash used in operating activities:						
Commodities consumed	100,782	-	-	-	100,782	-
Depreciation	42,558	466	-	-	43,024	-
Change in assets and liabilities:						
Inventories	4,938	-	-	-	4,938	-
Accounts payable	15,891	2,545	-	-	18,436	-
Net pension liability	120,809	105,568	-	-	226,377	-
Deferred outflows of resources	(8,356)	(5,692)	-	-	(14,048)	-
Deferred inflows of resources	(35,748)	(27,267)	-	-	(63,015)	-
Unearned revenue	(2,078)	-	-	-	(2,078)	-
Compensated absences	739	-	-	-	739	-
Total OPEB liability	3,562	1,731	-	-	5,293	-
Net cash used in operating activities	<u>\$ (1,024,628)</u>	<u>(183,269)</u>	<u>-</u>	<u>(163)</u>	<u>(1,208,060)</u>	<u>(35,954)</u>

**Non-cash investing, capital and related financing activities:**

During the year ended June 30, 2021, the District received \$100,782 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

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

**(1) Summary of Significant Accounting Policies**

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

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

A. 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 District has no component units which meet the Governmental Accounting Standards Board criteria.

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

B. Basis of Presentation

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

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

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

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

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

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

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

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

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

The 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 also 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, Day Care Fund is used to account for child care 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.

### C. 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.

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

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

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

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

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

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

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

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

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2020.

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

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

Capital Assets - Capital assets, which include property, machinery and equipment and intangibles acquired after July 1, 1980 are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 2,500
Buildings	2,500
Land improvements	2,500
Intangibles	150,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	2,500

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

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20 years
Intangibles	5-12 years
Machinery and equipment	5-12 years

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

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

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

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

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, 2021. 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, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

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

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

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

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

Unassigned - All amounts not included in the preceding classification.

#### E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2021, expenditures exceeded the amended amounts budgeted in the non-instructional programs and other expenditures functions.

#### **(2) Cash and Pooled Investments**

The District's deposits in banks at June 30, 2021 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

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

At June 30, 2021, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Direct Government Obligations Portfolio which are valued at an amortized cost of \$2,529,743. 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.

**(3) Due From and Due to Other Funds**

The detail of interfund receivables and payables at June 30, 2021 is as follows:

Receivable Fund	Payable Fund	Amount
General	School Nutrition	\$ 30,715
Capital Projects: Statewide Sales, Services and Use Tax	General	326,255
Total		<u>\$ 356,970</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.

The General Fund is repaying the Capital Projects: Statewide Sales, Services and Use Tax Fund for capital grant revenues recorded incorrectly.

**(4) Interfund Transfers**

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

Transfer to	Transfer from	Amount
Student Activity	General	\$ 6,492
Capital Projects: Statewide Sales, Services and Use Tax	General	50,546
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	450,054
Debt Service	Capital Projects: Physical, Plant and Equipment Levy	506,200
Total		<u>\$ 1,013,292</u>

The transfer from the from the General Fund to the Student Activity Fund was a reimbursement for safety equipment purchased.

The transfer from the from the General Fund to the Capital Projects: Statewide Sales, Services and Use Tax Fund was to move prior year grant revenues recorded incorrectly.

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was for principal and interest payments on the District's revenue bond indebtedness.

The transfer from the Capital Projects: Physical Plant and Equipment Levy Fund to the Debt Service Fund was for principal and interest payments on the District's capital loan notes indebtedness.



**(5) Capital Assets**

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 876,121	-	1,000	875,121
Construction in progress	7,854,924	526,845	8,381,769	-
Total capital assets not being depreciated	<u>8,731,045</u>	<u>526,845</u>	<u>8,382,769</u>	<u>875,121</u>
Capital assets being depreciated:				
Buildings	44,159,507	-	-	44,159,507
Land improvements	1,060,693	8,381,769	-	9,442,462
Machinery and equipment	4,657,760	422,577	313,155	4,767,182
Total capital assets being depreciated	<u>49,877,960</u>	<u>8,804,346</u>	<u>313,155</u>	<u>58,369,151</u>
Less accumulated depreciation for:				
Buildings	13,320,845	856,088	-	14,176,933
Land improvements	567,476	458,882	-	1,026,358
Machinery and equipment	4,043,965	248,909	313,155	3,979,719
Total accumulated depreciation	<u>17,932,286</u>	<u>1,563,879</u>	<u>313,155</u>	<u>19,183,010</u>
Total capital assets being depreciated, net	<u>31,945,674</u>	<u>7,240,467</u>	<u>-</u>	<u>39,186,141</u>
Governmental activities capital assets, net	<u>\$ 40,676,719</u>	<u>7,767,312</u>	<u>8,382,769</u>	<u>40,061,262</u>
<b>Business type activities:</b>				
Machinery and equipment	\$ 762,396	2,291	-	764,687
Less accumulated depreciation	609,474	43,024	-	652,498
Business type activities capital assets, net	<u>\$ 152,922</u>	<u>(40,733)</u>	<u>-</u>	<u>112,189</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 1,368
Support services:	
Instructional staff	14,112
Administration	19,658
Operation and maintenance of plant	35,271
Transportation	178,500
	<u>248,909</u>
Unallocated depreciation	<u>1,314,970</u>
Total governmental activities depreciation expense	<u>\$ 1,563,879</u>
Business type activities:	
Food service operations	\$ 42,558
Community service operations	466
Total governmental activities depreciation expense	<u>\$ 43,024</u>

