

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022  
ALTOONA, IOWA



*Southeast Polk Community School District*



**Southeast Polk Community School District**  
Altoona, Iowa  
Annual Comprehensive Financial Report

Year Ended June 30, 2022



Annual Comprehensive Financial Report  
of the

Southeast Polk Community School District

Altoona, Iowa

For the Fiscal Year Ended June 30, 2022

Official Issuing Report

Kevin Baccam, Executive Director of Business Services

Office Issuing Report  
Business Services Office



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March 27, 2023

The Board of Education and Residents of  
Southeast Polk Community School District

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Southeast Polk Community School District (the District) for the fiscal year ended June 30, 2022.

The District operates in compliance with generally accepted accounting principles (GAAP) and prepares its financial statements in accordance with Governmental Accounting Standards Board (GASB). The report has been prepared to conform to guidelines recommended by the Association of School Business Officials (ASBO) International and the Government Finance Officers' Association (GFOA) of the United States and Canada.

Bohnsack & Frommelt LLP, Certified Public Accountants, have issued an unmodified (clean) opinion on the District's financial statements for the year ended June, 30, 2022. The independent auditor's report is located at the front of the financial section of the ACFR.

The responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with the management of the District and with the office of Business Services. The ACFR presents the financial information of the District accurately and concisely and is comprehensive. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. We believe that the data herein is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position and results of operations of the District as measured by the financial activity of the various funds; and that all necessary disclosures have been included in order to enable a reader to gain the maximum understanding of the District's financial affairs.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The District is required to undergo a single audit annually in conformity with the provisions of the Single Audit Act Amendments of 1996 and the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). A report and information related to the single audit, including a schedule of findings and questioned costs and corrective action plans (if any) will be reported under a separately issued report due to the timing of the federal guidance related to the American Rescue Plan (ARP) funding related to the COVID-19 pandemic.

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Dr. Dirk Halupnik, Superintendent • 407 8<sup>th</sup> Street SE • Altoona, IA 50009 • Phone: 515-967-4294 • Fax: 515-967-4257  
[www.southeastpolk.org](http://www.southeastpolk.org)

## **Profile of the Government**

The Southeast Polk Community School District was organized in May 1961. The District covers roughly 112 square miles and is made up of three major communities including Altoona, Mitchellville, and Runnells in Iowa. District boundaries also reach into much of Pleasant Hill and the east side of Des Moines. Although the District is primarily in Polk County, it also extends into parts of Marion and Jasper Counties. The District serves nearly 30,000 people residing in those communities. The District's budgeted enrollment (October 2020 count) for the 2021-2022 school year was 6,911, making it the 14<sup>th</sup> largest public school district in Iowa as of the 2020-2021 school year. Enrollment for October 2021 indicates an increase of nearly 114 student FTEs for a total budgeted enrollment of 7024 for the 2022-2023 school year. Enrollment growth for the most recent count for October 2022 indicates an additional increase of 187 student FTEs for a total enrollment of 7211 student FTEs making Southeast Polk the 13<sup>th</sup> largest public school district in Iowa.

There are eleven schools in the District including eight elementary schools, a sixth grade center, a junior high for seventh and eighth graders and a high school. The oldest of these buildings is Altoona Elementary School which was built in 1939. The roof was replaced in the summer of 2015, and the heating, ventilation, and air condition system was completely remodeled in the summer of 2016. There have been some other small-scale renovations and a gym addition; however, the building shell has not significantly changed since construction. The newest building is Mitchellville Elementary School. A complete remodel of the building was completed in August 2014. The District continues to assess its capital improvement needs. During fiscal year 2022, the District continued construction on the new multipurpose stadium and softball field improvements. Both of these projects will be completed by the summer of 2023. The District also began design work on a new grade 6-7 level school building. During fiscal year 2022, the District also completed several land purchases including land for the new 6-7 building and also land for a future elementary school building. Other major maintenance and improvements included resurfacing of parking lot areas to numerous sites and the high school also had roof and masonry work completed.

The District provides a full range of educational programs and services for its students from early childhood, pre-kindergarten levels through the twelfth grade. Services include regular and enriched academic education, special education, vocational education, and numerous individualized programs such as instruction for students at-risk, talented and gifted, and English Language Learners (EL). The District has also challenged students with curriculum enhancements specific to science, technology, engineering, and math (STEM). Several organizations including the likes of META, Polk County, and the Southeast Polk Education Foundation have generously contributed to help supplement educational programming equipment and activities for students.

The District is a political subdivision of the state of Iowa, and as such operates public schools and supporting programs for children in preschool through twelfth grade. The District is governed by a seven member Board of Education; members serve four year, overlapping terms and elections are held bi-annually. All Board members are elected at-large and are non-partisan.

The District is financially supported primarily by state aid and local property taxes within its operating budget. The District also receives state and federal grants for restricted purposes, and local revenues in the form of fees and private donations and contributions. At the beginning of fiscal year 2022, the District had \$3.8 million remaining in ESSER III or COVID-related funding from the federal government.

During the year, the District spent \$1.7 million and no permanent positions were hired with these funds. ESSER III funds must be expended by September 30, 2024.

### **Economic Condition and Outlook**

The nation and the State of Iowa continues to rebound economically from the COVID-19 pandemic. Although some businesses were forced to close due to the pandemic, this provided opportunities for other businesses in our communities. Many of the storefronts and building spaces that used to be vacant are slowly being leased or sold to businesses.

Although the cost of materials and labor skyrocketed during fiscal year 2022, some of the material costs seem to be leveling but there continues to be a shortage in the labor force. Regardless, this has not stopped new homes being constructed in new and old or expanding developments throughout the communities. Tuscan Estates continues to fill out and the development has opened additional plats on the southeast corner of the development. Brookhaven Estates just to the west of Clay Elementary School continues to fill in. Adjacent to this development is the new Brook Ridge. Spring Creek Ridge and Spring Creek Crossing off 80<sup>th</sup> Street on the Altoona's east side continues to fill in around the Spring Creek Sports Complex. Boulder Creek Estates on the northeast corner of 8<sup>th</sup> Street SE and 80<sup>th</sup> Street has been completed platted and is located directly east of the District's new 6-7 grade level building. Finally, Stonebridge is a new residential development off of Altoona's infamous "S curve" of 72<sup>nd</sup> Street/1<sup>st</sup> Avenue on the City's southside just south of Clay Elementary School. Directly east of that development, sanitary lines are being installed for Magnolia, another residential development.

Having completing their new public works buildings including the police and fire stations, the City of Pleasant Hill has seen growth to the east of the complex with the Palm Estates development including single and multi-family homes. Martha Miller Drive was also extended from 70<sup>nd</sup> Street east to 75<sup>th</sup> Street to create another artery for students living south of Highway 163 to avoid the highway while getting to Spring Creek 6<sup>th</sup> grade center, junior high, high school, and varsity sport venues. In to the east side of the city just south of University Avenue/Highway 163 off of 70<sup>th</sup> Street. A new two –building apartment complex is near completion just to the east of the public works buildings. The Pine Valley home development continues to fill out with single-family and multi-family homes. This development is located just west of Highway 65 and south of Oakwood onto Pine Valley Drive. Prairie Creek located south of Oakwood and east of Highway 65 for single family homes and Yellowbanks Townhomes continues to fill out as well. Sunrise Pointe has also developed additional plats expanding that development on the City's eastside.

The Brook Landing development on 34<sup>th</sup> Avenue SW south of Target leading into the Des Moines/Pleasant Hill city limits continues to develop with new homes and a new church. The Woods of Copper Creek immediately north of Copper Creek Golf Course off of NE 23<sup>rd</sup> Avenue has exploded with the addition of numerous single family homes. A roadway has been constructed connecting this neighborhood development with the Brook Run neighborhood to the north. This will lead to new single family homes being constructed to conjoin the two neighborhoods. The main artery feeding this development, Douglas Avenue, had a major makeover including additional sanitary lines thereby paving the way for additional developments. There is also a cluster of economically priced single-family homes being built on Hubbell Avenue near Delaware Elementary School.

Finally, new single-family homes continue to be built in the Deer Run development in Mitchellville. A third plat recently opened and the development is expected to fill out over the next couple of years.

## Major Initiatives

Student instruction is back to “normal” following the COVID-19 pandemic. Two years removed from blended learning spaces in the classroom and in virtual classrooms, families have reinvested their trust in physical classrooms and safe learning spaces at Southeast Polk. The District continues to effectively use federal funds to help supplement the cost to keep students and staff safe while in District buildings. Federal funds are also being used to address and mitigate the learning loss that occurred during the pandemic.

As the District continues to see an increasing student population, getting out in front of the infrastructure needed to instruct students continues to happen alongside the growth. Projects funded with the \$92 million bond referendum are complete or will be completed soon. The softball complex renovation and construction of a new multipurpose stadium will be complete by the beginning of summer. The new 6-7 grade level is nearly 50% complete as of the date of this report. Plans for the construction of a new warehouse and expanding the bus parking lot are well underway and will commence this summer. Finally, the design of a new administration building is well underway. Renovations are scheduled to begin in the summer of 2024. A number of land purchase were also made to secure a site for future school buildings including a new elementary school.

Even with the progress being made at Southeast Polk, public school districts in Iowa continues to see challenges beyond their control. There are over 480,000 children enrolled in public schools in the State. Public schools receive the largest allocation of State funds; however, the increasing cost to educate students continues to be threatened with inadequate funding, decreased flexibility, unfunded mandates, and irrational legislation. Southeast Polk is well-positioned to address these challenges at the moment, but we must still continue to plan for potential challenges in the future.

## Other Financial Information

*Internal Control:* Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that its assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the basic financial statements in accordance with principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

*Single Audit:* As a recipient of federal and state financial assistance, the District is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and external auditors.

*Budgetary Controls:* The Board of Education annually adopts a budget and approves the related appropriations for the General Fund, special revenue funds, Capital Projects Fund, Debt Service Fund, and enterprise funds. The level of budgetary control, or the level at which expenditures cannot legally exceed the appropriated amount, is established at the functional level for all funds combined rather than at the individual fund level.

***Basis of Presentation:*** The charts and accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records materially conform to the Uniform Financial Accounting for Iowa Schools and Area Education Agencies issued by the State Department of Education and Chapter 11 of the Code of Iowa. The chart of accounts manual is updated annually and the District is materially in compliance with these requirements.

***Independent Audit:*** The accounting firm of Bohnsack & Frommelt LLP, was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements for the federal Single Audit Act Amendments of 1996 and Uniform Guidance. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules is included in the financial section of this report. The Annual Comprehensive Financial Report (ACFR) also includes a statistical section which is unaudited.

### **Awards and Acknowledgements**

We are pleased to say that for the twenty-first consecutive year the Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement and Excellence in Financial Reporting to the District for its ACFR for the fiscal year ended June 30, 2021. In addition, the Association of School Business Officials (ASBO) International also awarded a Certificate of Excellence in Financial Reporting to the District for the twentieth year in a row for the ACFR for the fiscal year ended June 30, 2021. For both organizations, these prestigious awards represent the highest level of recognition that can be bestowed upon a school district in financial reporting. In order to be awarded these certificates, the District must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Each certificate is valid for a period of one year only and the certificates for fiscal year ending June 30, 2021 are included in this report. We believe that our current ACFR continues to meet the GFOA and ASBO International Certificate of Achievement programs' requirements and we are submitting it to both the GFOA and ASBO International to determine eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated efforts of the District's business services staff and our auditors, Bohnsack and Frommelt, LLP. We would like to express our appreciation and gratitude to all District staff that assisted and contributed to this report as well as the city and county government officials. Finally, we would like to thank the Southeast Polk Board of Directors for its guidance and continued support of the administration and focusing on the mission, vision, and core values of the District and our priorities.

Respectfully submitted,



Dr. Dirk Halupnik  
Superintendent of Schools



Kevin S. Baccam  
Executive Director of Business Services

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**Southeast Polk Community School District**

**Board of Education and School District Officials  
Year Ended June 30, 2022**

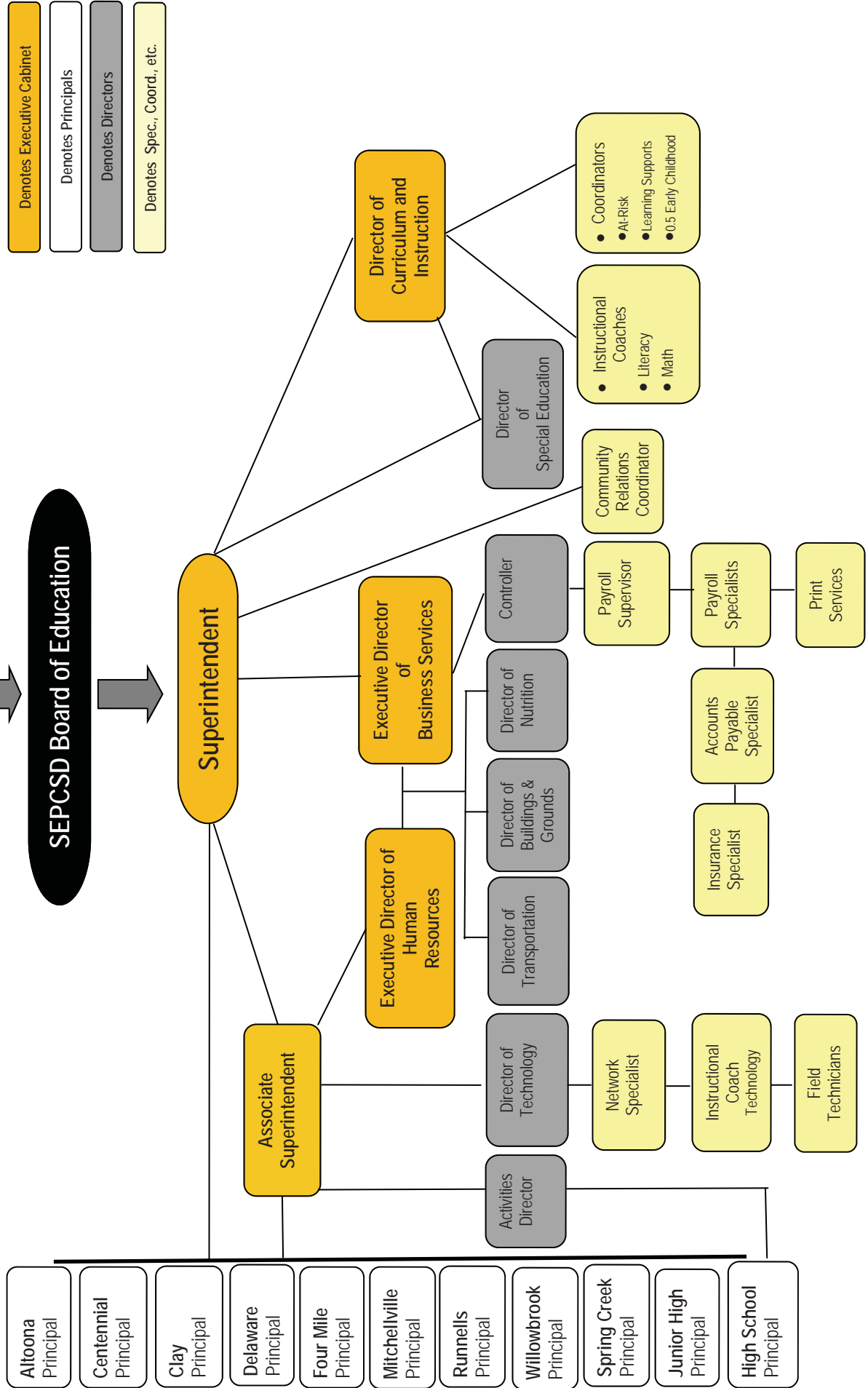
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	<u>Title</u>	<u>Term/Contract Expires</u>
<b>Board of Education:</b>		
Chad Crabb	President	November 2023
Lori Slings	Vice-President	November 2023
Brigid Ernst	Member	November 2025
Bret Handy	Member	November 2023
Tom Naeve	Member	November 2023
Ric Powell	Member	November 2025
Whitney Smith-McIntosh	Member	November 2025
 <b>District Administration:</b>		
Dr. Dirk Halupnik	Superintendent	June 30, 2022
Joe Horton	Associate	June 30, 2022
Kevin Baccam	Executive Director of	June 30, 2022
Dr. Jo Ellen Latham	Director of	June 30, 2022
Dr. Margi Belger	Executive Director of	June 30, 2022
Nathan Ballagh	Principal	June 30, 2022
Jacob Bartels	Associate Principal	June 30, 2022
Scott Belger	Assistant Principal	June 30, 2022
Jayson Campbell	Activities Director	June 30, 2022
Chelsea Clark	Principal	June 30, 2022
Mike Dailey	Principal	June 30, 2022
Glenn Dietzenbach	Assistant Principal	June 30, 2022
Cory Goldsmith	Assistant Principal	June 30, 2022
Blake Kielman	Principal	June 30, 2022
Morgan Miller	Principal	June 30, 2022
Lea Morris	Principal	June 30, 2022
Mike Nicodemus	Principal	June 30, 2022
George Panosh	Principal	June 30, 2022
Stephen Pettit	Principal	June 30, 2022
Tamera Steenhoek	Principal	June 30, 2022
Lori Waddell	Principal	June 30, 2022

Organizational Chart



Administrative Structure



- Denotes Executive Cabinet
- Denotes Principals
- Denotes Directors
- Denotes Spec., Coord., etc.





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Southeast Polk Community School District  
Iowa**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Southeast Polk Community School District**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'William A. Sutter'.

**William A. Sutter**  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

**David J. Lewis**  
Executive Director

## **Independent Auditor's Report**

To the Board of Education  
Southeast Polk Community School District  
Altoona, Iowa

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Southeast Polk Community School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Southeast Polk Community School District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 16 to the financial statements, Southeast Polk Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, *Leases*. As a result, June 30, 2021 governmental activities net position is restated by \$21,581. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, and schedule of the District's proportionate share of the net pension liability and schedule of District contributions on pages 4-13 and 58-67 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southeast Polk Community School District's basic financial statements. The supplementary information, as listed on the table of contents and the Schedule of Expenditures of Federal Awards as 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), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of the Southeast Polk Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Southeast Polk Community School 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 Southeast Polk Community School District's internal control over financial reporting and compliance.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
March 27, 2023

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## **Southeast Polk Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2022**

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It is an honor to present to you the financial picture of Southeast Polk Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Southeast Polk Community School District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### **FINANCIAL HIGHLIGHTS**

The District showed an increase in net position of \$19,575,935 and \$4,840,873 during the years ended June 30, 2022 and 2021, respectively.