## (6) Long-Term Liabilities

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

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ 9,020,000	-	1,275,000	7,745,000	1,285,000
Revenue bonds	3,703,000	2,420,000	2,742,000	3,381,000	387,000
Capital loan notes	3,540,000	-	400,000	3,140,000	410,000
Compensated absences	92,813	86,438	92,813	86,438	86,438
Net pension liability	9,814,018	1,526,977	-	11,340,995	-
Total OPEB liability	855,946	120,127	-	976,073	-
Total	<u>\$ 27,025,777</u>	<u>4,153,542</u>	<u>4,509,813</u>	<u>26,669,506</u>	<u>2,168,438</u>
<b>Business type activities:</b>					
Compensated absences	\$ 5,522	6,261	5,522	6,261	6,261
Net pension liability	636,432	226,377	-	862,809	-
Total OPEB liability	37,712	5,293	-	43,005	-
Total	<u>\$ 679,666</u>	<u>237,931</u>	<u>5,522</u>	<u>912,075</u>	<u>6,261</u>

### General Obligation Bonds

Details of the Districts June 30, 2021 general obligation bonded indebtedness is as follows:

Year Ending June 30,	Bonds issued April 7, 2020			
	Interest Rate	Principal	Interest	Total
2022	4.00 %	\$ 1,285,000	259,600	1,544,600
2023	4.00	1,320,000	207,800	1,527,800
2024	3.00-4.00	1,350,000	158,050	1,508,050
2025	3.00-4.00	1,410,000	110,300	1,520,300
2026	3.00	1,475,000	60,450	1,535,450
2027	3.00	905,000	80,850	985,850
Total		<u>\$ 7,745,000</u>	<u>877,050</u>	<u>8,622,050</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, 2021 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bonds issued April 19, 2018			Bonds issued November 12, 2020			Total		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest	Principal	Interest	Total
2022	2.79 %	\$ 138,000	34,010	1.15 %	\$ 249,000	28,954	387,000	62,964	449,964
2023	2.79	142,000	30,160	1.20	251,000	26,091	393,000	56,251	449,251
2024	2.79	146,000	26,198	1.25	254,000	23,078	400,000	49,276	449,276
2025	2.79	150,000	22,125	1.30	257,000	19,904	407,000	42,029	449,029
2026	2.79	154,000	17,940	1.35	261,000	16,562	415,000	34,502	449,502
2027-2030	2.79	489,000	27,510	1.40-1.60	890,000	28,535	1,379,000	56,045	1,435,045
Total		<u>\$ 1,219,000</u>	<u>157,943</u>		<u>\$ 2,162,000</u>	<u>143,124</u>	<u>3,381,000</u>	<u>301,067</u>	<u>3,682,067</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 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 \$3,682,067. For the current year \$2,742,000 of principal and \$83,405 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$1,930,695.

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.

### Capital Loan Note

Details of the District's June 30, 2021 general obligation capital loan notes indebtedness are as follows:

Year Ending June 30,	Capital Loan Notes issued April 19, 2018				
	Interest Rate	Principal	Interest	Total	
2022	3.00 %	\$ 410,000	94,200	504,200	
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	
2027-2028	3.00	965,000	43,650	1,008,650	
Total		<u>\$ 3,140,000</u>	<u>388,050</u>	<u>3,528,050</u>	

### **(7) Pension Plan**

Plan Description - IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

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

Pension Benefits - A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

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

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

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2021, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2021 were \$1,301,735.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the District reported a liability of \$12,203,804 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2020, the District's proportion was 0.173726%, which was a decrease of 0.006745% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$1,773,539. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,482	289,261
Changes of assumptions	626,417	-
Net difference between projected and actual earnings on IPERS' investments	686,048	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	-	298,106
District contributions subsequent to the measurement date	1,301,735	-
Total	<u>\$ 2,627,682</u>	<u>587,367</u>

\$1,301,735 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2022	\$ 82,250
2023	175,422
2024	169,868
2025	338,184
2026	<u>(27,144)</u>
Total	<u>\$ 738,580</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
Total	<u>100.0%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 20,348,814	12,203,804	5,374,338

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

**(8) Other Postemployment Benefits (OPEB)**

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	<u>204</u>
Total	<u><u>208</u></u>

Total OPEB Liability - The District's total OPEB liability of \$1,019,078 was measured as of June 30, 2020, and was determined by an actuarial valuation dated June 30, 2019.

Actuarial Assumptions - The total OPEB liability for the June 30, 2021 reporting date was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation	2.50% per annum.
Rates of salary increase	3.25% per year plus merit and promotion increases.
Discount rate	2.45% compounded annually, including inflation.
Healthcare cost trend rate	6.20% for FY2021, decreasing to an ultimate rate of 4.00%.

Discount Rate - The discount rate used to measure the total OPEB liability was 2.45% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates and annual retirement probabilities are based on School assumptions for Regular members in the June 2018 Iowa Public Employees' Retirement System Demographic Assumption Study.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 893,658
Changes for the year:	
Service cost	86,579
Interest	30,072
Changes in assumptions	47,725
Benefit payments	<u>(38,956)</u>
Net changes	<u>125,420</u>
Total OPEB liability end of year	<u>\$ 1,019,078</u>

Changes of assumptions reflect a change in the discount rate from 3.13% in fiscal year 2020 to 2.45% in fiscal year 2021.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1% lower (1.45%) or 1% higher (3.45%) than the current discount rate.

	<u>1% Decrease (1.45%)</u>	<u>Discount Rate (2.45%)</u>	<u>1% Increase (3.45%)</u>
Total OPEB liability	\$ 1,092,417	1,019,078	949,536

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates 1% lower (5.20%) or 1% higher (7.20%) than the current healthcare cost trend rates.