Total revenues for the fiscal year ended June 30, 2022 and 2021 of \$117,548,408 and \$110,473,747 were comprised of general revenues in the amount of \$85,429,776 and \$82,486,660 and program revenues totaling \$32,118,632 and \$27,987,087, respectively.

As of June 30, 2022, the District's governmental funds reported combined fund balances of \$109,585,200, a decrease of \$23,196,303 in comparison to 2021. As of June 30, 2021, the District's governmental funds reported combined fund balances of \$132,781,503, an increase of \$93,433,883 in comparison to 2020.

The Southeast Polk Community School District's total bonded long-term debt decreased by \$9,583,535 during fiscal year ended June 30, 2022, which included principal payments of \$8,007,650 and amortization of premium of \$1,610,532.

#### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Southeast Polk Community School District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements. This report also contains other information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of Southeast Polk Community School District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of Southeast Polk Community School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements reflect functions of Southeast Polk Community School District that are principally supported by taxes and intergovernmental revenues (governmental activities).

## **Southeast Polk Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2022**

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The government-wide financial statements include only Southeast Polk Community School District. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Southeast Polk Community School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Southeast Polk Community School District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Capital Projects Fund and Debt Service Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary funds.** The District maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains two enterprise funds. Internal service funds are used to report the same functions presented as governmental activities in the government-wide financial statements. The District maintains three internal service funds to account for the premium and claim payments for the self-insured health and dental insurance plans for District employees and to account for employee contributions to their individual flex accounts under Section 125 of the Internal Revenue Code. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. Because the service provided by the District predominately benefits governmental, rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.



## Southeast Polk Community School District

### Management's Discussion and Analysis Year Ended June 30, 2022

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Southeast Polk Community School District's own programs. The fiduciary fund of the District is a custodial fund.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Southeast Polk Community School District's budgetary comparison, schedule of changes in the total OPEB liability and related ratios, and schedule of proportionate share of the net pension liability and schedule of contributions of the retirement system.

The combining statements referred to earlier in connection with nonmajor governmental funds and enterprise funds are presented immediately following the required supplementary information.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's total net position has increased from a year ago from a restated balance of \$80,073,439 to \$99,649,374.

**Table 1 - Net Position**

	Restated				Restated	
	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Current and other assets	\$ 172,613,589	\$ 187,441,533	\$ 7,701,321	\$ 5,648,734	\$ 180,314,910	\$ 193,090,267
Capital assets	148,939,840	126,443,638	293,596	171,793	149,233,436	126,615,431
<b>Total assets</b>	<b>321,553,429</b>	<b>313,885,171</b>	<b>7,994,917</b>	<b>5,820,527</b>	<b>329,548,346</b>	<b>319,705,698</b>
Deferred outflows of resources	8,129,819	11,486,978	217,778	260,307	8,347,597	11,747,285
Other liabilities	25,744,551	20,493,904	155,942	201,738	25,900,493	20,695,642
Noncurrent liabilities	137,479,664	190,204,057	861,188	1,845,120	138,340,852	192,049,177
<b>Total liabilities</b>	<b>163,224,215</b>	<b>210,697,961</b>	<b>1,017,130</b>	<b>2,046,858</b>	<b>164,241,345</b>	<b>212,744,819</b>
Deferred inflows of resources	73,093,043	38,495,426	912,181	139,299	74,005,224	38,634,725
Net position:						
Net investment in capital assets	89,292,967	83,180,630	293,596	171,793	89,586,563	83,352,423
Restricted	29,766,701	29,369,804	-	-	29,766,701	29,369,804
Unrestricted	(25,693,678)	(36,371,672)	5,989,788	3,722,884	(19,703,890)	(32,648,788)
<b>Total net position</b>	<b>\$ 93,365,990</b>	<b>\$ 76,178,762</b>	<b>\$ 6,283,384</b>	<b>\$ 3,894,677</b>	<b>\$ 99,649,374</b>	<b>\$ 80,073,439</b>

A significant portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net position - net investment in capital assets, were \$89,586,563 for 2022 and \$83,352,423 for 2021. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The restricted portion of the District's net position (29.8 percent for 2022 and 36.7 percent for 2021) represents resources that are subject to external restrictions on how they may be used.

## **Southeast Polk Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2022**

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These restrictions for 2022 include \$2,429,614 for physical plant and equipment levy, \$13,751,094 for school infrastructure, \$38,905 for management levy, \$9,580,432 for debt service, \$3,272,457 for categorical funding, and \$694,199 for student activities. The remaining balance of unrestricted net position is (\$19,703,890) for 2022.

The District's total net position increased by \$19,575,935 during the current fiscal year as compared to \$4,840,873 in 2021. The governmental activities net position increased by \$17,187,228 in 2022 and \$3,977,435 in 2021. The business-type activities, which include school nutrition and school store increased by \$2,388,707 in 2022 and increased by \$863,438 in 2021.

The total net position increased and the unrestricted net position increased by \$12,944,898. This increase in the deficit unrestricted net position was due to the decrease in unfunded net pension liability and related deferred inflows and deferred outflows.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2022 and 2021. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state foundation support.

Expenses are shown in programs including instruction, support services, noninstructional programs, other, depreciation unallocated, interest on long-term debt, school nutrition, community service, and school store.

## Southeast Polk Community School District

### Management's Discussion and Analysis Year Ended June 30, 2022

**Table 2 - Changes in Net Position**

	Not restated				Not restated	
	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenues:						
Program revenues:						
Charges for service and sales	\$ 7,283,951	\$ 5,387,507	\$ 643,500	\$ 333,836	\$ 7,927,451	\$ 5,721,343
Operating grants and contributions	18,098,233	18,093,152	6,092,948	4,172,592	24,191,181	22,265,744
General revenues:						
Property taxes and other taxes	45,439,465	43,228,184	-	-	45,439,465	43,228,184
State sources	39,916,078	39,017,990	-	-	39,916,078	39,017,990
Investment earnings	46,072	197,930	2,471	10,111	48,543	208,041
Other	24,113	32,445	1,577	-	25,690	32,445
<b>Total revenues</b>	<b>110,807,912</b>	<b>105,957,208</b>	<b>6,740,496</b>	<b>4,516,539</b>	<b>117,548,408</b>	<b>110,473,747</b>
Program expenses:						
Instruction	52,431,826	55,807,010	-	-	52,431,826	55,807,010
Support services	30,589,079	34,457,492	-	-	30,589,079	34,457,492
Noninstructional programs	19,957	23,893	-	-	19,957	23,893
Other	3,330,533	3,263,821	-	-	3,330,533	3,263,821
Depreciation unallocated	4,594,842	4,298,216	-	-	4,594,842	4,298,216
Interest on long-term debt	2,727,473	4,168,733	-	-	2,727,473	4,168,733
School nutrition	-	-	4,043,244	3,520,597	4,043,244	3,520,597
School store	-	-	235,519	93,112	235,519	93,112
<b>Total expenses</b>	<b>93,693,710</b>	<b>102,019,165</b>	<b>4,278,763</b>	<b>3,613,709</b>	<b>97,972,473</b>	<b>105,632,874</b>
<b>Excess of revenues over expenses before transfers</b>	<b>17,114,202</b>	<b>3,938,043</b>	<b>2,461,733</b>	<b>902,830</b>	<b>19,575,935</b>	<b>4,840,873</b>
Transfers	73,026	39,392	(73,026)	(39,392)	-	-
<b>Increase in net position</b>	<b>17,187,228</b>	<b>3,977,435</b>	<b>2,388,707</b>	<b>863,438</b>	<b>19,575,935</b>	<b>4,840,873</b>
Net position, beginning, as restated	76,178,762	72,222,908	3,894,677	3,031,239	80,073,439	75,254,147
Net position, ending	<b>\$ 93,365,990</b>	<b>\$ 76,200,343</b>	<b>\$ 6,283,384</b>	<b>\$ 3,894,677</b>	<b>\$ 99,649,374</b>	<b>\$ 80,095,020</b>

### GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$110,807,912 and expenses were \$93,693,710. Property taxes and other taxes such as sales tax and state sources including state foundation aid are the primary sources of revenue for the District in 2022 and 2021. These sources represent 77.0 percent and 77.6 percent, respectively, of total governmental activities revenues. Instruction constitutes the largest portion of expenditures at \$52,431,826 or 56.0 percent of total governmental activities expenditures.

Revenues increased primarily due to an increase in charges for services due to 2022 being the first full year of in-person learning since the COVID-19 pandemic resulting in student activities resuming as well as tuition and transportation fees.

Total governmental activities expenses decreased \$8,325,455. This decrease was primarily due to the decrease in net pension liability and related deferrals of inflows and outflows of resources experiencing improved investment earnings on an actuarial basis.

**Southeast Polk Community School District**

**Management’s Discussion and Analysis  
Year Ended June 30, 2022**

Table 3 discloses cost of services for governmental and business-type activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by state aid or local taxes. The difference in these two columns would represent restricted grants and charges for services.

**Table 3 - Governmental and Business-Type Activities**

	Total Cost of Services		Net Cost of Services	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Instruction	\$ 52,431,826	\$ 55,807,010	\$ 33,788,905	\$ 38,599,994
Support services	30,589,079	34,457,492	27,180,349	31,447,670
Noninstructional programs	19,957	23,893	19,957	23,893
Other	3,330,533	3,263,821	-	-
Depreciation unallocated	4,594,842	4,298,216	4,594,842	4,298,216
Interest on long-term debt	2,727,473	4,168,733	2,727,473	4,168,733
School nutrition	4,043,244	3,520,597	(2,454,769)	(903,959)
School store	235,519	93,112	(2,916)	11,240
<b>Total expenses</b>	<b>\$ 97,972,473</b>	<b>\$ 105,632,874</b>	<b>\$ 65,853,841</b>	<b>\$ 77,645,787</b>

Net cost of services is 67.2 percent of total cost of services in 2022 and 73.5 percent in 2021. The cost of governmental activities financed by users of the District’s programs was \$7,283,951 for 2022 and \$5,387,507 for 2021. Federal and state governments subsidized certain programs with grants and contributions totaling \$18,098,233 for 2022 and \$18,093,152 for 2021. The remaining net cost of the governmental activities was financed with property tax, state foundation aid and investment earnings. The cost of business-type activities financed by users of the District’s programs was \$643,500. The remaining net cost of the business-type activities was financed with state and federal grant programs and investment earnings.

**BUSINESS-TYPE ACTIVITIES**

- The School Nutrition and School Store programs constitute the business-type activities.
- The primary sources of income are charges for services and federal revenues.
- The School Nutrition Fund’s primary expenses are staff and food. The School Nutrition Fund had an increase in net position of \$2,343,535 for fiscal year 2022.
- Food sales increased from \$247,124 in 2021 to \$404,765 in 2022. This increase is due to fiscal year 2022 being a full year of in-person learning. Federal revenues increased \$1,915,205. This increase is primarily due to the effects of COVID-19 on the food service program.
- The primary source of revenue for the School Store fund is charges for the resale of service operations. The School Store fund had an increase in net position of \$3,070.

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

As noted earlier, the Southeast Polk Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## Southeast Polk Community School District

### Management's Discussion and Analysis Year Ended June 30, 2022

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**Governmental funds.** The focus of the Southeast Polk Community School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Southeast Polk Community School District's governmental funds reported combined ending fund balances of \$109,585,200, a decrease of \$23,196,303 in comparison with the prior year fund balance of \$132,781,503. The unassigned fund balance is \$13,233,663 for 2022 and \$11,070,924 for 2021. The majority of the remaining fund balance for 2022 is restricted to indicate that it is not available for new spending because it has already been restricted for other purposes, \$94,644,393.

The General Fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13,233,663 for 2022 and \$11,070,924 for 2021, while total fund balance reached \$18,213,163 for 2022 and \$15,601,900 for 2021. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned General Fund fund balance is 15.1 percent of total fund expenditures and total fund balance is 20.8 percent of total fund expenditures.

The fund balance of the District's General Fund increased by \$2,611,263 during June 30, 2022. Key factors in this increase are as follows:

- Increase in property taxes due to increases in assessed value.
- Planned year-end spending to use fund balance in a fiscally responsible manner.
- Continued analysis of positions that become vacant.

Approximately 81 percent of the District's General Fund expenditures are comprised of salary and benefit costs. Collective bargaining contracts have increased two percent or more for the past few years regardless of the supplemental state aid increase. Supplemental state aid for fiscal years 2017, 2018, 2019, 2020, 2021, and 2022 were established by the State as 2.25%, 1.11%, 1.00%, 2.06%, 2.30%, and 2.40%, respectively.

The Capital Projects Fund fund balance decreased to \$21,797,056 in 2022 from \$98,985,531 in 2021 to \$77,188,475 in 2022. In 2021, the District issued \$85,330,000 in general obligation bonds to build, furnish and equip elementary facility, a grade 6-7 facility, and administrative and support services facility, a buildings and grounds storage and bus parking facility, and a multi-purpose stadium facility. The projects continued the planned spending in fiscal year 2022.

The Debt Service Fund fund balance decreased \$2,444,768 in 2022 to \$13,450,458 from \$15,895,226. This decrease is due to debt service expenditures exceeding property taxes levied and transfers in from the Capital Projects Fund.

**Southeast Polk Community School District**

**Management’s Discussion and Analysis  
Year Ended June 30, 2022**

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**BUDGETARY HIGHLIGHTS**

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget which includes all funds except internal service, private purpose trust, and fiduciary funds as described in the note to required supplementary information.

A comparison of the actual expenditures/expenses of the District’s budgeted funds with the final amended program budget amounts is as follows:

	Budget		Actual Expenditures/ Expenses	Variance
	Original	Final		
Instruction	\$ 57,837,000	\$ 60,502,000	\$ 58,328,977	\$ 2,173,023
Support services	35,491,000	35,491,000	33,364,285	2,126,715
Noninstructional programs	3,796,000	4,158,000	4,117,051	40,949
Other	51,930,802	51,930,802	42,629,977	9,300,825
<b>Total</b>	<b>\$ 149,054,802</b>	<b>\$ 152,081,802</b>	<b>\$ 138,440,290</b>	<b>\$ 13,641,512</b>

Revenues exceeded the final amended budget by \$467,703 due to more federal grant funding due to COVID-19 federal awards than anticipated. Expenditures were \$13,641,512 under budget at year end. Expenditure projections are conservative (projected higher) for the purpose of budget amendments.

The original budget is published at least three months prior to the fiscal year-often prior to settlement of collective bargaining agreements and before final legislative action on the state budget. In the latter portion of the fiscal year the amended budget is published with “not to exceed” amounts to satisfy Iowa’s statutory reporting requirements.

**Southeast Polk Community School District**

**Management's Discussion and Analysis  
Year Ended June 30, 2022**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The following table shows ending balances of capital assets invested in various categories. The District recognized a total net increase of \$22,618,003 for 2022.

Table 4 - Capital Assets as of June 30 (Net of Depreciation)

	2022	2021
Land	\$ 9,343,040	\$ 5,141,170
Construction-in-progress	23,068,758	1,882,297
Buildings	103,811,031	107,045,812
Land improvements	6,720,657	6,989,664
Machinery and equipment	6,010,768	5,449,951
Right to use leased building	72,894	106,537
Right to use leased equipment	206,288	-
<b>Total</b>	<b>\$ 149,233,436</b>	<b>\$ 126,615,431</b>

Additional information about the District's capital assets can be found in Note 5 to the financial statements.

**Debt**

As of June 30, 2022, the Southeast Polk Community School District had general obligation and revenue bonds outstanding totaling \$125,441,460 compared to \$135,006,792 as of June 30, 2021. In the current year, the District paid \$8,007,650 in principal and \$4,362,093 in interest on outstanding debt. As of June 30, 2022, the District's available legal debt margin was \$90,574,913 compared to \$73,509,148 as of June 30, 2021.

Table 5- Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total District	
	Restated				Restated	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
General obligation bonds	\$ 99,150,905	\$ 105,202,301	\$ -	\$ -	\$ 99,150,905	\$ 105,202,301
Revenue bonds	26,290,355	29,804,491	-	-	26,290,355	29,804,491
Lease obligation	318,160	128,118	-	-	318,160	128,118
Net OPEB liability	19,442,959	18,547,153	777,272	756,652	20,220,231	19,303,805
Net pension liability	834,778	44,476,994	83,916	1,088,468	918,694	45,565,462
Early retirement	113,199	-	-	-	113,199	-
Compensated absences	135,452	169,317	-	1,765	135,452	171,082
<b>Total</b>	<b>\$ 146,285,808</b>	<b>\$ 198,328,374</b>	<b>\$ 861,188</b>	<b>\$ 1,846,885</b>	<b>\$ 147,146,996</b>	<b>\$ 200,175,259</b>

Additional information about the District's long-term debt can be found in Note 6 to the financial statements.

## **Southeast Polk Community School District**

### **Management's Discussion and Analysis Year Ended June 30, 2022**

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

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the state. The economic condition and outlook of the District has remained strong over the past ten years and continues to thrive as the entire State of Iowa and nation continues to get back to "normal" following the COVID-19 pandemic. The economic stability in the area has continued to draw new residents into the area with new homes being built across a number of new and expanding residential developments and apartment complexes. The District's overall tax base valuation increased, on average, over the past five years by over five percent annually. The tax base increase from fiscal year 2021 to fiscal year 2022 is nearly nine percent. Consequently, this is favorable for property tax payers by effectively reducing or maintaining the overall tax rate assessed by the District. Although Southeast Polk is the 13<sup>th</sup> largest school district in the State of Iowa, the District's tax rate is the 67<sup>th</sup> highest in the State based on tax rates for fiscal year 2022. More than 20% of all other Iowa public school districts have higher tax rates than Southeast Polk.

The District's certified enrollment count as of October 2022 is 7,211 student FTEs. This is an increase of nearly 187 student FTEs compared to the prior year. There continues to be an increase in the residential housing developments throughout Altoona, Pleasant Hill, Mitchellville, and Des Moines within the boundaries of the school district. As construction materials continue to fluctuate, homes continue to be built at all levels including single and multi-family homes, apartment complexes, and retirement communities. The construction of a new grade 6-7 grade level building and multipurpose stadium and future plans for a new elementary school, the District will continue to attract new residents to the area.

The District ended fiscal year 2022 with a solvency ratio of 17.2%. Unspent spending authority rose to 20% from 17.4% from fiscal year 2021 to 2022. Both of these ratios are a measurement of financial health for the District's general operating fund.