	<u>1% Decrease (5.20%)</u>	<u>Healthcare Cost Trend Rate (6.20%)</u>	<u>1% Increase (7.20%)</u>
Total OPEB liability	\$ 898,356	1,019,078	1,163,532

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the District recognized OPEB expense of \$84,605. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	135,290
Changes in assumptions	42,648	121,579
Contributions between measurement date and reporting date	44,971	-
Total	<u>\$ 87,619</u>	<u>256,869</u>



\$44,971 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	Amount
2022	\$ (32,046)
2023	(32,046)
2024	(32,046)
2025	(32,046)
2026	(28,020)
Thereafter	<u>(58,017)</u>
Total	<u>\$ (214,221)</u>

**(9) Risk Management**

The District is a member of the Iowa School Employees Benefits Association (ISEBA), an Iowa Code Chapter 28E Organization. ISEBA is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. The Association was formed July 1999 for the purpose of managing and funding employee benefits. The District obtains coverage and protection through the Association in the following categories: medical, dental, vision, LTD and life.

The District's contributions, which included deficit recovery assessments, to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to ISEBA for the year ended June 30, 2021 were \$2,254,922.

Members agree to continue membership in the pool for a period of not less than one full year. After such a period, a member who has given 30 days prior written notice may withdraw.

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

**(10) Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$891,069 for the year ended June 30, 2021 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**(11) Tax Abatements**

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

Tax Abatements of Other Entities

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa.



Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2021 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
Mills County	Urban Renewal and Economic Development Projects	\$ 59,913
City of Glenwood	Urban Renewal and Economic Development Projects	18,959

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2021, this reimbursement amounted to \$0.

**(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 following is a schedule of the categorical funding restricted in the General Fund at June 30, 2021.

Program	Amount
Limited English Proficient (LEP)	\$ 9,166
At-Risk Programs	152,824
Gifted and Talented Programs	292,398
Returning Dropouts and Dropout Prevention Program	122,138
Teacher Leadership State Aid	394,362
Four-Year-Old Preschool State Aid	51,159
Teacher Salary Supplement	5,133
Iowa Early Intervention Block Grant	230,927
Successful Progression for Early Readers	186,051
Professional Development for Model Core Curriculum	102,808
Professional Development	314,532
Market Factor Incentives	2,272
Total	<u>\$ 1,863,770</u>

**(13) Budget Overexpenditure**

Per the Code of Iowa, expenditures may not legally exceed budgeted appropriations at the functional area level. During the year ended June 30, 2021, District expenditures exceeded the amended amounts budgeted in the non-instructional programs and other expenditures functions.

**(14) COVID-19**

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

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

**(15) Reconciliation of Governmental Fund Balances to Net Position**

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

	<u>Net investment in Capital Assets</u>	<u>Debt Service</u>	<u>Unassigned/ Unrestricted</u>
Fund balance (Exhibit C)	\$ -	507,375	2,404,966
Capital assets, net of accumulated depreciation	40,061,262	-	-
General obligation bond capitalized indebtedness	(7,745,000)	-	-
Revenue bond capitalized indebtedness	(3,381,000)	-	-
Capital lease capitalized indebtedness	(3,140,000)	-	-
Accrued interest payable	-	(53,233)	-
Income surtax	-	-	854,574
Internal service fund balance	-	-	1,759,148
Compensated absences	-	-	(86,438)
Pension related deferred outflows	-	-	2,453,751
Pension related deferred inflows	-	-	(545,840)
Net pension liability	-	-	(11,340,995)
Total OPEB liability	-	-	(976,073)
OPEB related deferred outflows	-	-	83,921
OPEB related deferred inflows	-	-	(246,029)
Net position (Exhibit A)	<u>\$ 25,795,262</u>	<u>454,142</u>	<u>(5,639,015)</u>

**(16) Prospective Accounting Change**

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

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, 2021

	Governmental	Proprietary	Total	Budgeted Amounts		Final to Actual Variance
	Funds Actual	Funds Actual		Original	Final	
<b>Revenues:</b>						
Local sources	\$ 12,147,579	521,834	12,669,413	13,390,188	13,390,188	(720,775)
State sources	15,081,960	9,133	15,091,093	15,139,120	15,139,120	(48,027)
Federal sources	1,024,620	1,333,335	2,357,955	1,141,000	1,141,000	1,216,955
Total revenues	<u>28,254,159</u>	<u>1,864,302</u>	<u>30,118,461</u>	<u>29,670,308</u>	<u>29,670,308</u>	<u>448,153</u>
<b>Expenditures/Expenses:</b>						
Instruction	14,829,907	-	14,829,907	15,226,300	15,226,300	396,393
Support services	8,670,047	31,219	8,701,266	9,932,200	9,932,200	1,230,934
Non-instructional programs	-	2,018,237	2,018,237	1,910,000	1,910,000	(108,237)
Other expenditures	6,401,098	-	6,401,098	3,529,033	5,925,778	(475,320)
Total expenditures/expenses	<u>29,901,052</u>	<u>2,049,456</u>	<u>31,950,508</u>	<u>30,597,533</u>	<u>32,994,278</u>	<u>1,043,770</u>
Excess (Deficiency) of revenues over (under) expenditures/expenses	(1,646,893)	(185,154)	(1,832,047)	(927,225)	(3,323,970)	1,491,923
Other financing sources, net	2,420,000	96,909	2,516,909	-	-	2,516,909
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	773,107	(88,245)	684,862	(927,225)	(3,323,970)	4,008,832
Balances beginning of year	9,722,179	328,144	10,050,323	8,465,904	8,465,904	1,584,419
Balances end of year	<u>\$ 10,495,286</u>	<u>239,899</u>	<u>10,735,185</u>	<u>7,538,679</u>	<u>5,141,934</u>	<u>5,593,251</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard 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 Private Purpose Trust and Custodial Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund; the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$2,396,745.

During the year ended June 30, 2021, expenditures exceeded the amounts budgeted in the non-instructional programs and other expenditures functions.

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

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.173726%	0.180471%	0.180730%	0.179319%	0.181116%	0.185006%	0.188997%
District's proportionate share of the net pension liability	\$ 12,203,804	10,450,450	11,437,000	11,945,000	11,398,000	9,140,000	7,495,000
District's covered payroll	\$ 13,784,947	13,728,814	13,594,625	11,388,578	13,001,120	12,676,372	12,385,218
District's proportionate share of the net pension liability as a percentage of its covered payroll	88.53%	76.12%	84.13%	104.89%	87.67%	72.10%	60.52%
IPERS' net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

\* In accordance with Governmental Accounting Standards Board Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Statutorily required contribution	\$ 1,301,735	1,301,299	1,296,000	1,214,000	1,017,000	1,161,000	1,132,000	1,106,000	1,055,000	983,000
Contributions in relation to the statutorily required contribution	(1,301,735)	(1,301,299)	(1,296,000)	(1,214,000)	(1,017,000)	(1,161,000)	(1,132,000)	(1,106,000)	(1,055,000)	(983,000)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 13,789,569	13,784,947	13,728,814	13,594,625	11,388,578	13,001,120	12,676,372	12,385,218	12,168,397	12,180,917
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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



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

	2021	2020	2019	2018
Service cost	\$ 86,579	87,601	83,253	86,344
Interest cost	30,072	42,589	39,437	31,031
Differences between expected and actual experience	-	(171,854)	-	-
Changes in assumptions	47,725	(122,492)	(4,269)	(43,602)
Benefit payments	(38,956)	(62,171)	(45,906)	(5,296)
Net change in total OPEB liability	125,420	(226,327)	72,515	68,477
Total OPEB liability beginning of year	893,658	1,119,985	1,047,470	978,993
Total OPEB liability end of year	<u>\$ 1,019,078</u>	<u>893,658</u>	<u>1,119,985</u>	<u>1,047,470</u>
Covered-employee payroll	\$ 11,332,620	10,495,620	11,298,623	7,859,667
Total OPEB liability as a percentage of covered-employee payroll	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.

Reporting period ended June 30, 2021	2.45%
Reporting period ended June 30, 2020	3.13%
Reporting period ended June 30, 2019	3.62%
Reporting period ended June 30, 2018	3.56%
Reporting period ended June 30, 2017	2.92%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.



## SUPPLEMENTARY INFORMATION

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

	Special Revenue		
	Management Levy	Student Activity	Total
<b>Assets</b>			
Cash and pooled investments	\$ 921,496	321,932	1,243,428
Receivables:			
Property tax:			
Delinquent	6,212	-	6,212
Succeeding year	899,999	-	899,999
Accounts	-	12,056	12,056
<b>Total assets</b>	<b>\$ 1,827,707</b>	<b>333,988</b>	<b>2,161,695</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ -	9,340	9,340
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property taxes	899,999	-	899,999
Fund balances:			
Restricted for:			
Management levy purposes	927,708	-	927,708
Student activities	-	324,648	324,648
Total fund balances	927,708	324,648	1,252,356
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,827,707</b>	<b>333,988</b>	<b>2,161,695</b>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Special Revenue		
	Management Levy	Student Activity	Total
Revenues:			
Local sources:			
Local tax	\$ 610,947	-	610,947
Other	1,803	430,741	432,544
State sources	11,851	-	11,851
Total revenues	<u>624,601</u>	<u>430,741</u>	<u>1,055,342</u>
Expenditures:			
Current:			
Instruction:			
Regular	36,049	-	36,049
Other	-	325,882	325,882
Support services:			
Administration	188,786	-	188,786
Operation and maintenance of plant	368,650	-	368,650
Transportation	48,457	-	48,457
Total expenditures	<u>641,942</u>	<u>325,882</u>	<u>967,824</u>
Excess (Deficiency) of revenues over (under) expenditures	(17,341)	104,859	87,518
Other financing sources:			
Transfer in	-	6,492	6,492
Change in fund balances	(17,341)	111,351	94,010
Fund balances beginning of year	<u>945,049</u>	<u>213,297</u>	<u>1,158,346</u>
Fund balances end of year	<u>\$ 927,708</u>	<u>324,648</u>	<u>1,252,356</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
<b>Assets</b>			
Cash and pooled investments	\$ 3,876,077	100,902	3,976,979
Receivables:			
Property tax:			
Delinquent	-	7,867	7,867
Succeeding year	-	786,266	786,266
Due from other funds	326,255	-	326,255
Due from other governments	161,428	-	161,428
<b>Total assets</b>	<b>\$ 4,363,760</b>	<b>895,035</b>	<b>5,258,795</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 5,710	-	5,710
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	786,266	786,266
Fund balances:			
Restricted for:			
School infrastructure	4,358,050	-	4,358,050
Physical plant and equipment	-	108,769	108,769
Total fund balances	4,358,050	108,769	4,466,819
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,363,760</b>	<b>895,035</b>	<b>5,258,795</b>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GLENWOOD COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 CAPITAL PROJECTS FUND ACCOUNTS  
 YEAR ENDED JUNE 30, 2021