The federal government has provided billions of dollars for COVID-19 pandemic relief of which the District will receive \$6.4 million through September 2024. In addition to supporting mitigation costs due to the pandemic, funds have also been used to supplant costs that would have been accounted for otherwise in other District funds. For example, personnel costs (substitutes) due to employee illnesses and medical costs associated with the testing for and treatment of COVID-19. The District has also built a strategy to hire and use interventionists with these funds to help accelerate regaining the learning loss that occurred during the end of the 2019-2020 school year and the 2020-2021 school year due to the COVID-19 pandemic. Supplemental State Aid was set at 2.5% for the 2022-2023 school year. For the fiscal year 2023 budget, certified enrollment increased by 1.64% or 113.5 student FTEs indicating a return to the classroom for the decreased enrollment in the prior year due to the COVID-19 pandemic. Student enrollment growth in Southeast Polk continues to slightly buffer the District from recent legislative action. The passing of the Education Savings Accounts legislation will have a direct impact on students previously enrolled at Southeast Polk that choose to enroll in a non-public school. The significance of the loss of students is still to be determined. In addition, legislation limiting property valuation growth may lead to higher property taxes in order to achieve the same funding to be able to effectively instruct students.

#### **Request for Information**

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please contact Mr. Kevin Baccam, Executive Director of Business Services, Southeast Polk Community School District, 407 8<sup>th</sup> Street SE, Altoona, Iowa 50327.



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**Southeast Polk Community School District**

**Statement of Net Position**

**June 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and investments	\$ 115,524,143	\$ 7,374,400	\$ 122,898,543
Restricted cash, cash equivalents and investments	12,372,229	-	12,372,229
Receivables:			
Property taxes	36,922,651	-	36,922,651
Income surtax	2,552,188	-	2,552,188
Other	5,517,661	13,598	5,531,259
Prepaid expenses	397	181	578
Inventories	-	37,462	37,462
Internal balances	(275,680)	275,680	-
<b>Total current assets</b>	<b>172,613,589</b>	<b>7,701,321</b>	<b>180,314,910</b>
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	9,343,040	-	9,343,040
Construction-in-progress	23,068,758	-	23,068,758
Depreciable:			
Buildings	162,255,714	-	162,255,714
Land improvements	14,695,139	-	14,695,139
Machinery and equipment	27,658,045	3,087,471	30,745,516
Right to use leased building	151,394	-	151,394
Right to use leased equipment	242,692	-	242,692
Accumulated depreciation	(88,474,942)	(2,793,875)	(91,268,817)
<b>Total noncurrent assets</b>	<b>148,939,840</b>	<b>293,596</b>	<b>149,233,436</b>
<b>Total assets</b>	<b>321,553,429</b>	<b>7,994,917</b>	<b>329,548,346</b>
Deferred outflows of resources:			
Deferral on refunding	73,155	-	73,155
OPEB related deferred outflows	1,628,488	56,365	1,684,853
Pension related deferred outflows	6,428,176	161,413	6,589,589
<b>Total deferred outflows of resources</b>	<b>8,129,819</b>	<b>217,778</b>	<b>8,347,597</b>

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	7,811,579	24,555	7,836,134
Salaries and benefits payable	7,945,861	9,584	7,955,445
Claims payable	581,408	-	581,408
Unearned revenue	3,900	121,803	125,703
Accrued interest payable	595,659	-	595,659
Compensated absences	135,452	-	135,452
Early retirement	113,199	-	113,199
Lease obligation	87,493	-	87,493
General obligation bonds	5,225,000	-	5,225,000
Revenue bonds	3,245,000	-	3,245,000
<b>Total current liabilities</b>	<b>25,744,551</b>	<b>155,942</b>	<b>25,900,493</b>
Noncurrent liabilities:			
Lease obligation	230,667	-	230,667
General obligation bonds	93,925,905	-	93,925,905
Revenue bonds	23,045,355	-	23,045,355
Net OPEB liability	19,442,959	777,272	20,220,231
Net pension liability	834,778	83,916	918,694
<b>Total noncurrent liabilities</b>	<b>137,479,664</b>	<b>861,188</b>	<b>138,340,852</b>
<b>Total liabilities</b>	<b>163,224,215</b>	<b>1,017,130</b>	<b>164,241,345</b>
<b>Deferred inflows of resources:</b>			
Succeeding year property taxes	36,817,683	-	36,817,683
OPEB related deferred inflows	3,047,814	102,675	3,150,489
Pension related deferred inflows	33,227,546	809,506	34,037,052
<b>Total deferred inflows of resources</b>	<b>73,093,043</b>	<b>912,181</b>	<b>74,005,224</b>
<b>Net Position</b>			
Net investment in capital assets	89,292,967	293,596	89,586,563
Restricted for:			
Categorical funding	3,272,457	-	3,272,457
Physical plant and equipment levy	2,429,614	-	2,429,614
School infrastructure	13,751,094	-	13,751,094
Debt service	9,580,432	-	9,580,432
Management levy	38,905	-	38,905
Student activities	694,199	-	694,199
Unrestricted	(25,693,678)	5,989,788	(19,703,890)
<b>Total net position</b>	<b>\$ 93,365,990</b>	<b>\$ 6,283,384</b>	<b>\$ 99,649,374</b>

**Southeast Polk Community School District**

**Statement of Activities  
Year Ended June 30, 2022**

Functions/Programs	Expenses	Charges for Services and Sales
Primary Government:		
Governmental activities:		
Instruction	\$ 52,431,826	\$ 4,074,269
Support services	30,589,079	3,209,682
Noninstructional programs	19,957	-
Other, AEA flowthrough	3,330,533	-
Depreciation (unallocated)*	4,594,842	-
Interest on long-term debt	2,727,473	-
<b>Total governmental activities</b>	<b>93,693,710</b>	<b>7,283,951</b>
Business-type activities:		
School nutrition	4,043,244	405,065
School store	235,519	238,435
<b>Total business-type activities</b>	<b>4,278,763</b>	<b>643,500</b>
<b>Total primary government</b>	<b>\$ 97,972,473</b>	<b>\$ 7,927,451</b>

General revenues and transfers:

General revenues:

Property taxes for general purposes  
 Property taxes for specific purposes  
 Income surtax  
 Utility excise tax  
 Other taxes  
 Statewide sales, services, and use tax  
 State foundation aid, unrestricted  
 Revenue in lieu of taxes  
 Gain on sale of capital assets  
 Investment earnings

**Total general revenues**

Transfers

**Total general revenues and  
transfers**

**Change in net position**

Net position, beginning of year, as restated  
 Net position, end of year

\*This amount excludes the depreciation expenses of the various programs. See Notes to Basic Financial Statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 14,568,652	\$ -	\$ (33,788,905)	\$ -	\$ (33,788,905)
199,048	-	(27,180,349)	-	(27,180,349)
-	-	(19,957)	-	(19,957)
3,330,533	-	-	-	-
-	-	(4,594,842)	-	(4,594,842)
-	-	(2,727,473)	-	(2,727,473)
18,098,233	-	(68,311,526)	-	(68,311,526)
6,092,948	-	-	2,454,769	2,454,769
-	-	-	2,916	2,916
6,092,948	-	-	2,457,685	2,457,685
\$ 24,191,181	\$ -	(68,311,526)	2,457,685	(65,853,841)
		21,613,949	-	21,613,949
		10,399,392	-	10,399,392
		2,672,524	-	2,672,524
		1,393,999	-	1,393,999
		869,290	-	869,290
		8,490,311	-	8,490,311
		39,175,393	-	39,175,393
		740,685	-	740,685
		24,113	1,577	25,690
		46,072	2,471	48,543
		85,425,728	4,048	85,429,776
		73,026	(73,026)	-
		85,498,754	(68,978)	85,429,776
		17,187,228	2,388,707	19,575,935
		76,178,762	3,894,677	80,073,439
		\$ 93,365,990	\$ 6,283,384	\$ 99,649,374

## Southeast Polk Community School District

### Balance Sheet Governmental Funds June 30, 2022

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
<b>Assets</b>					
Cash, cash equivalents and investments	\$ 25,411,382	\$ 80,139,902	\$ 1,648,545	\$ 895,760	\$ 108,095,589
Restricted cash, cash equivalents and investments	-	586,486	11,785,743	-	12,372,229
Receivables:					
Property taxes	23,608,456	4,528,041	5,783,109	3,003,045	36,922,651
Income surtax	2,552,188	-	-	-	2,552,188
Due from other governments	3,765,924	1,745,805	-	470	5,512,199
Prepaid items	296	-	-	101	397
<b>Total assets</b>	<b>\$ 55,338,246</b>	<b>\$ 87,000,234</b>	<b>\$ 19,217,397</b>	<b>\$ 3,899,376</b>	<b>\$ 165,455,253</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 2,976,685	\$ 4,134,792	\$ 300	\$ 44,601	\$ 7,156,378
Salaries and benefits payable	7,941,279	-	-	4,582	7,945,861
Unearned revenue	-	-	-	3,900	3,900
Early retirement	-	-	-	113,199	113,199
<b>Total liabilities</b>	<b>10,917,964</b>	<b>4,134,792</b>	<b>300</b>	<b>166,282</b>	<b>15,219,338</b>
Deferred Inflows of Resources, unavailable revenue:					
Succeeding year property tax	23,535,686	4,515,368	5,766,639	2,999,990	36,817,683
Income surtax	2,552,188	-	-	-	2,552,188
Sales and services tax	-	1,161,599	-	-	1,161,599
Grants	119,245	-	-	-	119,245
<b>Total deferred inflows of resources</b>	<b>26,207,119</b>	<b>5,676,967</b>	<b>5,766,639</b>	<b>2,999,990</b>	<b>40,650,715</b>
Fund balances:					
Nonspendable	296	-	-	101	397
Restricted for:					
Categorical funding	3,272,457	-	-	-	3,272,457
Physical plant and equipment	-	2,429,614	-	-	2,429,614
School infrastructure	-	74,172,375	-	-	74,172,375
Debt service	-	586,486	13,450,458	-	14,036,944
Management levy	-	-	-	38,905	38,905
Student activities	-	-	-	694,098	694,098
Assigned for community programs	1,706,747	-	-	-	1,706,747
Unassigned	13,233,663	-	-	-	13,233,663
<b>Total fund balances</b>	<b>18,213,163</b>	<b>77,188,475</b>	<b>13,450,458</b>	<b>733,104</b>	<b>109,585,200</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 55,338,246</b>	<b>\$ 87,000,234</b>	<b>\$ 19,217,397</b>	<b>\$ 3,899,376</b>	<b>\$ 165,455,253</b>

See Notes to Basic Financial Statements.

**Southeast Polk Community School District**

**Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
June 30, 2022**

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Total fund balances \$ 109,585,200

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds 148,939,840

Receivables not collected within 60 days of year-end are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds 3,833,032

Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position:

Other current assets	7,434,016	
Other current liabilities	(1,236,609)	6,197,407

Internal Service funds allocated to business-type activities (275,680)

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:

OPEB related deferred outflows of resources	1,628,488	
OPEB related deferred inflows of resources	(3,047,814)	
Pension related deferred outflows of resources	6,428,176	
Pension related deferred inflows of resources	(33,227,546)	(28,218,696)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Deferral on refunding	73,155	
Accrued interest payable	(595,659)	
Compensated absences	(135,452)	
Premium on general obligation bond issuance	(7,850,905)	
General obligation bonds, current	(5,225,000)	
General obligation bonds, noncurrent	(86,075,000)	
Premium on revenue bond issuance	(830,355)	
Revenue bonds, current	(3,245,000)	
Revenue bonds, noncurrent	(22,215,000)	
Lease liability, current	(87,493)	
Lease liability, noncurrent	(230,667)	
Net OPEB liability	(19,442,959)	
Net pension liability	(834,778)	(146,695,113)

<b>Net position of governmental activities</b>		<b>\$ 93,365,990</b>
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See Notes to Basic Financial Statements.

Southeast Polk Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2022

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Revenues:					
Property taxes and local sources:					
Property taxes	\$ 21,613,949	\$ 4,110,851	\$ 5,334,531	\$ 954,010	\$ 32,013,341
Income surtax	2,716,045	-	-	-	2,716,045
Utility excise tax	996,245	153,974	199,808	43,972	1,393,999
Other taxes	862,465	2,642	3,429	754	869,290
Student activities	35,422	-	-	993,916	1,029,338
Investment earnings	8,695	32,093	2,436	338	43,562
Tuition/transportation	4,368,674	-	-	-	4,368,674
Other	1,688,399	150,770	-	46,769	1,885,938
State sources:					
State foundation aid	39,175,393	-	-	-	39,175,393
Statewide sales services tax	-	8,333,025	-	-	8,333,025
Other state sources	12,502,325	176,025	131,095	21,499	12,830,944
Federal sources	5,922,475	-	-	-	5,922,475
<b>Total revenues</b>	<b>89,890,087</b>	<b>12,959,380</b>	<b>5,671,299</b>	<b>2,061,258</b>	<b>110,582,024</b>
Expenditures:					
Current:					
Instruction	56,319,698	76,891	-	1,728,003	58,124,592
Support services:					
Student services	3,188,459	-	-	3,755	3,192,214
Instructional support	3,700,585	9,988	-	8,556	3,719,129
General administration	1,319,680	-	-	4,473	1,324,153
School administration	4,346,658	-	-	120,777	4,467,435
Business and central administration	4,010,534	1,963,022	-	795,805	6,769,361
Plant operation and maintenance	7,122,389	163,124	-	907,841	8,193,354
Student transportation	4,242,236	1,399,184	-	37,833	5,679,253
Noninstructional programs	-	-	-	19,957	19,957
Other, AEA support	3,330,533	-	-	-	3,330,533
Capital outlay	-	26,929,701	-	-	26,929,701
Debt service:					
Principal	34,647	18,003	7,955,000	-	8,007,650
Interest and other charges	4,503	5,997	4,351,593	-	4,362,093
<b>Total expenditures</b>	<b>87,619,922</b>	<b>30,565,910</b>	<b>12,306,593</b>	<b>3,627,000</b>	<b>134,119,425</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,270,165</b>	<b>(17,606,530)</b>	<b>(6,635,294)</b>	<b>(1,565,742)</b>	<b>(23,537,401)</b>
Other financing sources (uses):					
Issuance of lease	242,692	-	-	-	242,692
Proceeds from sale of capital assets	25,380	-	-	-	25,380
Transfers in	73,026	-	4,190,526	-	4,263,552
Transfers (out)	-	(4,190,526)	-	-	(4,190,526)
<b>Total other financing sources (uses)</b>	<b>341,098</b>	<b>(4,190,526)</b>	<b>4,190,526</b>	<b>-</b>	<b>341,098</b>
<b>Net change in fund balance</b>	<b>2,611,263</b>	<b>(21,797,056)</b>	<b>(2,444,768)</b>	<b>(1,565,742)</b>	<b>(23,196,303)</b>
Fund balances, beginning of year	15,601,900	98,985,531	15,895,226	2,298,846	132,781,503
Fund balances, end of year	\$ 18,213,163	\$ 77,188,475	\$ 13,450,458	\$ 733,104	\$ 109,585,200

See Notes to Basic Financial Statements.



## Southeast Polk Community School District

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2022

Net change in fund balances - total governmental funds		\$ (23,196,303)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlay	28,264,408	
Depreciation expense by function:		
Instruction	(56,237)	
Support services	(1,115,860)	
Unallocated	(4,594,842)	22,497,469
Proceeds from sale of capital asset	(25,380)	
Gain on disposal of capital assets	24,113	(1,267)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Sales tax	157,286	
Income surtax	(43,521)	
Grants	85,500	199,265
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of long-term debt increases liabilities in the statement of net position, while the repayment of long-term debt reduces long-term liabilities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Issuance of lease	(242,692)	
Repayment of lease	52,650	
Repayment of bonds principal	7,955,000	
Amortization of premium	1,610,532	
Amortization of deferral on refunding	(25,820)	
Interest	49,908	9,399,578
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.		975,334
Change in internal service funds allocation to business-type activities		(42,102)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in compensated absences, support services	33,865	
Change in liability for net OPEB liability:		
Instruction	(511,672)	
Support services	(214,470)	
Change in liability for net pension liability:		
Instruction	5,638,481	
Support services	2,409,050	7,355,254
<b>Change in net position of governmental activities</b>		<b>\$ 17,187,228</b>

See Notes to Basic Financial Statements.

**Southeast Polk Community School District**

**Statement of Net Position**

**Proprietary Funds**

**June 30, 2022**

	Business-Type Activities, Enterprise Funds			Governmental
	School Nutrition	Nonmajor School Store	Total	Activities, Internal Service Fund
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 6,985,206	\$ 389,194	\$ 7,374,400	\$ 7,428,554
Other receivables	13,598	-	13,598	5,462
Inventories	37,462	-	37,462	-
Prepaid expense	-	181	181	-
<b>Total current assets</b>	<b>7,036,266</b>	<b>389,375</b>	<b>7,425,641</b>	<b>7,434,016</b>
Noncurrent assets:				
Capital assets:				
Machinery and equipment	3,087,471	-	3,087,471	-
Less accumulated depreciation	(2,793,875)	-	(2,793,875)	-
<b>Total noncurrent assets</b>	<b>293,596</b>	<b>-</b>	<b>293,596</b>	<b>-</b>
<b>Total assets</b>	<b>7,329,862</b>	<b>389,375</b>	<b>7,719,237</b>	<b>7,434,016</b>
<b>Deferred outflows of resources:</b>				
OPEB related deferred outflows	56,365	-	56,365	-
Pension related deferred outflows	161,413	-	161,413	-
<b>Total deferred outflows of resources</b>	<b>217,778</b>	<b>-</b>	<b>217,778</b>	<b>-</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	14,701	9,854	24,555	655,201
Salaries and benefits payable	8,363	1,221	9,584	-
Compensated absences	-	-	-	-
Claims payable	-	-	-	581,408
Unearned revenues	114,843	6,960	121,803	-
<b>Total current liabilities</b>	<b>137,907</b>	<b>18,035</b>	<b>155,942</b>	<b>1,236,609</b>
Noncurrent liabilities:				
Net OPEB liability	777,272	-	777,272	-
Net pension liability	83,916	-	83,916	-
<b>Total noncurrent liabilities</b>	<b>861,188</b>	<b>-</b>	<b>861,188</b>	<b>-</b>
<b>Total liabilities</b>	<b>999,095</b>	<b>18,035</b>	<b>1,017,130</b>	<b>1,236,609</b>
<b>Deferred inflows of resources:</b>				
OPEB related deferred inflows	102,675	-	102,675	-
Pension related deferred inflows	809,506	-	809,506	-
<b>Total deferred inflows of resources</b>	<b>912,181</b>	<b>-</b>	<b>912,181</b>	<b>-</b>
<b>Net Position</b>				
Investment in capital assets	293,596	-	293,596	-
Unrestricted	5,342,768	371,340	5,714,108	6,197,407
<b>Total net position</b>	<b>\$ 5,636,364</b>	<b>\$ 371,340</b>	<b>\$ 6,007,704</b>	<b>\$ 6,197,407</b>

See Notes to Basic Financial Statements.