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	786,769	786,769
Other	7,767	815	8,582
State sources	1,937,435	14,690	1,952,125
Federal sources	268,969	-	268,969
Total revenues	<u>2,214,171</u>	<u>802,274</u>	<u>3,016,445</u>
Expenditures:			
Current:			
Instruction:			
Regular	187,493	-	187,493
Support services:			
Instructional staff	74,905	-	74,905
Administration	192,662	-	192,662
Operation and maintenance of plant	73,717	-	73,717
Transportation	-	184,850	184,850
Capital outlay	449,462	121,708	571,170
Total expenditures	<u>978,239</u>	<u>306,558</u>	<u>1,284,797</u>
Excess of revenues over expenditures	1,235,932	495,716	1,731,648
Other financing sources (uses):			
Transfer in	50,546	-	50,546
Transfer out	(450,054)	(506,200)	(956,254)
Total other financing sources (uses)	<u>(399,508)</u>	<u>(506,200)</u>	<u>(905,708)</u>
Change in fund balances	836,424	(10,484)	825,940
Fund balances beginning of year	<u>3,521,626</u>	<u>119,253</u>	<u>3,640,879</u>
Fund balances end of year	<u>\$ 4,358,050</u>	<u>108,769</u>	<u>4,466,819</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GLENWOOD COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
YEAR ENDED JUNE 30, 2021

Account	Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfer	Balance End of Year
Talent Show	\$ 2,933	-	-	-	2,933
HS Theatre	1,808	605	1,689	-	724
MS Drama Club	1,556	230	230	1,691	3,247
HS Speech	17	1,278	1,294	-	1
MS Music	2,044	-	-	(2,044)	-
HS Vocal	9,835	915	1,586	-	9,164
MS Show Choir	490	-	-	-	490
Show Choir	7,483	13,288	14,695	-	6,076
MS Band	769	1,939	1,190	2,044	3,562
Band/Vocal Trip	74,860	14,287	-	-	89,147
SW Iowa Honor Band	320	3	-	-	323
Band	2,549	38,359	19,654	-	21,254
Cross Country Boys	-	2,775	2,775	-	-
Cross Country Girls	268	1,256	1,524	-	-
Cheerleading	5,830	482	-	-	6,312
Dance Team	19	379	-	-	398
Basketball Boys	3,729	14,949	11,025	300	7,953
Football	4,136	30,733	34,869	-	-
Soccer Boys	1	11,051	9,795	-	1,257
Baseball	2,868	13,406	15,615	470	1,129
Track Boys	-	15,516	12,085	-	3,431
Tennis Boys	-	171	171	78	78
Golf Boys	1	1,592	1,592	-	1
Wrestling	-	8,162	8,162	-	-
Basketball Girls	1,541	18,205	19,745	-	1
Volleyball	2,250	20,848	23,098	-	-
Soccer Girls	1	7,657	6,158	-	1,500
Softball	9,955	6,886	13,004	-	3,837
Track Girls	21	14,127	10,988	-	3,160
Tennis Girls	737	-	169	-	568
Golf Girls	18	321	339	-	-
Athletics	14,287	98,303	58,486	6,492	60,596
HS Annual	2,642	4,700	1,269	-	6,073
MS Annual	3,331	2,186	5,291	-	226
HS Art Club	471	101	147	-	425
HS Newspaper	1,970	-	400	-	1,570
Debate Team	73	-	-	(73)	-
Black & Gold Concessions	9,016	-	780	-	8,236
HS Gamers Club	349	-	-	(349)	-
Class of 2020	915	-	476	-	439
Class of 2021	3,562	-	1,047	-	2,515
Class of 2022	-	5,190	929	-	4,261

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.



SCHEDULE 5

Account	Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfer	Balance End of Year
<i>continued:</i>					
FFA	4,401	1,633	2,054	-	3,980
Spanish Club	713	-	-	(713)	-
Business Club	1,494	2,245	1,688	-	2,051
FCCLA	2,526	3,416	3,437	-	2,505
SADD	3,855	-	295	-	3,560
Ramily	2,569	-	186	-	2,383
MS Builders Club	1,827	-	-	-	1,827
HS Vocal Fundraiser	2,013	-	-	-	2,013
HS Band Fundraiser	-	1,246	-	-	1,246
MS Student Council	4,501	-	43	-	4,458
Book Club	556	-	-	(556)	-
Key Club	1,236	838	-	-	2,074
HS Student Council	1,285	1,761	1,010	-	2,036
National Honor Society	310	523	777	-	56
Trap Club	5,518	9,368	13,175	-	1,711
Cross Country Boys Fundraiser	1,488	3,652	3,547	-	1,593
Cross Country Girls Fundraiser	728	115	-	-	843
Cheerleading Fundraiser	371	11,428	8,421	-	3,378
Dance Team Fundraiser	-	11,487	4,197	-	7,290
Basketball Boys Fundraiser	300	-	-	(300)	-
Baseball Fundraiser	470	-	-	(470)	-
Tennis Boys Fundraiser	78	-	-	(78)	-
Wrestling Fundraiser	88	450	-	-	538
Basketball Girls Fundraiser	273	2,250	-	-	2,523
Volleyball Fundraiser	500	1,885	655	-	1,730
Softball Fundraiser	1,500	-	96	-	1,404
Video Board	1	14,200	4,200	-	10,001
Teammates	2,041	4,644	74	-	6,611
MAC Shootout	-	9,700	1,750	-	7,950
<b>Total</b>	<b>\$ 213,297</b>	<b>430,741</b>	<b>325,882</b>	<b>6,492</b>	<b>324,648</b>