**Southeast Polk Community School District**

**Reconciliation of Enterprise Funds Net Position to the Net Position of  
Business-Type Activities**

**June 30, 2022**

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Total enterprise funds net position \$ 6,007,704

Amounts reported for business-type activities in the statement of net position are different because internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net position.

275,680

**Net position of business-type activities**

\$ 6,283,384

See Notes to Basic Financial Statements.

**Southeast Polk Community School District**

**Statement of Revenues, Expenses and Changes in Net Position**

**Proprietary Funds**

**Year Ended June 30, 2022**

	Business-Type Activities, Enterprise Funds			Governmental
	School Nutrition	Nonmajor	Total	Activities, Internal Service Fund
		School Store		
Operating revenues:				
Food sales	\$ 404,765	\$ -	\$ 404,765	\$ -
Charges for services	300	238,435	238,735	11,270,655
<b>Total operating revenues</b>	<b>405,065</b>	<b>238,435</b>	<b>643,500</b>	<b>11,270,655</b>
Operating expenses:				
Salaries	1,238,111	15,381	1,253,492	-
Employee benefits	320,266	2,620	322,886	-
Purchased services	183,662	12,190	195,852	549,487
Food consumed	1,885,370	-	1,885,370	-
Supplies	420,634	176,993	597,627	-
Depreciation	37,078	-	37,078	-
Claims and administration	-	-	-	9,748,344
Other	225	28,335	28,560	-
<b>Total operating expenses</b>	<b>4,085,346</b>	<b>235,519</b>	<b>4,320,865</b>	<b>10,297,831</b>
<b>Operating income (loss)</b>	<b>(3,680,281)</b>	<b>2,916</b>	<b>(3,677,365)</b>	<b>972,824</b>
Nonoperating revenues:				
Federal food commodities	430,286	-	430,286	-
Federal appropriations	5,626,745	-	5,626,745	-
State appropriations	35,917	-	35,917	-
Gain on sale of capital assets	1,577	-	1,577	-
Interest	2,317	154	2,471	2,510
<b>Total nonoperating revenues</b>	<b>6,096,842</b>	<b>154</b>	<b>6,096,996</b>	<b>2,510</b>
<b>Income before transfers</b>	<b>2,416,561</b>	<b>3,070</b>	<b>2,419,631</b>	<b>975,334</b>
Transfers (out)	(73,026)	-	(73,026)	-
<b>Change in net position</b>	<b>2,343,535</b>	<b>3,070</b>	<b>2,346,605</b>	<b>975,334</b>
Net position, beginning of year	3,292,829	368,270	3,661,099	5,222,073
Net position, end of year	\$ 5,636,364	\$ 371,340	\$ 6,007,704	\$ 6,197,407

See Notes to Basic Financial Statements.

**Southeast Polk Community School District**

**Reconciliation of the Change in Net Position of Enterprise Funds to the  
Statement of Activities  
Year Ended June 30, 2022**

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Net changes in net position in enterprise funds \$ 2,346,605

Amounts reported for proprietary activities in the statement of activities are different because internal service funds are used by management to charge the costs of various activities internally to individual funds. The net revenue of certain activities of the Internal Service Fund is reported with business-type activities.

42,102

**Change in net position of business-type activities**

\$ 2,388,707

See Notes to Basic Financial Statements.

**Southeast Polk Community School District**

**Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2022**

	Business-Type Activities, Enterprise Funds			Governmental
	School Nutrition	Nonmajor School Store	Total	Activities, Internal Service Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 517,051	\$ 237,535	\$ 754,586	\$ 11,453,134
Payments to suppliers	(2,083,977)	(208,701)	(2,292,678)	(10,540,031)
Payments to employees	(1,730,584)	(16,780)	(1,747,364)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(3,297,510)</b>	<b>12,054</b>	<b>(3,285,456)</b>	<b>913,103</b>
Cash flows from noncapital financial activities:				
Federal and state appropriations received	5,662,661	-	5,662,661	-
Payments to other funds	(73,026)	-	(73,026)	-
<b>Net cash provided by noncapital financing activities</b>	<b>5,589,635</b>	<b>-</b>	<b>5,589,635</b>	<b>-</b>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(164,206)	-	(164,206)	-
Proceeds from sale of capital assets	6,902	-	6,902	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(157,304)</b>	<b>-</b>	<b>(157,304)</b>	<b>-</b>
Cash flows from investing activities, interest received	2,317	154	2,471	2,510
<b>Net increase in cash and cash equivalents</b>	<b>2,137,138</b>	<b>12,208</b>	<b>2,149,346</b>	<b>915,613</b>
Cash and cash equivalents, beginning of year	4,848,068	376,986	5,225,054	6,512,941
Cash and cash equivalents, end of year	<b>\$ 6,985,206</b>	<b>\$ 389,194</b>	<b>\$ 7,374,400</b>	<b>\$ 7,428,554</b>

(Continued)

**Southeast Polk Community School District**

**Statement of Cash Flows (Continued)**

**Proprietary Funds**

**Year Ended June 30, 2022**

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor School Store	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(3,680,281)	2,916	(3,677,365)	972,824
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	37,078	-	37,078	-
Federal food commodities used	430,287	-	430,287	-
Change in assets and liabilities:				
Receivables	139,104	-	139,104	182,479
Prepaid expenses	-	4,662	4,662	-
Inventories	(4,905)	-	(4,905)	-
Accounts payable	(19,468)	4,155	(15,313)	(187,503)
Salaries and benefits payable	(1,921)	1,221	(700)	-
Compensated absences	(1,765)	-	(1,765)	-
Claims payable	-	-	-	(54,697)
Unearned revenue	(27,118)	(900)	(28,018)	-
Net pension liability and related deferrals	(185,237)	-	(185,237)	-
Net OPEB liability and related deferrals	16,716	-	16,716	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (3,297,510)</b>	<b>\$ 12,054</b>	<b>\$ (3,285,456)</b>	<b>\$ 913,103</b>
Schedule of noncash items:				
Noncapital financing activities, federal commodities	\$ 430,287	\$ -	\$ 430,287	\$ -

See Notes to Basic Financial Statements.

**Southeast Polk Community School District**

**Statement of Fiduciary Net Position**

**Fiduciary Fund**

**June 30, 2022**

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	<u>Custodial</u>
<b>Assets</b>	
Cash, cash equivalents and investments	\$ 393,971
Accounts receivable	18
<b>Total assets</b>	<u>393,989</u>
<b>Liabilities</b>	
Accounts payable	6,771
<b>Total liabilities</b>	<u>6,771</u>
<b>Net position</b>	<u>\$ 387,218</u>

See Notes to Basic Financial Statements.



Southeast Polk Community School District

Statement of Revenues, Expenses and Changes in Net Position  
Fiduciary Fund  
Year Ended June 30, 2022

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	<u>Custodial</u>
Additions:	
Local sources:	
Interest income	\$ 163
Other	286,006
<b>Total additions</b>	<u>286,169</u>
Deductions:	
Current:	
Instruction	
Administrative	209,208
Scholarships awarded	1,154
<b>Total deductions</b>	<u>210,362</u>
<b>Change in net position</b>	75,807
Net position, beginning of year	311,411
Net position, end of year	<u>\$ 387,218</u>

See Notes to Basic Financial Statements.

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## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies

##### Nature of operations:

The Southeast Polk Community School District (the District) was incorporated under Chapter 274 of the State Code of Iowa. The District has the power to make rules and regulations for its own government consistent with the laws of the state of Iowa and the regulations of the Iowa State Board of Education. The District is governed by the elected Southeast Polk Community School Board of Education (the Board). The District operates public schools for children in preschool through twelfth grade.

The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

##### Reporting entity:

In accordance with Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the District is financially accountable. The District has also considered all other potential organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a 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. In addition, GASB Statement No. 61 which amended GASB Statement No. 39, sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District, its component units, or its constituents, 2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the organization and 3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District. Based on these criteria, there are no other organizations which should be included in these basic financial statements.

**Jointly governed organization:** The District participates in a jointly governed organization that provides services to the District but does 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 Polk, Jasper, and Marion Counties Assessors' Conference Board.

**Basis of presentation:** The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements which provide a more detailed level of financial information.

**Government-wide and fund financial statements:** The government-wide financial statements (i.e., 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 the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Interfund services provided and used are not eliminated in the process of consolidation for these statements.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in the following categories:

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

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

*Unrestricted net position:* Consist of net position that does not meet the definition of the preceding categories. Unrestricted net position often has constraints on resources 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 are offset by program revenues. Direct expenses are those that are 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 and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of fund financial statements is on major funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**Fund accounting:** The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

**Governmental Fund Types:** Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows and liabilities and deferred inflows is reported as fund balance. The following is the District's major governmental funds:

General Fund: The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund accounts for the instructional and most of the support service programs of the District's operations. Revenue of the fund consists primarily of local property taxes and state governmental aid.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Capital Projects Fund: Accounts for the resources used to pay for the purchase and improvement of sites, demolition work, and major building repairs as well as the statewide sales and services tax for school infrastructure.

Debt Service Fund: Accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of local property taxes.

The other governmental funds of the District are considered nonmajor and are as follows:

Special Revenue Funds: Are used to account for the revenue sources that are legally restricted to expenditures for specific purposes.

Management Fund: Accounts for tort liability insurance premiums, unemployment compensation, insurance claims and early retirement incentive payments.

Student Activity Fund: Accounts for money held by the District on behalf of the students who have raised these funds and are responsible for their disposition for co-curricular to extracurricular activities of the District.

**Proprietary Fund Types**: Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

**Enterprise Funds**: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The following is the District's major enterprise fund:

School Nutrition Fund: Accounts for the food service operations of the District.

The following is the District's nonmajor enterprise fund:

School Store Fund: Accounts for the resale service operations of the District.

**Internal Service Funds**: The Internal Service Funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District's Internal Service funds are used to account for the premium and claim payments for the self-insured health insurance plans, flex benefit plan, and self-funded dental insurance plan for District employees.

**Fiduciary Fund Types**: Fiduciary fund types are used to account for assets held by the District in a trustee or agency capacity for the benefit of others and cannot be used to support District activities. The District has the following fiduciary funds:

Custodial Fund: Accounts for assets held in a custodial capacity by the District for individuals, private organizations, or other governments. The District's Custodial Fund consists of accounts for Booster Clubs and PTG parent organizations.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

**Measurement Focus and Basis of Accounting:** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. The District also reports fiduciary funds which focus on net position and changes in net position. The fiduciary funds report on the accrual basis of accounting.

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 District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded 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.

**Revenues – exchange and nonexchange transactions:** Property taxes, other taxes, grants, entitlements and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which it is budgeted. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Property taxes are recognized as a receivable at the time they become an enforceable legal claim. This is determined to occur when the budget is certified and approved by the state of Iowa. The current tax levy recognized in revenue was certified in April 2021 based on 2020 assessed valuations. These taxes are due in two installments on September 30 and March 31, with a 1.5 percent per month penalty for delinquent payment.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 revenue of the District's proprietary funds are charges for food sales or tuition and fees. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

#### Significant Accounting Policies:

The significant accounting policies followed by the District include the following:

**Cash, cash equivalents and investment accounts:** Separate bank accounts and investments are not maintained for all District funds, as certain funds maintain their cash and investment balances in a pooled account. Accounting records are maintained to show the portion of the pooled account attributable to each participating fund. 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 cost.

**Due from other governments:** Due from other governments consists of \$1,745,805 from the state for the statewide sales and services tax, \$315,198 from the state for grant programs and \$3,451,196 from other local districts for tuition and fees.

**Inventories:** Inventories are valued at cost (first-in, first-out), which approximates market. The consumption method of accounting is applied to the governmental fund type inventories. Unused commodities at balance sheet date are reported as inventory in the statement of net position.

**Prepaid items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements on the consumption method.

**Capital assets:** General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

**Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirement during the year. Donated capital assets are recorded at their acquisition values as of the date received. Acquisition value is the price that would be paid to acquire an asset with equivalent value at the date of donation.

Right-to-use leased assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs to place the assets in service. Subsequently, the leased assets are amortized on a straight-line basis over the shorter of the life of the lease or estimated useful life of the asset.

The District maintains the following capitalization thresholds:

Asset Class	Threshold
Land	\$ 1
Buildings	1,000
Land improvements	1,000
Intangibles	25,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,000

The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported assets except land and construction-in-progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Useful Lives
Buildings	50 years
Land improvements	20-50 years
Intangibles	5-10 years
Machinery and equipment	5-15 years

The District's collection of library books and other similar assets are not capitalized due to the individual assets not meeting the District's capitalization threshold. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

**Leases:** The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities of the government-wide financial statements.

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



## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

**Unearned revenue:** Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when monies are received by the District which are not yet earned. Unearned revenue consists primarily of school textbook rental fees and food service deposits collected for the programs and services in the next school year.

**Accrued payroll:** Payroll and the related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but have balances payable in July and August, have been accrued as a liability as they are applicable to services provided during the respective fiscal years and will be paid with available resources.

**Compensated absences:** Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No amount is expected to be liquidated with available resources as of year-end. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense in the statement of activities and a current liability in the statement of net position as vacation must be used within one year. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**Long-term obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

**Self-insurance:** The District is self-insured for health and dental benefits. The District's premiums and claims are accounted for in internal service funds. Premiums are charged by the internal service funds to operating funds based upon number of employees and selected coverage in each fund. There have been no significant reductions in insurance coverage for the District from the prior year.

**Cash flows:** For the purpose of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

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

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts the Board of Education intend to use for specific purposes. It is the District's policy that the authority to assign fund balances has been delegated to the Executive Director of Business Services by the Board of Education through the adoption of the budget.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first followed by assigned funds and then unassigned.

**Deferred outflows/inflows of resources:** In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources in the proprietary funds and government-wide statement of net position consist of unrecognized items not yet charged to pension and other postemployment benefit expense, contributions from the employer after the measurement date but before the end of the employer's reporting period, and deferrals on advance refundings.

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue in the governmental funds balance sheet from the statewide sales and services tax, grants, income surtax, and property tax. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which levied. Deferred inflows of resources in the proprietary funds and government-wide statements also include the unamortized items not yet charged to pension expense and other postemployment benefit expense.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

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

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

**Net position:** In proprietary funds, fiduciary funds, and government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent bond proceeds of \$66,039,392.

Net position restricted through enabling legislation consists of \$2,429,614 for physical plant and equipment levy, \$13,751,094 for school infrastructure, and \$38,905 for management levy. All other restricted net position consists of \$3,272,457 for categorical funding, \$9,580,432 for required bond reserves and \$694,199 for student activities and are restricted by grantors, bond covenants and donors.

**Net position flow assumption:** Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**Interfund activity:** Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Estimates:** The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

#### Note 2. Budgetary and Budgetary Control

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 3. Cash and Cash Equivalents and Investments

Authorized Investments: 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 improvements certificates of a drainage district.

Interest rate risk: The District's investment policy limits the investment of operating funds in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions. The maturity of the District's position in an external pool is based on the average maturity of the pool's investments.

Credit risk: Generally, credit risk is the risk than an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized rating organization (Standard and Poor's and Moody Investor Services). The District's investment policy does not formally address credit risk.

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2022, the District had no investments subject to concentration of credit risk.

Custodial credit risk: For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. The District's deposits in banks as of June 30, 2022 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

For investments, custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District investments as of June 30, 2022 are held in the name of the District and are not exposed to custodial credit risk.

#### Note 4. Interfund Transfers

The following is a schedule of transfers as included in the basic financial statements of the District:

	Transfers In	Transfers Out
Governmental activities:		
Major funds:		
General Fund	\$ 73,026	\$ -
Capital Projects Fund	-	4,190,526
Debt Service Fund	4,190,526	-
Business-type activities:		
Major fund, School Nutrition Fund	-	73,026
	<u>\$ 4,263,552</u>	<u>\$ 4,263,552</u>

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

**Note 4. Interfund Transfers (Continued)**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues statutorily required to be collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The School Nutrition Fund transfer is to record program support as required by the State of Iowa.

**Note 5. Capital Assets**

Capital asset activity of the business-type activities for the year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
Business-type activities:				
Capital assets, being depreciated, machinery and equipment	\$ 3,002,175	\$ 164,206	\$ 78,910	\$ 3,087,471
Accumulated depreciation, machinery and equipment	2,830,382	37,078	73,585	2,793,875
<b>Total capital assets, being depreciation, net</b>	<b>\$ 171,793</b>	<b>\$ 127,128</b>	<b>\$ 5,325</b>	<b>\$ 293,596</b>

Capital asset activity of the governmental activities for the year ended June 30, 2022 was as follows:

	Restated Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,141,170	\$ 4,201,870	\$ -	\$ 9,343,040
Construction-in-progress	1,882,297	22,023,209	836,748	23,068,758
<b>Total capital assets, not being depreciated</b>	<b>7,023,467</b>	<b>26,225,079</b>	<b>836,748</b>	<b>32,411,798</b>
Capital assets, being depreciated:				
Buildings	161,688,596	567,118	-	162,255,714
Land improvements	14,425,510	269,629	-	14,695,139
Machinery and equipment	25,909,138	1,796,638	47,731	27,658,045
Right to use leased building	151,394	-	-	151,394
Right to use leased equipment	-	242,692	-	242,692
<b>Total capital assets, being depreciated</b>	<b>202,174,638</b>	<b>2,876,077</b>	<b>47,731</b>	<b>205,002,984</b>
Accumulated depreciation and amortization:				
Buildings	54,642,784	3,801,899	-	58,444,683
Land improvements	7,435,846	538,636	-	7,974,482
Machinery and equipment	20,630,980	1,356,357	46,464	21,940,873
Right to use leased building	44,857	33,643	-	78,500
Right to use leased equipment	-	36,404	-	36,404
<b>Total accumulated depreciation and amortization</b>	<b>82,754,467</b>	<b>5,766,939</b>	<b>46,464</b>	<b>88,474,942</b>
<b>Total capital assets, being depreciated, net</b>	<b>119,420,171</b>	<b>(2,890,862)</b>	<b>1,267</b>	<b>116,528,042</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 126,443,638</b>	<b>\$ 23,334,217</b>	<b>\$ 838,015</b>	<b>\$ 148,939,840</b>

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

**Note 5. Capital Assets (Continued)**

Depreciation was charged to the functions as follows:

Governmental activities:	
Instruction	\$ 56,237
Support services	1,115,860
Unallocated	4,594,842
<b>Total depreciation expense, governmental activities</b>	<b>\$ 5,766,939</b>
Business-type activities, school nutrition	<b>\$ 37,078</b>

**Note 6. Long-term Debt**

The following is a summary of changes in long-term debt of the District:

	Restated June 30, 2021	Additions	Reductions	June 30, 2022	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 96,000,000	\$ -	\$ 4,700,000	\$ 91,300,000	\$ 5,225,000
Premium on general obligation bonds	9,202,301	-	1,351,396	7,850,905	-
Revenue bonds	25,155,000	-	2,730,000	22,425,000	2,855,000
Premium on revenue bonds	1,089,491	-	259,136	830,355	-
Direct placements, revenue refunding bonds series 2019	3,560,000	-	525,000	3,035,000	390,000
Building lease	128,118	-	18,003	110,115	40,897
Equipment lease	-	242,692	34,647	208,045	46,596
Early retirement	-	246,768	133,569	113,199	-
Compensated absences	169,317	135,452	169,317	135,452	-
Net OPEB liability	18,547,153	895,806	-	19,442,959	-
Net pension liability	44,476,994	-	43,642,216	834,778	-
<b>Total</b>	<b>\$ 198,328,374</b>	<b>\$ 1,520,718</b>	<b>\$ 53,563,284</b>	<b>\$ 146,285,808</b>	<b>\$ 8,557,493</b>
Business-type activities:					
Compensated absences	\$ 1,765	\$ -	\$ 1,765	\$ -	\$ -
Net OPEB liability	756,652	20,620	-	777,272	-
Net pension liability	1,088,468	-	1,004,552	83,916	-
	<b>\$ 1,846,885</b>	<b>\$ 20,620</b>	<b>\$ 1,006,317</b>	<b>\$ 861,188</b>	<b>\$ -</b>

Compensated absences are generally liquidated by the General Fund. The net OPEB liability and net pension liability are generally liquidated by the General Fund for governmental activities and the respective funds for business-type activities. Early retirement is generally liquidated by the Management Fund.

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

**Note 6. Long-term Debt (Continued)**

General obligation bonds: The District has issued the following general obligation bonds for capital facility purposes as follows:

Year ending June 30:	Interest Rates (Percent)	\$25,910,000 Issued March 19, 2015		
		Principal	Interest	Total
2023	5.00	\$ 1,625,000	\$ 256,000	\$ 1,881,000
2024	5.00	1,705,000	174,750	1,879,750
2025	5.00	1,790,000	89,500	1,879,500
<b>Totals</b>		<b>\$ 5,120,000</b>	<b>\$ 520,250</b>	<b>\$ 5,640,250</b>

Year ending June 30:	Interest Rates (Percent)	\$9,295,000 Issued March 19, 2015		
		Principal	Interest	Total
2023	5.00	\$ 1,000,000	\$ 1,500,000	\$ 2,500,000
2024	5.00	1,000,000	100,000	1,100,000
2025	5.00	1,000,000	50,000	1,050,000
<b>Totals</b>		<b>\$ 3,000,000</b>	<b>\$ 1,650,000</b>	<b>\$ 4,650,000</b>

Year ending June 30:	Interest Rates (Percents)	\$85,330,000 Issued November 6, 2020		
		Principal	Interest	Total
2023	5.00	\$ 2,600,000	\$ 2,758,850	\$ 5,358,850
2024	5.00	3,370,000	2,628,850	5,998,850
2025	5.00	3,775,000	2,460,350	6,235,350
2026	5.00	4,215,000	2,271,600	6,486,600
2027	5.00	4,680,000	2,060,850	6,740,850
2028-2032	3.00-5.00	31,265,000	6,706,800	37,971,800
2033-2036	2.00	33,275,000	1,687,300	34,962,300
<b>Totals</b>		<b>\$ 83,180,000</b>	<b>\$ 20,574,600</b>	<b>\$ 103,754,600</b>

The Debt Service Fund has restricted investments of \$11,785,743 with fiscal agent from an advance levy for future debt service on the General Obligation Bonds Series 2015A and Series 2015B respectively.

Revenue bonds:

- On February 28, 2013, the District issued \$10,000,000 in revenue bonds for capital facility construction. The bonds bear interest at rates ranging from 2.00 to 2.80 percent and mature on June 1, 2029.
- On May 8, 2015, the District issued \$6,515,000 in revenue bonds for capital facility construction. The bonds bear interest rates ranging from 3.00 to 4.00 percent and mature on June 1, 2029.
- On June 15, 2016, the District issued \$19,965,000 in revenue bonds to crossover refund \$20,660,000 of the Series 2009 revenue bonds on June 1, 2019. The bonds bear interest at rates ranging from 2.25 percent to 5.00 percent and mature on June 1, 2029.
- On July 2, 2018, the District issued \$5,045,000 School Infrastructure Sales Services and Use Tax Revenue Refunding Bonds, Series 2021. The bonds bear an interest rate of 2.95 percent. Interest is due semi-annually on December 1 and June 1. Principal maturities range from \$485,000 to \$525,000 due annually each June 1 beginning June 1, 2022 until maturity on June 1, 2029.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

#### Note 6. Long-Term Debt (Continued)

The District has pledged future statewide sales, services and use tax collected in the Capital Projects Fund for repayment of the revenue bonds. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District. The bonds are not general obligations of the District. However, the bonds are subject to the constitutional debt limitation of the District.

Annual principal and interest on the bonds are expected to require 62-71% of the pledged revenue over the life of the bonds. The total principal and interest remaining to be paid on the bonds is \$28,630,542. During the year ended June 30, 2022, principal and interest of \$4,202,100 was paid on the bonds and statewide sales, services and use tax revenues were \$8,333,025.

The resolution providing for the issuance of the revenue bonds included the following provisions:

- Monies shall be deposited into a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. As of June 30, 2022, the reserve account balance was \$3,996,028.
- All proceeds from the statewide sales, services and use tax shall be placed in a revenue account. Monies in the revenue account shall first be disbursed to make deposits into the sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year. Monthly, 1/6<sup>th</sup> of the next interest payment and 1/12<sup>th</sup> of the next principal payment are to be deposited in to the sinking account. As of June 30, 2022, the sinking fund account balance was \$88,038.
- Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The annual debt service requirements on the revenue bonds are as follows:

Year ending June 30:	Issued February 28, 2013			Issued May 28, 2015		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 640,000	\$ 122,568	\$ 762,568	\$ 470,000	\$ 136,050	\$ 606,050
2024	655,000	108,807	763,807	485,000	117,250	602,250
2025	680,000	94,070	774,070	505,000	97,850	602,850
2026	700,000	78,090	778,090	525,000	77,650	602,650
2027	725,000	60,940	785,940	550,000	56,650	606,650
2028-2029	1,530,000	63,930	1,593,930	1,145,000	63,350	1,208,350
<b>Totals</b>	<b>\$ 4,930,000</b>	<b>\$ 528,405</b>	<b>\$ 5,458,405</b>	<b>\$ 3,680,000</b>	<b>\$ 548,800</b>	<b>\$ 4,228,800</b>

Year ending June 30:	Issued June 15, 2016			Direct Placements Issued July 2, 2019		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,745,000	\$ 470,063	\$ 2,215,063	\$ 390,000	\$ 89,532	\$ 479,532
2024	1,840,000	382,812	2,222,812	405,000	78,028	483,028
2025	1,930,000	290,813	2,220,813	420,000	66,080	486,080
2026	2,005,000	213,612	2,218,612	430,000	53,690	483,690
2027	2,045,000	173,514	2,218,514	445,000	41,006	486,006
2028-2029	4,250,000	192,150	4,442,150	945,000	42,037	987,037
<b>Totals</b>	<b>\$ 13,815,000</b>	<b>\$ 1,722,964</b>	<b>\$ 15,537,964</b>	<b>\$ 3,035,000</b>	<b>\$ 370,373</b>	<b>\$ 3,405,373</b>



**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

**Note 6. Long-Term Debt (Continued)**

Leases: The District has entered into various lease agreements for building space and printer and copier equipment. As of June 30, 2022, the value of the building lease liability was \$110,115 and the value of the equipment lease was \$208,045. The building lease agreement has an interest rate of 5.0 percent with final maturity on June 30, 2025. The equipment lease agreement has an interest rate of 3.00 percent with final maturity on June 30, 2027. The future principal and interest lease payments as of June 30, 2022, were as follows:

Year ending June 30:	Interest Rates	Building Lease		
		Principal	Interest	Total
2023	5.00	\$ 40,897	\$ 4,803	\$ 45,700
2024	5.00	59,081	2,119	61,200
2025	5.00	10,137	63	10,200
<b>Totals</b>		<b>\$ 110,115</b>	<b>\$ 6,985</b>	<b>\$ 117,100</b>

Year ending June 30:	Interest Rates	Copier Printer Lease		
		Principal	Interest	Total
2023	3.00	\$ 46,596	\$ 5,604	\$ 52,200
2024	3.00	48,013	4,187	52,200
2025	3.00	49,473	2,727	52,200
2026	3.00	50,978	1,222	52,200
2027	3.00	12,985	65	13,050
<b>Totals</b>		<b>\$ 208,045</b>	<b>\$ 13,805</b>	<b>\$ 221,850</b>

Early Retirement: The District offered a voluntary early retirement plan in the current year to its certified and classified employees. Eligible employees must be at least age 55 and employees must have completed 15 years of service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement incentive for each eligible employee is a lump sum amount equal to the lesser of \$9,000 or the difference between the salary schedule base and the licensed employee's current salary less supplemental pay or extended contract pay divided by two. In addition, the early retirees received a \$1,000 additional stipend for notification of their intent to retire before the specified early retirement notification date.

As of the fiscal year June 30, 2022, the District had obligations to 12 participants with a total liability of \$113,199 which was recorded in the Management Fund. Actual early retirement expenditures for the year ended June 30, 2022 totaled \$133,569. Early retirement obligations are generally liquidated by the Management Fund.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 6. Long-Term Debt (Continued)

As of June 30, 2022, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	\$ 4,326,686,652
Debt limit, 5% of total assessed valuation	\$ 216,334,333
Amount of debt applicable to debt limit:	
General obligation bonds	91,300,000
Revenue bonds	25,460,000
Premium on revenue bonds	830,355
Premium on general obligation bonds	7,850,905
Lease obligation	318,160
<b>Excess of debt limit over debt     outstanding, legal debt margin</b>	<u><u>\$ 90,574,913</u></u>

#### Note 7. Other Postemployment Benefits

Plan Description: The District's defined benefit OPEB plan, Southeast Polk Community School District Postemployment Plan Other Than Pensions (The Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single employer defined benefit OPEB plan administered by the District. Under Chapter 509A.13 of the Code of Iowa, "Group Insurance for Public Employees," if a governing body has procured insurance for its employees, the governing body shall allow its employees who retired before the age of sixty-five years of age to continue participation in the group plan at the employee's own expense until the employee attains sixty-five years of age. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Benefits provided: The Plan provides healthcare benefits including medical, prescription drug and dental benefits for retirees and their dependents. Retirees must be age 55 or older at retirement. The health/prescription drug coverage is provided through a self-funded plan with stop-loss limits from Wellmark Blue Cross and Blue Shield. The dental benefit is administered by Delta Dental of Iowa. Retirees under age 65 pay the same premium for the medical/prescription drug, vision and dental benefits as active employees, which results in an implicit subsidy and an OPEB liability.

The District also has early retirement policies in place for employees. Certified employees with at least 15 years of service and classified employees with at least 15 years of service are eligible for the plan. When employees retire under the early retirement policies, the retirees are able to stay on the self-funded insurance plan. The District will contribute the single rate of coverage the last year of employment. This results in an explicit subsidy and an OPEB liability. The District provides a subsidy to offset the cost of health premiums (medical, dental and vision) to eligible licensed and classified employees at retirement. Licensed employees receive the single premium in effect at retirement until the earliest of five years or age 65. Classified employees receive the single premium in effect at retirement until the earliest of five years or age 65.

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

**Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

The full monthly premium rates as of July 1, 2021 for each plan are as shown below:

Rate Tier	Medical	Dental	Vision
Single	\$ 716	\$ 34	\$ 5
Family	2,050	118	9

Employees covered by benefit terms: At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	49
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	850
	899

Total OPEB Liability: The District's total OPEB liability of \$20,220,231 was measured as of June 30, 2021 and was determined by an actuarial valuation with a reporting date of June 30, 2022.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.25% per annum
Discount rate	1.92% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.7%, gradually decreasing over several decades to an ultimate rate of 3.7% in FY 2075 and later years.

The discount rate was based on the Fidelity GO AA 20-year. Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017 and other adjustments. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period 2010– 2020.

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

**Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)**

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at July 1, 2021	\$ 19,303,805
Changes for the year:	
Service cost	1,697,291
Interest	506,525
Changes of benefit terms	(316,569)
Differences between expected and actual experience	99,170
Changes in assumptions or other inputs	(416,768)
Benefit payments	(653,223)
Net changes	916,426
Balance at June 30, 2022	<u>\$ 20,220,231</u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB liability	\$ 21,783,859	\$ 20,220,231	\$ 18,727,151

Sensitivity of the 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 that are 1 percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	Healthcare Cost		
	1% Decrease 5.70%	Trend Rates 6.70%	1% Increase 7.70%
Total OPEB liability	\$ 17,886,906	\$ 20,220,231	\$ 23,007,367

For the year ended June 30, 2022, the District recognized OPEB expense of \$1,563,634. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 104,862	\$ 1,831,338
Changes of assumptions or other inputs	839,210	1,319,151
Net difference between projected and actual investments	-	-
Contributions subsequent to measurement date	740,781	-
<b>Total</b>	<u>\$ 1,684,853</u>	<u>\$ 3,150,489</u>

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Deferred outflows of resources of \$740,781 resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (323,613)
2024	(323,613)
2025	(323,613)
2026	(323,613)
2027	(323,613)
Thereafter	(588,352)
	<u>\$ (2,206,417)</u>

#### Note 8. Retirement System

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive 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 informational purposes only. Refer to the plan documents for more information.

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

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before 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. To combat the effects of inflation; however, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

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**Note 8. Retirement System (Continued)**

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. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the “entry age normal” actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29 percent of pay and the District contributed 9.44 percent for a total rate of 15.73 percent. The District’s contributions to IPERS for the year ended June 30, 2022 were \$5,106,182.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the District reported a liability of \$918,694 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2021, the District’s proportion was -0.2661131 percent, which was a decrease of .9147562 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense (income) of (\$3,126,586). At June 30, 2022, 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	\$ 698,999	\$ 701,836
Changes of assumptions	600,905	-
Net difference between projected and actual earnings on pension plan investments	-	33,285,813
Changes in proportion and differences between District contributions and proportionate share of contributions	183,503	49,403
District contributions subsequent to the measurement date	5,106,182	-
<b>Total</b>	<b>\$ 6,589,589</b>	<b>\$ 34,037,052</b>

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

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**Note 8. Retirement System (Continued)**

\$5,106,182 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 ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2023	\$ (8,035,046)
2024	(8,101,097)
2025	(7,500,847)
2026	(8,985,242)
2027	68,587
Total	\$ (32,553,645)

There were no non-employer contributing entities to IPERS.

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

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Salary Increases (effective June 30, 2017)	3.25 percent to 16.25 percent average, including inflation. Rates vary by membership group.
Investment rate of return (effective June 30, 2017)	7.00 percent, compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan 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.

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

**Note 8. Retirement System (Continued)**

The target allocation and best estimates of arithmetic 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%	6.01%
Global smart beta equity	6.0%	5.10%
Core plus fixed income	26.0%	0.29%
Public credit	4.0%	2.08%
Cash	1.0%	-0.25%
Private equity	13.0%	9.51%
Private real assets	7.5%	4.63%
Private credit	3.0%	2.87%
<b>Total</b>	<b>100%</b>	

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan 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 7.0 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District’s proportionate share of the net pension liability (asset)	\$ 32,515,622	\$ 918,694	\$ (25,561,538)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s 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).

Payables to the Pension Plan – As of June 30, 2022, the District reported payables to the defined benefit pension plan of \$421,865 for legally required employer contributions and \$281,095 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.



## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 9. Risk Management

The District is exposed to various risks of loss related to torts, theft; damage to and destruction of assets; errors and omissions; and natural disasters. These risks, except injuries to employees and claim payments for health, prescriptions and dental insurance, 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.

The District has established an internal service fund to account for premium and claim payments for a self-insured group health and dental insurance plans for the District's employees to meet potential losses from medical and dental claims. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 125 percent of estimated medical and pharmacy claims for the plan year and specific stop-loss reinsurance coverage for the excess \$125,000 in insured claims for any one covered individual. Settled claims have not exceeded the commercial coverage in any of the past three calendar years.

Payments are made to the plan based on actuarial estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of claims payable during the years ended June 30, 2022 and 2021 are as follows:

	2022	2021
Claims payable, beginning of year	\$ 636,105	\$ 623,273
Incurred claims (including IBNR and changes in estimates)	8,257,075	8,054,122
Claim payments	8,311,772	8,041,290
Claims payable, end of year	<u>\$ 581,408</u>	<u>\$ 636,105</u>

Each participating fund makes payments to the self-insurance fund for amounts which are determined based on historical claims experience. Such payments are displayed on the financial statements as revenues and expenditures/expenses. There have been no significant reductions in insurance coverage from the past three years.

#### Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, and media and educational services provided through the local area education agency. The District's actual amount for this purpose totaled \$3,330,533 for the year ended June 30, 2022 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

#### Note 11. Contingencies

As of June 30, 2022, the District is involved in various claims against the District that arise in the normal course of operations, which are covered by insurance. The outcome and eventual liability of the District, if any, from these claims and any unasserted claims is not known at this time; however, management does not believe they will be material to the basic financial statements.