GLENWOOD COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2021

	Governmental Activities:		
	Internal Service Funds		
	Partially Self-funded Insurance	Flex Benefits	Total
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 1,749,114	10,034	1,759,148
<b>Deferred Outflows of Resources</b>	-	-	-
<b>Liabilities</b>	-	-	-
<b>Deferred Inflows of Resources</b>	-	-	-
<b>Net Position</b>			
Unrestricted	\$ 1,749,114	10,034	1,759,148

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GLENWOOD COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2021

	Governmental Activities : Internal Service Funds		
	Partially Self-funded Insurance	Flex Benefits	Total
Operating revenues:			
Local sources:			
Miscellaneous	\$ 2,461,104	46,940	2,508,044
Operating expenses:			
Support services:			
Administration:			
Services	2,501,232	-	2,501,232
Non-instructional programs:			
Other enterprise operations:			
Benefits	-	42,766	42,766
Total operating expenses	2,501,232	42,766	2,543,998
Operating income (loss)	(40,128)	4,174	(35,954)
Non-operating revenues:			
Interest income	2,680	-	2,680
Change in net position	(37,448)	4,174	(33,274)
Net position beginning of year	1,786,562	5,860	1,792,422
Net position end of year	\$ 1,749,114	10,034	1,759,148

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GLENWOOD COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2021

	Governmental Activities : Internal Service Funds		
	Partially Self-funded Insurance	Flex Benefits	Total
Cash flows from operating activities:			
Cash received from miscellaneous	\$ 2,461,104	46,940	2,508,044
Cash payments to suppliers for goods or services	(2,501,232)	(42,766)	(2,543,998)
Net cash provided by (used in) operating activities	<u>(40,128)</u>	<u>4,174</u>	<u>(35,954)</u>
Cash flows from investing activities:			
Interest on investments	<u>2,680</u>	-	<u>2,680</u>
Net increase (decrease) in cash and pooled investments	(37,448)	4,174	(33,274)
Cash and pooled investments beginning of year	<u>1,786,562</u>	<u>5,860</u>	<u>1,792,422</u>
Cash and pooled investments end of year	<u>\$ 1,749,114</u>	<u>10,034</u>	<u>1,759,148</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (40,128)	4,174	(35,954)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (40,128)</u>	<u>4,174</u>	<u>(35,954)</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	Modified Accrual Basis									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Local sources:										
Local tax	\$ 10,385,005	10,199,894	9,045,126	8,256,247	7,926,086	8,159,448	8,418,776	8,348,356	9,688,508	8,546,977
Tuition	1,043,031	1,037,578	1,024,408	1,535,550	1,023,481	909,599	1,203,001	1,475,584	1,164,015	1,249,364
Other	719,543	1,312,421	1,017,601	896,711	791,133	689,986	566,029	927,101	700,256	840,434
State sources	15,081,960	15,488,030	15,078,019	14,497,169	14,895,574	14,303,077	13,414,257	13,776,184	12,366,256	12,850,707
Federal sources	1,024,620	630,629	480,563	492,089	723,700	559,898	534,702	535,023	660,334	722,896
<b>Total</b>	<b>\$ 28,254,159</b>	<b>28,668,552</b>	<b>26,645,717</b>	<b>25,677,766</b>	<b>25,359,974</b>	<b>24,622,008</b>	<b>24,136,765</b>	<b>25,062,248</b>	<b>24,579,369</b>	<b>24,210,378</b>
Expenditures:										
Instruction:										
Regular	\$ 9,597,943	9,149,375	9,423,124	9,081,054	8,863,573	8,992,352	9,039,632	9,041,308	8,594,088	7,906,550
Special	2,791,022	2,653,125	2,763,330	3,139,036	2,836,078	2,979,909	3,436,470	3,219,688	3,085,550	3,054,927
Other	2,440,942	2,566,408	2,604,988	2,539,271	2,488,734	2,463,802	2,410,629	2,474,102	2,352,269	2,097,379
Support services:										
Student	633,945	636,580	615,593	649,739	626,581	704,981	689,691	662,303	638,268	643,567
Instructional staff	1,466,692	1,240,706	1,217,828	1,376,158	1,493,658	1,349,286	819,466	689,309	604,242	818,477
Administration	3,285,397	2,965,819	3,380,792	2,979,992	2,793,710	2,576,176	2,557,548	2,534,067	2,335,896	2,266,390
Operation and maintenance										
of plant	2,253,354	2,130,395	2,001,028	1,955,485	1,700,861	1,594,065	1,681,360	1,691,498	1,670,800	1,552,396
Transportation	1,030,659	1,057,195	877,456	1,145,200	895,957	1,130,795	983,413	968,875	1,160,136	1,134,770
Non-instructional programs	-	91	15,711	18,834	162	13,641	19,582	-	-	-
Capital outlay	571,170	5,656,196	2,922,589	167,520	461,502	1,335,018	3,039,369	1,437,305	625,326	759,783
Long-term debt:										
Principal	4,417,000	11,732,000	2,007,000	1,499,000	2,338,000	7,333,000	9,307,000	960,000	920,000	890,000
Interest	521,859	501,873	571,151	396,728	464,388	731,084	1,028,771	848,877	884,436	806,132
Other expenditures:										
AEA flowthrough	891,069	893,766	859,366	850,798	838,231	820,715	806,984	805,200	781,351	785,838
<b>Total</b>	<b>\$ 29,901,052</b>	<b>41,183,529</b>	<b>29,259,956</b>	<b>25,798,815</b>	<b>25,801,435</b>	<b>32,024,824</b>	<b>35,819,915</b>	<b>25,332,532</b>	<b>23,652,362</b>	<b>22,716,209</b>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

Grantor/Program	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	FY 21	100,782 *
COVID-19 - National School Lunch Program	10.555	FY 21	<u>172,692</u>
Total - National School Lunch Program			<u>273,474</u>
Summer Food Service Program for Children	10.559	FY 21	<u>981,751</u>
Total - Child Nutrition Cluster			<u>1,255,225</u>
U.S. Department of the Treasury:			
Iowa Department of Education:			
Coronavirus Relief Fund	21.019	FY 21	<u>41,615</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 21	<u>272,046</u>
Supporting Effective Instruction State Grants	84.367	FY 21	<u>43,138</u>
Student Support and Academic Enrichment Program	84.424	FY 21	<u>13,260</u>
Education Stabilization Fund:			
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	FY 21	22,385
COVID-19 Elementary and Secondary School Relief (ESSER) Fund	84.425D	FY 21	<u>161,366</u>
Total - Education Stabilization Fund			<u>183,751</u>
Green Hills Area Education Agency:			
Special Education Grants to States	84.027	FY 21	<u>89,290</u>
Career and Technical Education - Basic Grants to States	84.048	FY 21	<u>4,877</u>
U.S. Department of Health and Human Services:			
Iowa Department of Health and Human Services:			
Child Care and Development Block Grant	93.575	FY 21	<u>78,110</u>
U.S. Department of Homeland Security:			
Iowa Department of Homeland Security and Emergency Management:			
Disaster Grants - Public Assistance	97.036	FY 21	<u>268,969</u>
Total			<u>\$ 2,250,281</u>

\* Includes \$100,782 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, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only selected portion of the operations of Glenwood Community School District, it is not intended to and does not represent 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 following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

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

**To the Board of Education of Glenwood Community School District:**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Glenwood Community School District, as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise Glenwood Community School District's basic financial statements, and have issued our report thereon dated May 24, 2022.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-21 and II-B-21 that we consider 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 test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

## **Glenwood Community School District's Responses to Findings**

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

## **Purpose of this Report**

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

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



NOLTE, CORNMAN & JOHNSON, P.C.

May 24, 2022  
Newton, Iowa



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

**Independent Auditor's Report on 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, 2021. Glenwood Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Glenwood Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Glenwood Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, Glenwood Community School District complied, in all material respects, with the types of requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of 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 Glenwood Community School District's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items III-A-21 (2021-001) and III-B-21 (2021-002) 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.



NOLTE, CORNMAN & JOHNSON, P.C.

May 24, 2022  
Newton, Iowa

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

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

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) Material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) Material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) Major programs were as follows:
  - Child Nutrition Cluster
  - Assistance Listing Number 84.425 - Education Stabilization Fund
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Glenwood Community School District did not qualify as a low-risk auditee.

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

**Part II: Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCY:**

II-A-21    Segregation of Duties

Criteria - Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording 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 procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

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

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

Response 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-21 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 our audit, we became aware of an instance of unapproved wage rate adjustments during fiscal year 2022. Because the instance involved misappropriation of public funds and our desire to communicate the issue to management and those charged with governance in a timely manner, the subsequent event has been included as a finding in this report. 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:

Payroll Date	Pay Period		Approved Rate	Falsified Rate	Difference	Hours	Total Overpaid
	start	end					
1/25/2022	1/1/2022	1/15/2022	\$16.19	\$16.50	\$0.31	85	\$26.35
2/11/2022	1/16/2022	1/31/2022	\$16.19	\$18.00	\$1.81	28.75	\$52.04
							<u>\$78.39</u>

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. As of the audit report release date, Clark had reimbursed the District \$78.39 for the overpayments. 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.

We also noted instances of “*unsch*” hours when reviewing time card reports. Although the time card reports we received lack documentation of administrative approval, District staff has subsequently assured us 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.

Cause - District policies and procedures appear insufficient to prevent the inclusion of unapproved wage rate increases before payrolls are processed and disbursed.

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.

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 develop procedures to include documentation of administrative approval of employee time cards. 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.

Conclusion - Response accepted.

### **Part III: Findings and Questioned Costs For Federal Awards:**

#### **INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

#### **INTERNAL CONTROL DEFICIENCIES:**

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

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

III-A-21 Segregation of Duties  
(2021-001) One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted one individual has control over portions of one or more of the following areas for the District relating to major federal programs; cash, receipts, payroll and journal entries. See finding II-A-21.

III-B-21 Payroll Procedures  
(2021-002) 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-21.

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

**Part IV: Other Findings Related to Required Statutory Reporting:**

IV-A-21 Certified Budget - Expenditures for the year ended June 30, 2021 exceeded the amended budgeted amounts in the non-instructional programs and other expenditures 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 - The District's former Business Manager failed to consider the final costs of the Activity Complex construction project that used SAVE and PPEL funds to wrap up final project construction costs during FY21. We will continue to closely monitor expenditures and adopt budget amendments in accordance with Chapter 24.9 of the Code of Iowa to ensure that actual expenditures do not exceed budget.

Conclusion - Response accepted.

IV-B-21 Questionable Disbursements - We noted during our audit instances of the District paying sales tax on purchases made with District credit cards. The District is a tax-exempt entity; therefore, expenditures for sales tax would not appear to meet public purpose as defined in an Attorney General's opinion dated April 25, 1979.

Recommendation - The District should review their purchasing and reimbursing procedures currently in place and make the necessary adjustments to comply with the Attorney General's opinion dated April 25, 1979.

Response - The district will review established purchasing and reimbursing procedures and make necessary enhancements to comply with the April 25, 1979, Attorney General Opinion.