**Southeast Polk Community School District**

**Notes to Basic Financial Statements  
Year Ended June 30, 2022**

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**Note 12. Commitments**

The District has active construction projects as of June 30, 2022 relating to the high school parking lot, elementary school secure entry and roofing. The construction commitments for these projects total \$88,812,979 of which \$20,164,989 has been paid leaving \$68,647,990 to be completed and paid in the next fiscal year.

**Note 13. Restricted Categorical Funding**

The District's fund balance restricted for categorical funding as of June 30, 2022 is comprised of the following programs:

Program:	Amount
Teacher salary supplement	\$ 262,228
Professional development	260,889
Empowerment	10,750
Early reader	566,520
Home school assistance	101,403
Project learning tree	64
Health care trust fund	1,000
Dropout prevention	1,291,340
Teacher leadership	563,783
Teacher mentoring	142,845
School ready children	9,096
REAP	40
Gifted and talented	62,499
	\$ 3,272,457

**Note 14. 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 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. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2022 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Altoona, Iowa	Urban renewal and economic development projects	\$ 1,034,945
City of Pleasant Hill, Iowa	Urban renewal and economic development projects	979

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, 2022, this reimbursement amounted to \$952,725.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 15. New Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2022

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The District restated governmental activities net position from \$76,200,343 to \$76,178,762 as a result of the new statement.

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This statement provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variably payment, clarifies the hedge accounting termination provisions when a hedge item is amended to replace the reference rate, clarifies the uncertainty related to the continued availability of IBORS, removes LIBOR as an appropriate benchmark interest rate for qualitative evaluation, identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifies the definition of reference rate, as it is used in Statement 53, as amended.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 3*. The primary objective of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Other than the restatement for the implementation of GASB Statement No. 87, the implementation of the above statements did not have a material impact on the District's Financial Statements.

As of June 30, 2022, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements association with conduit debt obligations; and improving required note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

## Southeast Polk Community School District

### Notes to Basic Financial Statements Year Ended June 30, 2022

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#### Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription assets- an intangible asset- and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA.

GASB Statement No. 99, *Omnibus 2022*, issued April 2022, will be effective for the District beginning with its fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

**Southeast Polk Community School District**

**Notes to Basic Financial Statements**  
**Year Ended June 30, 2022**

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**Note 16. Restatement**

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented as of the beginning of the year ended June 30, 2022. The requirements of this statement apply to financial statements of all state and local governments and establishes standards of accounting and financial reporting for leases by lessees and lessors. Beginning net position for governmental activities was restated to retroactively recognize the beginning lease liability and the intangible right-to-use lease asset when the District is the lessee or if the District is the lessor, to recognize the lease receivable and deferred inflow of resources.

	Governmental Activities
Net position June 30, 2021, as previously reported	\$ 76,200,343
Right to use lease building	151,394
Right to use lease accumulated amortization	(44,857)
Lease obligation	(128,118)
Net position June 30, 2021, as restated	<u>\$ 76,178,762</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**Southeast Polk Community School District**

**Required Supplementary Information**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -  
Budget and Actual - All Governmental and Enterprise Funds  
Year Ended June 30, 2022**

	Governmental Funds - Actual	Enterprise Fund - Actual
Revenues:		
Local sources	\$ 44,320,187	\$ 645,971
State sources	60,339,362	35,917
Federal sources	5,922,475	6,057,031
<b>Total revenues</b>	<b>110,582,024</b>	<b>6,738,919</b>
Expenditures/expenses:		
Instruction	58,124,592	204,385
Support services	33,344,899	19,386
Noninstructional programs	19,957	4,097,094
Other expenditures	42,629,977	-
<b>Total expenditures/expenses</b>	<b>134,119,425</b>	<b>4,320,865</b>
<b>Excess (deficiency) of revenues over (under) expenditures/expenses</b>	<b>(23,537,401)</b>	<b>2,418,054</b>
Other financing sources (uses):		
Issuance of long-term debt	242,692	-
Transfers in	4,263,552	-
Transfers (out)	(4,190,526)	(73,026)
Proceeds from sale of capital assets	25,380	1,577
<b>Total other financing sources (uses)</b>	<b>341,098</b>	<b>(71,449)</b>
<b>Net change in fund balance</b>	<b>(23,196,303)</b>	<b>2,346,605</b>
Balance, beginning of year	132,781,503	3,661,099
Balance, end of year	<b>\$ 109,585,200</b>	<b>\$ 6,007,704</b>

See Notes to Required Supplementary Information.



Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 44,966,158	\$ 44,120,918	\$ 44,120,918	\$ 845,240
60,375,279	59,678,885	59,678,885	696,394
11,979,506	9,773,500	9,773,500	2,206,006
117,320,943	113,573,303	113,573,303	3,747,640
58,328,977	57,837,000	60,502,000	2,173,023
33,364,285	35,491,000	35,491,000	2,126,715
4,117,051	3,796,000	4,158,000	40,949
42,629,977	51,930,802	51,930,802	9,300,825
138,440,290	149,054,802	152,081,802	13,641,512
(21,119,347)	(35,481,499)	(38,508,499)	17,389,152
242,692	-	-	242,692
4,263,552	4,327,100	4,327,100	(63,548)
(4,263,552)	(4,327,100)	(4,327,100)	63,548
26,957	5,000	5,000	21,957
269,649	5,000	5,000	264,649
(20,849,698)	(35,476,499)	(38,503,499)	17,653,801
136,442,602			
<u>\$ 115,592,904</u>			

**Southeast Polk Community School District**

**Required Supplementary Information  
Schedule of Changes in the District's Total OPEB  
Liability and Related Ratios  
Last Five Fiscal Years**

	2022	2021
Total OPEB liability		
Changes for the year:		
Service cost	\$ 1,697,291	\$ 1,418,849
Interest	506,525	562,882
Changes of benefit terms	(316,569)	-
Differences between expected and actual experience	99,170	18,191
Changes in assumptions or other inputs	(416,768)	1,035,058
Benefit payments	(653,223)	(591,545)
Net changes in total OPEB liability	916,426	2,443,435
Total OPEB liability - beginning	19,303,805	16,860,370
Total OPEB liability - ending	<u>\$ 20,220,231</u>	<u>\$ 19,303,805</u>
Covered employee payroll	\$ 47,652,000	\$ 46,383,000
Total OPEB liability as a percentage of covered employee payroll	42%	42%

**Notes to Schedule:**

Changes of benefit terms:

Total OPEB liability decreased \$316,569 as a result of changes in benefit terms.

Differences between expected and actual experience:

Approximately \$(2.0) million of the increase/ (decrease) is due to the change in premiums and assumed claims costs and \$2.1 million is due to all other experience changes.

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate.

The following are the discount rates used in each period: 1.92% 2.45%

The retiree premiums were updated to current levels since the last valuation.

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

\* The schedule is intended to present information for ten years.

Information prior to 2018 is not available.

See Notes to Required Supplementary Information

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2020	2019	2018
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\$ 1,430,250	\$ 1,368,235	\$ 1,444,144
709,366	650,401	524,813
-	-	-
(2,557,098)	-	-
(559,565)	(92,299)	(935,446)
(656,132)	(668,472)	(653,438)
(1,633,179)	1,257,865	380,073
18,493,549	17,235,684	16,855,611
<u>\$ 16,860,370</u>	<u>\$ 18,493,549</u>	<u>\$ 17,235,684</u>

\$ 43,236,794	\$ 45,038,411	\$ 41,739,096
39%	41%	41%

3.13%	3.62%	3.56%
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**Southeast Polk Community School District**

**Required Supplementary Information**

**Schedule of the District's Proportionate Share of the Net Pension Liability**

**Iowa Public Employees' Retirement System**

**Last Eight Fiscal Years**

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	2022*	2021*
District's proportion of the net pension liability	-0.2661131%	0.6486431%
District's proportionate share of the net pension liability	\$ 918,694	\$ 45,565,462
District's covered payroll	\$ 53,187,513	\$ 51,548,904
District's proportionate share of the net pension liability as a percentage of its covered payroll	1.73%	88.39%
Plan fiduciary net pension as a percentage of the total pension liability	100.81%	82.90%

\*The amounts presented for each fiscal year were determined as of as of the prior fiscal-year end.

Note: The schedule is intended to present information for ten years Information prior to 2015 is not available.

See Notes to Required Supplementary Information.

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2020*	2019*	2018*	2017*	2016*	2015*
0.6566642%	0.6539601%	0.6453280%	0.6459914%	0.646524%	0.624299%
\$ 38,025,177	\$ 41,384,197	\$ 42,987,013	\$ 40,654,278	\$ 31,941,433	\$ 24,759,097
\$ 49,991,333	\$ 49,164,773	\$ 48,182,091	\$ 46,392,195	\$ 44,298,855	\$ 40,874,017
76.06%	84.17%	89.22%	87.63%	72.10%	60.57%
85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

**Southeast Polk Community School District**

**Required Supplementary Information  
Schedule of District Contributions (In Thousands)  
Iowa Public Employees' Retirement System  
Last Ten Fiscal Years**

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	2022	2021	2020	2019
Statutorily required contribution	\$ 5,106	\$ 5,021	\$ 4,866	\$ 4,719
Contributions in relation to the statutorily required contribution	\$ (5,106)	\$ (5,021)	\$ (4,866)	\$ (4,719)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 54,249	\$ 53,188	\$ 51,549	\$ 49,991
Contributions as a percentage of covered payroll	9.41%	9.44%	9.44%	9.44%

See Notes to Required Supplementary Information.

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2018	2017	2016	2015	2014	2013
\$ 4,390	\$ 4,303	\$ 4,140	\$ 3,956	\$ 3,650	\$ 3,437
\$ (4,390)	\$ (4,303)	\$ (4,140)	\$ (3,956)	\$ (3,650)	\$ (3,437)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 49,165	\$ 48,182	\$ 46,392	\$ 44,299	\$ 40,874	\$ 39,642
8.93%	8.93%	8.92%	8.93%	8.93%	8.67%

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## Southeast Polk Community School District

### Notes to Required Supplementary Information Year Ended June 30, 2022

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#### Note 1. Budgets and Budgetary Information

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service and fiduciary funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, noninstructional 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 that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

The District had one amendment which increased total expenditures/expenses by \$3,027,000.

#### Note 2. Iowa Public Employees' Retirement System Pension Liability

##### 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%.

**Southeast Polk Community School District**

**Notes to Required Supplementary Information  
Year Ended June 30, 2022**

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**Note 2. Iowa Public Employees' Retirement System Pension Liability (Continued)**

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

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**OTHER COMBINING AND  
INDIVIDUAL FUND FINANCIAL STATEMENTS**

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**NONMAJOR GOVERNMENTAL FUNDS**

**Southeast Polk Community School District**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2022**

	Special Revenue		
	Management	Student Activity	Total
<b>Assets</b>			
Cash, cash equivalents and investments	\$ 153,871	\$ 741,889	\$ 895,760
Receivables:			
Property taxes	3,003,045	-	3,003,045
Intergovernmental	-	470	470
Prepaid items	-	101	101
<b>Total assets</b>	<b>\$ 3,156,916</b>	<b>\$ 742,460</b>	<b>\$ 3,899,376</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 982	\$ 43,619	\$ 44,601
Salaries and benefits payable	3,840	742	4,582
Unearned revenue	-	3,900	3,900
Early retirement	113,199	-	113,199
<b>Total liabilities</b>	<b>118,021</b>	<b>48,261</b>	<b>166,282</b>
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	2,999,990	-	2,999,990
Fund balances:			
Nonspendable	-	101	101
Restricted	38,905	694,098	733,003
<b>Total fund balances</b>	<b>38,905</b>	<b>694,199</b>	<b>733,104</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,156,916</b>	<b>\$ 742,460</b>	<b>\$ 3,899,376</b>

**Southeast Polk Community School District**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Governmental Funds**

**Year Ended June 30, 2022**

	Special Revenue		Total
	Management	Student Activity	
Revenues:			
Property taxes and other local sources:			
Local taxes	\$ 954,010	\$ -	\$ 954,010
Utility excise tax	43,972	-	43,972
Other taxes	754	-	754
Other local sources	4,101	42,668	46,769
Student activities	-	993,916	993,916
Investment earnings	28	310	338
State sources, other state sources	21,499	-	21,499
<b>Total revenues</b>	<b>1,024,364</b>	<b>1,036,894</b>	<b>2,061,258</b>
Expenditures:			
Current:			
Instruction	850,500	877,503	1,728,003
Support services:			
Student services	3,755	-	3,755
Instructional support	8,257	299	8,556
General administration	-	4,473	4,473
School administration	120,777	-	120,777
Business and central administration	788,856	6,949	795,805
Plant operation and maintenance	895,181	12,660	907,841
Student transportation	15,928	21,905	37,833
Noninstructional programs	16,743	3,214	19,957
<b>Total expenditures</b>	<b>2,699,997</b>	<b>927,003</b>	<b>3,627,000</b>
<b>Change in fund balances</b>	<b>(1,675,633)</b>	<b>109,891</b>	<b>(1,565,742)</b>
Fund balances, beginning of year	1,714,538	584,308	2,298,846
Fund balances, end of year	\$ 38,905	\$ 694,199	\$ 733,104

**Southeast Polk Community School District**

**Schedule of Combining Balance Sheet-  
Capital Projects Fund, By Account  
June 30, 2022**

	Capital Projects Fund Accounts			Total
	Physical Plant and Equipment	Statewide Sales and Services Tax	Other Capital Projects	
<b>Assets</b>				
Cash, cash equivalents and investments	\$ 2,679,964	\$ 11,982,768	\$ 65,477,170	\$ 80,139,902
Restricted cash and investments	-	586,486	-	586,486
Receivables:				
Property taxes	4,528,041	-	-	4,528,041
Due from other governments	-	1,745,805	-	1,745,805
<b>Total assets</b>	<b>\$ 7,208,005</b>	<b>\$ 14,315,059</b>	<b>\$ 65,477,170</b>	<b>\$ 87,000,234</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 263,023	\$ 46,121	\$ 3,825,648	\$ 4,134,792
<b>Total liabilities</b>	<b>263,023</b>	<b>46,121</b>	<b>3,825,648</b>	<b>4,134,792</b>
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	4,515,368	-	-	4,515,368
Sales and services tax	-	1,161,599	-	1,161,599
<b>Total deferred inflows of resources</b>	<b>4,515,368</b>	<b>1,161,599</b>	<b>-</b>	<b>5,676,967</b>
Fund balances:				
Restricted for:				
Physical plant and equipment	2,429,614	-	-	2,429,614
Debt service	-	586,486	-	586,486
School infrastructure	-	12,520,853	61,651,522	74,172,375
<b>Total fund balances</b>	<b>2,429,614</b>	<b>13,107,339</b>	<b>61,651,522</b>	<b>77,188,475</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,208,005</b>	<b>\$ 14,315,059</b>	<b>\$ 65,477,170</b>	<b>\$ 87,000,234</b>



**Southeast Polk Community School District**

**Schedule of Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance-Capital Projects Fund, By Account  
Year Ended June 30, 2022**

	Capital Projects Fund Accounts			Total
	Physical Plant and Equipment	Statewide Sales and Services Tax	Other Capital Projects	
Revenues:				
Property taxes and other local sources:				
Property taxes	\$ 4,110,851	\$ -	\$ -	\$ 4,110,851
Utility excise tax	153,974	-	-	153,974
Other taxes	2,642	-	-	2,642
Investment earnings	551	4,116	27,426	32,093
Other local sources	150,770	-	-	150,770
State sources:				
Statewide sales and services tax	-	8,333,025	-	8,333,025
Other state sources	176,025	-	-	176,025
<b>Total revenues</b>	<b>4,594,813</b>	<b>8,337,141</b>	<b>27,426</b>	<b>12,959,380</b>
Expenditures:				
Current:				
Instruction	76,891	-	-	76,891
Support services:				
Instruction	9,988	-	-	9,988
Business and central administration	1,351,021	128	611,873	1,963,022
Plant operation and maintenance	163,124	-	-	163,124
Student transportation	1,399,184	-	-	1,399,184
Capital outlay	829,214	978,824	25,121,663	26,929,701
Debt service:				
Principal	18,003	-	-	18,003
Interest and other charges	5,997	-	-	5,997
<b>Total expenditures</b>	<b>3,853,422</b>	<b>978,952</b>	<b>25,733,536</b>	<b>30,565,910</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>741,391</b>	<b>7,358,189</b>	<b>(25,706,110)</b>	<b>(17,606,530)</b>
Other financing (uses):				
Transfers (out)	-	(4,190,526)	-	(4,190,526)
<b>Total other financing (uses)</b>	<b>-</b>	<b>(4,190,526)</b>	<b>-</b>	<b>(4,190,526)</b>
<b>Net change in fund balance</b>	<b>741,391</b>	<b>3,167,663</b>	<b>(25,706,110)</b>	<b>(21,797,056)</b>
Fund balance, beginning of year	1,688,223	9,939,676	87,357,632	98,985,531
Fund balance, end of year	\$ 2,429,614	\$ 13,107,339	\$ 61,651,522	\$ 77,188,475

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## **INTERNAL SERVICE FUNDS**

**Southeast Polk Community School District**

**Combining Statement of Net Position**

**Internal Service Funds**

**June 30, 2022**

	Self-Funded Health Insurance	Flex Benefit	Self-Funded Dental Insurance	Total
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 7,114,040	\$ 26,821	\$ 287,693	\$ 7,428,554
Accounts receivable	25	-	5,437	5,462
<b>Total assets</b>	<b>7,114,065</b>	<b>26,821</b>	<b>293,130</b>	<b>7,434,016</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	637,437	-	17,764	655,201
Claims payable	566,408	-	15,000	581,408
<b>Total liabilities</b>	<b>1,203,845</b>	<b>-</b>	<b>32,764</b>	<b>1,236,609</b>
<b>Net Position</b>				
Unrestricted	\$ 5,910,220	\$ 26,821	\$ 260,366	\$ 6,197,407

**Southeast Polk Community School District**

**Combining Statement of Revenues, Expenses and Changes in Net Position**

**Internal Service Funds**

**Year Ended June 30, 2022**

	Self-Funded Health Insurance	Flex Benefit	Self-Funded Dental Insurance	Total
Operating revenues:				
Charges for services	\$ 10,158,992	\$ 575,404	\$ 536,259	\$ 11,270,655
Operating expenses:				
Claims and administration	9,279,008	-	469,336	9,748,344
Purchased services	-	549,487	-	549,487
<b>Total operating expenses</b>	<b>9,279,008</b>	<b>549,487</b>	<b>469,336</b>	<b>10,297,831</b>
<b>Operating income</b>	<b>879,984</b>	<b>25,917</b>	<b>66,923</b>	<b>972,824</b>
Nonoperating revenues:				
Interest	2,395	14	101	2,510
<b>Changes in net position</b>	<b>882,379</b>	<b>25,931</b>	<b>67,024</b>	<b>975,334</b>
Net position, beginning	5,027,841	890	193,342	5,222,073
Net position, end of year	<b>\$ 5,910,220</b>	<b>\$ 26,821</b>	<b>\$ 260,366</b>	<b>\$ 6,197,407</b>