Conclusion - Response accepted.

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

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

Name, Title and Business Connection	Transaction Description	Amount
Heidi Lunn, Kids Place Coordinator Spouse owns Vorlun Construction	Services/supplies	\$ 4,860
Tim Reinert, Director of Finance Spouse employed by Warren's	Supplies	\$ 2,736

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-21 Restricted Donor Activity - No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.



IV-F-21 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-G-21 Board Minutes -

**Depository Approval** - We noted the minutes did not include all the approved District depositories and their respective limits. Chapter 12C.2 of the Code of Iowa states, *“The approval of a financial institution as a depository of public funds for a public body shall be by written resolution or order that shall be entered of record in the minutes of the approving board, and that shall distinctly name each depository approved, and specify the maximum amount that may be kept on deposit in each depository.”* Additionally, District policy #802.6 requires the Board designate by resolution entered in the official minutes the name, location and maximum amount that may be kept on deposit for each approved official school district depository at the annual meeting.

Recommendation - The District should review the procedures in place and make the necessary adjustments to comply with Chapter 12C.2 of the Code of Iowa and District policy #802.6.

Response - The Depository Approval to comply with Chapter 12C.2 of the Code of Iowa and District policy #802.6. was completed at the November 8, 2022, Board of Education Reorganization Meeting.

Conclusion - Response accepted.

**Publication of Bills Approved** - We noted certain bills allowed which were not published as required by Chapter 279.35 of the Code of Iowa. This Chapter requires the publication of the schedule of bills allowed at least once a month.

Recommendation - The District should review the procedures in place and make the necessary adjustments to ensure all claims allowed are published in accordance with Chapter 279.35 of the Code of Iowa.

Response - After missing publication of bills in August 2020, the district has reviewed and established procedures to comply with Chapter 279.35 of the Code of Iowa.

Conclusion - Response accepted.

**Voting Records** - We noted the minutes were not always sufficient to indicate the vote of each member. Chapter 21.3(2) of the Code of Iowa states in part *“The minutes shall show the results of each vote taken and information sufficient to indicate the vote of each member present.”*

Recommendation - The District should review the procedures in place and make the necessary adjustments to ensure the minutes contain information sufficient to indicate the vote of each member present in accordance with Chapter 21.3(2) of the Code of Iowa.

Response - After the reviewing one exception noted in the May 10, 2021, minutes, the district reviewed and implemented procedures to ensure the minutes contain information sufficient to indicate the vote of each member present in accordance with Chapter 21.3(2) of the Code of Iowa.

Conclusion - Response accepted.



IV-H-21 Certified Enrollment - We noted the basic enrollment data certified to the Iowa Department of Education for the fall of 2020 was overstated by 13.0 students. An additional overstatement of 3.0 students from the fall of 2019 was also identified.

Recommendation - The District should contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.

Response - The District's auditor will contact the Iowa Department of Education and Iowa Department of Management to resolve this matter.

Conclusion - Response accepted.

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

IV-J-21 Deposits and Investments - Except as noted earlier in comment IV-G-21, no instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy #802.6 were noted.

IV-K-21 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in amounts reported.

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

IV-M-21 Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2021, the following information includes the amounts the District reported for the statewide sales, services and use tax revenue in the District's CAR including adjustments identified during the fiscal year 2021 audit:

Beginning balance		\$ 3,521,626
Revenues/transfers in:		
Sales tax revenues	\$ 1,930,695	
Other local revenues	7,767	
Other state revenues	6,740	
Federal revenues	268,969	
Transfer from General Fund	50,546	
	2,264,717	5,786,343
Expenditures/transfers out:		
School infrastructure construction	436,618	
Equipment	330,421	
Other	211,200	
Transfers to Debt Service Fund	450,054	
	1,428,293	4,358,050
Ending balance		\$ 4,358,050

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

IV-N-21 Interfund Loans - We noted during our audit the District has an interfund loan which was on the general ledger in prior years and is still on the current year balance sheets. As of June 30, 2021, the School Nutrition Fund owed the General Fund \$30,715.

According to a declaratory order issued by the Iowa Department of Education to the Auditor of State dated April 11, 2009, interfund loans on the District's year-end financial statement must be repaid to their respective funds on or before October 1<sup>st</sup> of the following fiscal year or the date of the District's Board of Directors organizational meeting, whichever is later. If the District is unable to repay the interfund loans by that time, the District must issue external loans to repay the interfund loans according to Iowa Code Chapter 74.

Recommendation - The District should repay the loan in compliance with the declaratory order issued by the Iowa Department of Education to the Auditor of State and Iowa Code Chapter 74.

Response - The interfund loans from the General Fund to the Nutrition Fund as of June 30, 2020 & June 30, 2021, have been repaid in compliance with Iowa Code Chapter 74.

Conclusion - Response accepted.

IV-O-21 Management Levy Fund Expenditures - We noted the District offered a \$1,000 early notification incentive to employees if they were to notify the District of their intent to resign or retire through letter of resignation by December 31, 2020 and \$500 if received by January 31, 2021. These expenditures totaling \$9,688.49, which includes the employer share of FICA, were paid from the Management Levy Fund.

Recommendation - Expenditures for early notification incentive stipends do not appear to be an allowable expenditure from the Management Levy Fund and, therefore, we are requesting a corrective transfer from the General Fund to the Management Levy Fund in the amount of \$9,688.49.

Response - After review of Chapter 279.46 and consultation with Janice Evans of the Iowa Department of Education we agree to make a corrective transfer of \$9,688.49 from the General Fund to the Management Levy Fund.

Conclusion - Response accepted.