**Southeast Polk Community School District**

**Combining Statement of Cash Flows**

**Internal Service Funds**

**Year Ended June 30, 2022**

	Self-Funded Health Insurance	Flex Benefit	Self-Funded Dental Insurance	Total
Cash Flows From Operating Activities:				
Receipts from customers and users	\$ 10,341,471	\$ 575,404	\$ 536,259	\$ 11,453,134
Payments to suppliers	(9,499,231)	(549,487)	(491,313)	(10,540,031)
<b>Net cash provided by operating activities</b>	<b>842,240</b>	<b>25,917</b>	<b>44,946</b>	<b>913,103</b>
Cash Flows From Investing Activities, interest received	2,395	14	101	2,510
<b>Net increase in cash and cash equivalents</b>	<b>844,635</b>	<b>25,931</b>	<b>45,047</b>	<b>915,613</b>
Cash and Cash Equivalents:				
Beginning of year	6,269,405	890	242,646	6,512,941
End of year	\$ 7,114,040	\$ 26,821	\$ 287,693	\$ 7,428,554
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 879,984	\$ 25,917	\$ 66,923	\$ 972,824
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in assets and liabilities:				
Accounts receivable	182,479	-	-	182,479
Accounts payable	(166,003)	-	(21,500)	(187,503)
Claims payable	(54,220)	-	(477)	(54,697)
<b>Net cash provided by operating activities</b>	<b>\$ 842,240</b>	<b>\$ 25,917</b>	<b>\$ 44,946</b>	<b>\$ 913,103</b>

## **Statistical Section**

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# Southeast Polk Community School District

## Statistical Section

### (Unaudited)

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This part of the Southeast Polk Community School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	76
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	93
Debt Capacity These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	98
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the District's financial activities take place and to help make comparisons over time and with other governments.	104
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	106

**Schedule 1**  
**Southeast Polk Community School District**

**Net Position by Component**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 47,266,705	\$ 48,242,679	\$ 53,819,946	\$ 59,014,853
Restricted	3,760,304	5,963,176	7,537,285	9,101,745
Unrestricted	242,524	5,809,401	(20,136,604)	(17,005,758)
<b>Total governmental activities net position</b>	<b>\$ 51,269,533</b>	<b>\$ 60,015,256</b>	<b>\$ 41,220,627</b>	<b>\$ 51,110,840</b>
Business type activities:				
Net investment in capital assets	\$ 1,211,456	\$ 1,067,584	\$ 854,710	\$ 680,706
Restricted	-	-	-	-
Unrestricted	655,140	955,321	625,292	907,902
<b>Total business type activities net position</b>	<b>\$ 1,866,596</b>	<b>\$ 2,022,905</b>	<b>\$ 1,480,002</b>	<b>\$ 1,588,608</b>
Primary government:				
Net investment in capital assets	\$ 48,478,161	\$ 49,310,263	\$ 54,674,656	\$ 59,695,559
Restricted	3,760,304	5,963,176	7,537,285	9,101,745
Unrestricted	897,664	6,764,722	(19,511,312)	(16,097,856)
<b>Total primary government net position</b>	<b>\$ 53,136,129</b>	<b>\$ 62,038,161</b>	<b>\$ 42,700,629</b>	<b>\$ 52,699,448</b>

Source: School District financial records.

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 66,780,379	\$ 73,928,586	\$ 79,535,244	\$ 83,271,611	\$ 83,202,211	\$ 89,292,967	
10,051,620	11,738,778	16,979,543	22,904,144	29,369,804	29,766,701	
(14,792,803)	(22,621,368)	(27,568,609)	(33,952,847)	(36,371,672)	(25,693,678)	
<b>\$ 62,039,196</b>	<b>\$ 63,045,996</b>	<b>\$ 68,946,178</b>	<b>\$ 72,222,908</b>	<b>\$ 76,200,343</b>	<b>\$ 93,365,990</b>	
\$ 531,215	\$ 410,080	\$ 325,775	\$ 277,144	\$ 171,793	\$ 293,596	
-	-	-	-	-	-	
1,430,667	1,618,293	2,141,607	2,754,095	3,722,884	5,989,788	
<b>\$ 1,961,882</b>	<b>\$ 2,028,373</b>	<b>\$ 2,467,382</b>	<b>\$ 3,031,239</b>	<b>\$ 3,894,677</b>	<b>\$ 6,283,384</b>	
\$ 67,311,594	\$ 74,338,666	\$ 79,861,019	\$ 83,548,755	\$ 83,374,004	\$ 89,586,563	
10,051,620	11,738,778	16,979,543	22,904,144	29,369,804	29,766,701	
(13,362,136)	(21,003,075)	(25,427,002)	(31,198,752)	(32,648,788)	(19,703,890)	
<b>\$ 64,001,078</b>	<b>\$ 65,074,369</b>	<b>\$ 71,413,560</b>	<b>\$ 75,254,147</b>	<b>\$ 80,095,020</b>	<b>\$ 99,649,374</b>	

**Schedule 2**  
**Southeast Polk Community School District**

**Expenses, Program Revenues and Net (Expense) Revenue**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
<b>Expenses:</b>				
Governmental activities:				
Instruction	\$ 41,984,675	\$ 43,065,043	\$ 45,484,994	\$ 48,158,191
Support services	23,267,847	22,928,558	24,622,587	25,326,960
Non-instructional programs	595	16,232	35,339	-
Interest on long-term debt	4,023,682	3,848,341	2,713,171	2,749,350
Other	2,350,017	2,508,266	3,138,172	3,661,535
Depreciation (unallocated)	3,213,866	3,213,938	4,121,705	2,953,836
<b>Total governmental activities expenses</b>	<b>74,840,682</b>	<b>75,580,378</b>	<b>80,115,968</b>	<b>82,849,872</b>
Business type activities:				
Nutrition services	3,661,721	3,634,175	3,718,102	3,810,411
Community service services	54,131	50,750	58,807	110
School store services	402,962	248,540	329,088	281,461
<b>Total business type activities expenses</b>	<b>4,118,814</b>	<b>3,933,465</b>	<b>4,105,997</b>	<b>4,091,982</b>
<b>Total primary government expenses</b>	<b>\$ 78,959,496</b>	<b>\$ 79,513,843</b>	<b>\$ 84,221,965</b>	<b>\$ 86,941,854</b>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services:				
Instruction	\$ 6,083,497	\$ 5,095,985	\$ 5,106,252	\$ 5,903,985
Support services	268,596	268,307	237,925	270,679
Operating grants and contributions	9,117,676	10,779,733	13,209,625	13,778,687
Capital grants and contributions	150,000	-	-	-
<b>Total governmental activities program revenues</b>	<b>15,619,769</b>	<b>16,144,025</b>	<b>18,553,802</b>	<b>19,953,351</b>

Source: School District Financial Records  
(Continued on the following page.)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 50,763,104	\$ 52,602,425	\$ 53,969,537	\$ 55,972,136	\$ 55,807,010	\$ <b>52,431,826</b>
26,173,501	25,785,228	29,042,605	30,448,735	34,457,492	<b>30,589,079</b>
11,238	20,462	20,493	23,934	23,893	<b>19,957</b>
2,717,208	2,930,059	1,369,246	1,168,600	4,168,733	<b>3,330,533</b>
2,863,461	5,113,155	2,994,193	3,110,584	3,263,821	<b>4,594,842</b>
3,817,740	2,464,589	4,073,778	4,199,806	4,298,216	<b>2,727,473</b>
<b>86,346,252</b>	<b>88,915,918</b>	<b>91,469,852</b>	<b>94,923,795</b>	<b>102,019,165</b>	<b>93,693,710</b>
3,841,949	3,746,338	3,789,197	3,862,190	3,520,597	<b>4,043,244</b>
-	-	-	-	-	-
269,444	279,307	246,828	114,668	93,112	<b>235,519</b>
<b>4,111,393</b>	<b>4,025,645</b>	<b>4,036,025</b>	<b>3,976,858</b>	<b>3,613,709</b>	<b>4,278,763</b>
<b>\$ 90,457,645</b>	<b>\$ 92,941,563</b>	<b>\$ 95,505,877</b>	<b>\$ 98,900,653</b>	<b>\$ 105,632,874</b>	<b>\$ 97,972,473</b>
\$ 6,239,183	\$ 6,322,008	\$ 4,828,288	\$ 4,419,029	\$ 4,637,323	\$ <b>4,074,269</b>
55,321	54,275	532,075	436,805	750,184	<b>3,209,682</b>
13,195,579	13,589,134	14,825,906	14,892,125	18,093,152	<b>18,098,233</b>
-	-	-	-	-	-
<b>19,490,083</b>	<b>19,965,417</b>	<b>20,186,269</b>	<b>19,747,959</b>	<b>23,480,659</b>	<b>25,382,184</b>

**Schedule 2**  
**Southeast Polk Community School District**

**Expenses, Program Revenues and Net (Expense) Revenue (Continued)**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Business type activities:				
Charges for services:				
Nutrition	2,132,088	2,235,181	2,314,942	2,396,754
Community service	72,292	108,055	157,534	-
School store	321,622	258,775	324,268	297,035
Operating grants and contributions	1,435,208	1,535,831	1,543,997	1,700,264
Capital grants and contributions	-	-	-	-
<b>Total business type program revenues</b>	<b>3,961,210</b>	<b>4,137,842</b>	<b>4,340,741</b>	<b>4,394,053</b>
<b>Total primary government program revenues</b>	<b>\$ 20,105,235</b>	<b>\$ 22,691,644</b>	<b>\$ 22,894,543</b>	<b>\$ 24,347,404</b>
Net (expense) revenue:				
Governmental activities	\$ (59,436,353)	\$ (61,562,166)	\$ (61,562,166)	\$ (62,896,521)
Business type activities	27,745	31,845	234,744	302,071
<b>Total primary government net expense</b>	<b>\$ (59,408,608)</b>	<b>\$ (61,530,321)</b>	<b>\$ (61,327,422)</b>	<b>\$ (62,594,450)</b>

Source: School District financial records.

Fiscal Year					
2017	2018	2019	2020	2021	2022
2,429,705	2,481,290	2,362,022	1,790,487	251,964	<b>405,065</b>
-	-	-	-	-	-
269,085	262,606	228,039	142,852	81,872	<b>238,435</b>
1,790,006	1,804,773	1,948,650	2,663,358	4,172,592	<b>6,092,948</b>
-	-	-	-	-	-
<b>4,488,796</b>	<b>4,548,669</b>	<b>4,538,711</b>	<b>4,596,697</b>	<b>4,506,428</b>	<b>6,736,448</b>
<b>\$ 24,454,213</b>	<b>\$ 24,514,086</b>	<b>\$ 4,538,711</b>	<b>\$ 24,344,656</b>	<b>\$ 4,506,428</b>	<b>\$ 32,118,632</b>
<b>\$ (68,950,501)</b>	<b>\$ (68,950,501)</b>	<b>\$ -</b>	<b>\$ (75,175,836)</b>	<b>\$ -</b>	<b>\$ (68,311,526)</b>
463,151	523,024	4,538,711	619,839	4,506,428	<b>2,457,685</b>
<b>\$ (68,487,350)</b>	<b>\$ (68,427,477)</b>	<b>\$ 4,538,711</b>	<b>\$ (74,555,997)</b>	<b>\$ 4,506,428</b>	<b>\$ (65,853,841)</b>

**Schedule 3**  
**Southeast Polk Community School District**

**General Revenues and Total Change in Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Net (expense) revenue:				
Governmental activities	\$ (59,220,913)	\$ (59,436,353)	\$ (61,562,166)	\$ (62,896,521)
Business type activities	(157,604)	204,377	234,744	302,071
<b>Total primary government net expense</b>	<b>(59,378,517)</b>	<b>(59,231,976)</b>	<b>(61,327,422)</b>	<b>(62,594,450)</b>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general purposes	20,157,531	21,640,656	20,432,766	20,023,898
Property taxes levied for specific purposes	7,612,752	7,858,967	10,035,219	10,265,123
Income surtax	1,618,296	1,814,740	1,958,621	1,882,917
Sales tax	5,404,834	5,566,107	6,314,056	6,325,132
Unrestricted grants and contributions	30,131,357	31,210,071	34,212,768	33,976,146
Revenue in lieu of taxes	-	-	-	-
Other taxes	31,853	-	-	-
Investment earnings	10,085	41,535	83,632	113,904
Transfers	-	50,000	-	199,614
Gain on sale of capital assets	-	-	-	-
<b>Total governmental activities</b>	<b>64,966,708</b>	<b>68,182,076</b>	<b>73,037,062</b>	<b>72,786,734</b>
Business type activities:				
Investment earnings	937	1,932	4,546	6,149
Gain on sale of capital assets	-	-	-	-
Transfers	-	(50,000)	-	(199,614)
<b>Total business type activities</b>	<b>937</b>	<b>(48,068)</b>	<b>4,546</b>	<b>(193,465)</b>
<b>Total primary government</b>	<b>64,967,645</b>	<b>68,134,008</b>	<b>73,041,608</b>	<b>72,593,269</b>
Change in net position:				
Governmental activities	5,745,795	8,745,723	11,474,896	9,890,213
Business type activities	(156,667)	156,309	239,290	108,606
<b>Total primary government</b>	<b>\$ 5,589,128</b>	<b>\$ 8,902,032</b>	<b>\$ 11,714,186</b>	<b>\$ 9,998,819</b>



Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (66,856,169)	\$ (68,950,501)	\$ (771,283,583)	\$ (75,175,836)	\$ (78,538,506)	\$ (68,311,526)
377,403	523,024	502,686	619,839	892,719	2,457,685
(66,478,766)	(68,427,477)	(70,780,897)	(74,555,997)	(77,645,787)	(65,853,841)
20,899,173	20,845,556	17,833,712	17,698,429	20,042,352	21,613,949
10,845,982	11,229,021	11,627,761	10,495,138	10,556,896	10,399,392
2,279,360	2,402,966	2,476,238	2,628,941	2,787,244	2,672,524
6,391,561	6,521,298	7,036,501	7,004,627	7,772,095	8,490,311
35,940,865	35,627,912	35,017,999	36,593,168	38,286,917	39,175,393
965,007	965,007	765,985	722,038	731,073	740,685
116,674	-	1,484,770	2,442,683	2,069,597	2,263,289
330,903	494,852	821,520	760,073	197,930	46,072
15,000	138,813	119,279	107,469	39,392	73,026
-	-	-	-	32,445	24,113
77,784,525	78,225,425	77,183,765	78,452,566	82,515,941	85,498,754
10,871	22,830	55,602	51,487	10,111	2,471
-	-	-	-	-	1,577
(15,000)	(138,813)	(119,279)	(107,469)	(39,392)	(73,026)
(4,129)	(115,983)	(63,677)	(55,982)	(29,281)	(68,978)
77,780,396	78,109,442	77,120,088	78,396,584	82,486,660	85,429,776
10,928,356	9,274,924	77,183,765	3,276,730	3,977,435	17,187,228
373,274	407,041	(63,677)	563,857	863,438	2,388,707
\$ 11,301,630	\$ 9,681,965	\$ 77,120,088	\$ 3,840,587	\$ 4,840,873	\$ 19,575,935

**Schedule 4**  
**Southeast Polk Community School District**

**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ 1,851	\$ 1,843	\$ 1,913	\$ 37,496
Restricted	1,401,800	1,422,660	1,828,433	1,313,669
Assigned	-	-	171,588	297,355
Unassigned	(244,848)	4,264,585	7,226,923	9,658,140
<b>Total General Fund</b>	<b>\$ 1,158,803</b>	<b>\$ 5,689,088</b>	<b>\$ 9,228,857</b>	<b>\$ 11,306,660</b>
All other governmental funds:				
Nonspendable				
Special revenue funds	\$ 350	\$ 825,225	\$ 798,262	\$ 747,538
Capital projects funds	-	50,977	-	-
Debt service fund	-	-	-	-
Restricted				
Debt service funds	4,364,262	4,360,130	15,378,305	26,680,808
Capital projects funds	9,260,416	2,985,412	8,953,292	5,685,228
Special revenue funds	1,268,349	786,649	1,142,026	1,509,128
<b>Total all other governmental funds</b>	<b>\$ 14,893,377</b>	<b>\$ 9,008,393</b>	<b>\$ 26,271,885</b>	<b>\$ 34,622,702</b>

Source: School District financial records.

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 909	\$ 1,205	\$ 3,115	\$ 17,037	\$ -	\$ 296	
1,292,406	1,150,367	1,339,627	2,169,246	2,958,815	3,272,457	
565,482	1,113,921	1,230,843	1,664,778	1,572,161	1,706,747	
13,724,658	15,534,247	13,096,684	10,514,980	11,070,924	13,233,663	
<b>\$ 15,583,455</b>	<b>\$ 17,799,740</b>	<b>\$ 15,670,269</b>	<b>\$ 14,366,041</b>	<b>\$ 15,601,900</b>	<b>\$ 18,213,163</b>	
\$ 121	\$ 3,937	\$ 124	\$ -	\$ 2,940	\$ 101	
-	-	-	-	-	-	
78,500	-	-	-	-	-	
26,787,002	6,705,677	10,092,956	14,678,956	15,895,226	13,450,458	
4,933,399	5,050,726	6,498,694	6,988,687	98,985,531	77,188,475	
2,643,288	2,958,955	3,157,103	3,313,936	2,295,906	733,003	
<b>\$ 34,442,310</b>	<b>\$ 14,719,295</b>	<b>\$ 19,748,877</b>	<b>\$ 24,981,579</b>	<b>\$ 117,179,603</b>	<b>\$ 91,372,037</b>	

**Schedule 5**  
**Southeast Polk Community School District**

**Governmental Funds Revenues**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Federal sources:				
Federal sources	\$ 2,196,977	\$ 2,475,516	\$ 2,622,484	\$ 2,526,681
<b>Total federal sources</b>	<b>2,196,977</b>	<b>2,475,516</b>	<b>2,622,484</b>	<b>2,526,681</b>
State sources:				
State sources	\$ 37,250,491	\$ 45,073,192	\$ 51,065,918	\$ 51,561,019
<b>Total state sources</b>	<b>37,250,491</b>	<b>45,073,192</b>	<b>51,065,918</b>	<b>51,561,019</b>
Local sources:				
Local taxes	\$ 34,716,413	\$ 31,261,192	\$ 32,220,900	\$ 32,248,857
Tuition	3,117,484	3,252,579	3,280,065	3,676,839
Other revenues	1,902,054	2,049,941	2,120,198	2,368,230
<b>Total local sources</b>	<b>39,735,951</b>	<b>36,563,712</b>	<b>37,621,163</b>	<b>38,293,926</b>
<b>Total revenues</b>	<b>\$ 79,183,419</b>	<b>\$ 84,112,420</b>	<b>\$ 91,309,565</b>	<b>\$ 92,381,626</b>

Source: School District financial records.

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 2,546,771	\$ 2,716,985	\$ 2,830,239	\$ 2,503,471	\$ 5,675,002	\$ 5,922,475	
2,546,771	2,716,985	2,830,239	2,503,471	5,675,002	5,922,475	
\$ 54,187,709	\$ 53,795,838	\$ 53,842,025	\$ 55,802,258	\$ 57,857,108	\$ 60,339,362	
54,187,709	53,795,838	53,842,025	55,802,258	57,857,108	60,339,362	
\$ 33,827,878	\$ 34,343,125	\$ 34,841,792	\$ 34,967,919	\$ 36,585,593	\$ 36,992,675	
3,636,975	3,563,257	3,611,424	3,394,384	3,664,977	4,368,674	
2,853,621	3,191,952	1,697,959	1,457,546	638,092	2,958,838	
40,318,474	41,098,334	40,151,175	39,819,849	40,888,662	44,320,187	
\$ 97,052,954	\$ 97,611,157	\$ 96,823,439	\$ 98,125,578	\$ 104,420,772	\$ 110,582,024	

**Schedule 6**  
**Southeast Polk Community School District**

**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Instruction	\$ 41,071,632	\$ 43,065,141	\$ 45,982,846	\$ 48,104,936
Student services	2,737,489	2,871,067	2,850,063	2,835,083
Instructional staff services	1,309,987	1,362,626	3,283,435	3,450,150
Administration services	9,534,684	8,552,424	8,635,595	8,971,511
Operation and maintenance of plant	5,634,313	6,885,273	6,391,691	6,341,985
Pupil transportation services	2,741,957	3,050,661	3,423,676	3,643,517
Non-instructional programs	595	16,232	35,339	19,845
AEA Flowthrough	2,350,017	2,508,266	2,713,171	2,749,350
Capital outlay:				
Facilities acquisition/construction	3,184,608	8,066,239	3,963,473	5,395,881
Debt service:				
Principal	4,432,429	5,248,796	7,650,416	8,041,744
Interest	4,026,354	3,900,430	4,036,730	4,284,510
<b>Total expenditures</b>	<b>\$ 77,024,065</b>	<b>\$ 85,527,155</b>	<b>\$ 88,966,435</b>	<b>\$ 93,838,512</b>
Debt service as a percentage of noncapital expenditures	11.40%	11.91%	13.80%	14.03%

Source: School District financial records.

\* In 2019, the District current refunded \$5,605,000 in revenue bonds.

Fiscal Year					
2017	2018	2019*	2020	2021	2022
\$ 49,458,741	\$ 50,910,837	\$ 51,542,654	\$ 52,663,256	\$ 53,958,699	\$ <b>58,124,592</b>
2,971,365	3,043,379	3,078,802	3,095,373	3,300,985	<b>3,192,214</b>
3,568,936	3,533,494	3,734,436	3,703,528	3,913,623	<b>3,719,129</b>
8,992,574	8,999,077	10,184,829	10,584,780	13,576,764	<b>12,560,949</b>
5,886,695	6,497,539	6,656,093	7,401,452	8,992,090	<b>8,193,354</b>
3,901,085	3,758,835	4,458,074	4,289,706	4,266,680	<b>5,679,253</b>
11,238	20,462	20,493	23,934	23,893	<b>19,957</b>
2,863,461	2,930,059	2,994,193	3,110,584	3,263,821	<b>3,330,533</b>
3,129,114	2,684,816	1,610,854	2,072,710	3,876,237	<b>26,929,701</b>
8,362,733	8,528,500	12,448,500	5,390,000	5,600,000	<b>8,007,650</b>
4,038,590	3,705,539	2,358,679	1,969,250	4,404,851	<b>4,362,093</b>
<b>\$ 93,184,532</b>	<b>\$ 94,612,537</b>	<b>\$ 99,087,607</b>	<b>\$ 94,304,573</b>	<b>\$ 105,177,643</b>	<b>\$ 134,119,425</b>
13.86%	13.31%	15.32%	8.04%	10.03%	<b>11.60%</b>

**Schedule 7**  
**Southeast Polk Community School District**

**Other Financing Sources and Uses and Net Change in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Excess of revenues over (under) expenditures	\$ 2,159,354	\$ (1,414,735)	\$ 2,343,130	\$ (2,528,947)
Other financing sources (uses):				
Issuance of general obligation bonds	-	-	-	-
Issuance of revenue bonds	10,000,000	-	6,515,000	6,515,000
Issuance of lease	-	-	-	-
Refunding debt issued	-	-	35,205,000	35,205,000
Payment to refunding escrow agent	-	-	(29,255,000)	(29,255,000)
Premium on bonds/notes	126,932	-	5,648,200	5,648,200
Discount on bonds	-	-	-	-
Proceeds from sale of capital assets	46,315	11,036	275,558	275,558
Issuance of loans	-	-	70,373	70,373
Transfers in	4,264,948	4,780,663	4,653,042	4,653,042
Transfers out	(4,264,948)	(4,730,663)	(4,653,042)	(4,653,042)
<b>Total other financing sources (uses)</b>	<b>10,173,247</b>	<b>61,036</b>	<b>18,459,131</b>	<b>18,459,131</b>
<b>Net change in fund balances</b>	<b>\$ 12,332,601</b>	<b>\$ (1,353,699)</b>	<b>\$ 20,802,261</b>	<b>\$ 15,930,184</b>

Source: School District financial records.



Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 3,868,422	\$ 2,998,620	\$ -	\$ 3,821,005	\$ -	\$ (23,537,401)	
-	-	-	-	85,330,000	-	
-	-	5,045,000	-	-	-	
-	-	-	-	-	242,692	
-	-	-	-	-	-	
-	(20,660,000)	-	-	-	-	
-	-	-	-	8,777,565	-	
-	-	-	-	-	-	
212,981	15,837	-	-	43,797	25,380	
-	-	-	-	-	-	
4,696,613	4,623,994	9,475,183	4,286,919	4,804,635	4,263,552	
(4,681,613)	(4,485,181)	(9,355,904)	(4,179,450)	(4,765,243)	(4,190,526)	
227,981	(20,505,350)	5,164,279	107,469	94,190,754	341,098	
\$ 4,096,403	\$ (17,506,730)	\$ 5,164,279	\$ 3,928,474	\$ 94,190,754	\$ (23,196,303)	

**Schedule 8**  
**Southeast Polk Community School District**

**Financial Solvency Ratio**  
**Last Ten Fiscal Years**  
**(Unaudited)**

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School Year	Unassigned/Assigned	Actual Revenues	Financial Solvency Ratio
2012-2013	(244,848)	64,749,454	-0.38%
2013-2014	4,264,585	69,336,924	6.15%
2014-2015	7,226,923	73,529,479	9.83%
2015-2016	9,658,140	74,241,937	13.01%
2016-2017	13,724,658	77,966,056	17.60%
2017-2018	16,648,168	78,167,077	21.30%
2018-2019	14,327,527	75,752,828	18.91%
2019-2020	12,179,758	78,295,594	15.56%
2020-2021	11,070,924	85,574,458	12.94%
<b>2021-2022</b>	<b>13,233,663</b>	<b>89,890,087</b>	<b>14.72%</b>

Source: School District financial records.

**Schedule 9**  
**Southeast Polk Community School District**

**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year	Actual Value			Less Exemptions	Total Taxable Value	Total Direct Rate (a)
	Residential Property	Commercial Property	Other Property			
2013	881,559,421	467,247,250	109,000,247	2,870,600	1,454,936,318	21.65866
2014	940,360,056	497,039,630	120,342,309	2,894,676	1,554,847,319	21.65866
2015	995,932,036	466,055,796	123,525,121	2,902,280	1,582,610,673	21.65866
2016	1,048,456,935	447,157,719	141,937,221	2,887,268	1,634,664,607	20.65563
2017	1,119,463,863	453,108,105	189,659,744	2,890,972	1,759,340,740	20.31754
2018	1,184,526,767	464,230,719	188,535,024	2,915,048	1,834,377,462	19.48372
2019	1,283,005,370	539,222,163	207,931,555	2,892,824	2,027,266,264	16.50058
2020	1,375,415,840	584,228,880	197,310,755	2,816,892	2,154,138,583	15.58596
2021	1,503,192,592	639,022,866	210,085,488	2,796,520	2,355,097,466	15.44256
<b>2022</b>	<b>1,591,057,753</b>	<b>664,865,777</b>	<b>219,071,241</b>	<b>2,750,220</b>	<b>2,561,776,636</b>	<b>15.44246</b>

Source: Iowa Department of Management. School Taxable and TIF by Class report.

Notes: Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. Assessed value equals estimated actual value. The schedule above excludes utilities valuations.

(a) Per \$1,000 of assessed value.

**Schedule 10**  
**Southeast Polk Community School District**

**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$1,000 of assessed value)*  
**(Unaudited)**

Fiscal Year Ended June 30	District Direct Rates					Total	Polk County
	General Purposes	Capital Purposes	Debt Service	Management			
2013	16.46265	1.00000	2.82991	1.36610		21.65866	11.36151
2014	16.60243	1.00000	2.69013	1.36610		21.65866	11.49540
2015	15.40696	1.00000	4.00264	1.24906		21.65866	11.72040
2016	14.46045	1.00000	3.99974	1.19544		20.65563	11.86039
2017	14.23641	1.00000	4.04921	1.03192		20.31754	11.86039
2018	13.45569	1.00000	4.05000	0.97803		19.48372	11.86039
2019	10.57757	1.00000	3.94459	0.97842		16.50058	11.25880
2020	10.49079	1.00000	2.96607	1.12910		15.58596	11.86039
2021	10.80687	1.00000	2.17641	0.78928		15.44256	11.86039
<b>2022</b>	<b>11.12843</b>	<b>1.67000</b>	<b>2.16711</b>	<b>0.47693</b>		<b>15.44246</b>	<b>11.68542</b>

Source: Polk County Auditor website, Ia Dept. of Management website.

Notes: Assessed value equals estimated actual value.

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Overlapping Rates						
Jasper County	Marion County	Community College	City of Altoona	City of Mitchellville	City of Pleasant Hill	City of Runnels
11.11455	10.90229	0.58466	9.14369	14.79884	11.65600	10.92281
10.93621	10.87081	0.69120	9.14369	14.39610	11.64997	10.84209
11.34590	10.58730	0.65724	9.94369	13.99506	11.65000	11.16354
11.34586	10.56813	0.67574	9.94369	13.99510	11.65000	11.25567
11.63697	10.59298	0.72334	9.94369	13.88531	11.65000	11.77930
11.63697	10.55713	0.67458	9.94369	13.85559	11.65000	11.78548
11.62697	10.69309	0.69468	9.94369	13.83465	11.65000	11.77393
11.63697	10.72706	0.65249	9.94369	9.45474	11.50000	11.72672
10.44530	10.63808	0.63533	10.75369	9.53884	11.50000	10.48005
<b>10.10905</b>	<b>10.48320</b>	<b>0.67789</b>	<b>10.75369</b>	<b>9.50017</b>	<b>11.50000</b>	<b>10.49194</b>

**Schedule 11**  
**Southeast Polk Community School District**

**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Taxpayer	2022			2013		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Polk County	\$ 131,779,356	1	\$ 0.05			
Prairie Meadows				\$ 112,593,050	1	7.74%
Ned Altoona LLC	39,600,000	2	1.46%			
Festival Fun Parks LLC	30,080,678	3	1.11%			
Adventureland/America				24,502,432	2	1.68%
Ironwood Condos LC	17,616,657	4	0.65%			
Lineage Master RE 6 LLC	17,445,150	5	0.65%			
Ziegler Realty LLC	13,687,117	6	0.51%	13,448,733	3	0.92%
Menards Inc	13,504,500	7	0.50%	10,631,165	5	0.73%
Wal-mart				11,717,585	4	0.81%
HOA Hotels LLC	11,277,000	8	0.42%			
Wal-Mart RealEstate Business Trust	11,031,120	9	0.41%			
Casey's Marketing Company	9,371,880	10	0.35%			
Iowa Cold Storage				8,816,000	6	0.61%
Lowe's Home Centers Inc.				8,037,000	7	0.55%
Target				7,975,725	8	0.55%
Hy-Vee				7,484,100	9	0.51%
Medical Development LC				6,317,500	10	0.73%
<b>Total</b>	<b>\$ 295,393,458</b>		<b>10.93%</b>	<b>\$ 211,523,290</b>		<b>14.83%</b>

Source: Polk County Auditor/Assessor, State Auditor

(a) Includes Prairie Meadows, which lists Polk County as the title holder.

**Schedule 12**  
**Southeast Polk Community School District**

**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	27,740,466	27,701,774	99.86%	4,903	27,706,677	99.88%
2014	29,542,169	29,476,586	99.78%	7,540	29,484,126	99.80%
2015	30,430,299	30,430,299	100.00%	-	30,467,987	100.00%
2016	30,287,811	30,287,811	100.00%	-	30,289,020	100.00%
2017	31,731,860	31,731,860	100.00%	-	31,745,156	100.00%
2018	32,015,653	32,015,653	100.00%	-	32,074,578	100.00%
2019	31,050,942	30,946,243	99.66%	310	30,946,553	99.66%
2020	30,584,331	30,403,947	99.41%	133,772	30,537,718	99.85%
2021	33,096,008	32,547,748	98.30%	121,098	32,668,846	119.80%
<b>2022</b>	<b>34,313,748</b>	<b>34,271,019</b>	<b>99.88%</b>	<b>5,613</b>	<b>34,276,632</b>	<b>99.89%</b>

Source: School District financial records, Iowa Department of Management

**Schedule 13**  
**Southeast Polk Community School District**

**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year	General Obligation Bonds	(1) Capital Loan Note	(2) Less: Amounts Available in Debt Service Fund	Total	Percent of Actual Taxable Value of Property (a)	Per Capita (b)
2013	\$ 47,105,000	\$ 2,170,316	\$ 4,360,130	\$ 44,915,186	2.89%	1,336
2014	44,725,000	1,366,520	4,360,130	41,731,390	2.64%	1,219
2015	45,930,000	721,477	15,378,305	31,273,172	1.91%	898
2016	30,465,000	429,733	4,800,753	26,093,980	1.48%	740
2017	28,158,831	157,000	5,458,558	22,857,273	1.25%	758
2018	21,731,690	78,500	6,705,677	15,104,513	0.82%	417
2019	17,259,025	-	10,029,700	7,225,510	0.36%	198
2020	14,378,614	-	14,092,470	286,144	0.01%	N/A
2021	105,202,301	-	15,895,226	89,307,075	2.14%	N/A
<b>2022</b>	<b>99,150,905</b>	<b>-</b>	<b>13,450,458</b>	<b>85,700,447</b>	<b>1.98%</b>	<b>N/A</b>

Source: School District financial records, Iowa Department of Management, Census

Notes:

(a) Actual taxable value of property includes Tax Increment Financing valuation. Assessed value equals estimated actual value. See Schedule 9 for actual taxable value of property.

(b) See Schedule 18 for population data.

(1) Capital loan notes are paid from property taxes.

(2) The amount available in the debt service fund excludes unspent bond proceeds placed in debt service reserve accounts to crossover refund revenue bonds specifically restricted for future debt service payments.



**Schedule 14**  
**Southeast Polk Community School District**

**Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Revenue Bans/Bonds	Capital Loan Note			
2013	47,105,000	44,983,105	2,170,316	94,258,421	10.59%	2,803
2014	44,725,000	42,897,522	1,366,520	88,989,042	9.38%	2,600
2015	45,930,000	52,853,749	721,477	99,505,226	9.67%	2,858
2016	30,465,000	71,256,466	429,733	102,151,199	9.37%	2,895
2017	28,158,831	64,174,790	157,000	92,490,621	6.45%	2,004
2018	21,731,690	40,353,254	78,500	62,163,444	5.31%	1,715
2019	17,255,210	36,542,036	-	53,797,246	4.30%	1,475
2020	14,378,614	33,225,977	-	47,604,591	N/A	N/A
2021	105,202,301	29,804,491	-	135,006,792	N/A	N/A
<b>2022</b>	<b>99,150,905</b>	<b>26,290,355</b>	<b>-</b>	<b>125,441,260</b>	<b>N/A</b>	<b>N/A</b>

**Source:** School District financial records, Iowa Tax Records, Census

Notes: N/A = not available. Details of the District's outstanding debt can be found in Note 6 in the notes to the financial statements.

(a) See Schedule 18 for personal income and population data. These ratios are calculated using personal income and population for the prior year calendar year.

**Schedule 15**  
**Southeast Polk Community School District**

**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2022**

**(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
Polk County	\$ 164,562,845	8.42%	\$ 13,856,192
Jasper County	6,437,018	0.31%	19,955
Marion County	16,075,000	0.27%	43,403
Des Moines Area Community College	96,175,000	4.52%	4,347,110
City of Bondurant	41,087,585	0.01%	4,109
City of Des Moines	532,702,626	1.66%	8,842,864
City of Mitchellville	5,779,524	97.25%	5,620,587
City Of Altoona	101,715,000	75.14%	76,428,651
City of Pleasant Hill	23,130,000	79.23%	18,325,899
City of Runnells	-	100.00%	-
<b>Subtotal, overlapping debt</b>			127,488,770
District direct debt			116,760,000
<b>Total direct and overlapping debt</b>			<b>\$ 244,248,770</b>

Source: Taxable value data used to estimate applicable percentages provided by PFM. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(a)The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determinind the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value. Assuming no change for fiscal year.

NA - Information was not available.

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**Schedule 16**  
**Southeast Polk Community School District**

**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**(Unaudited)**

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	2013	2014	2015	2016
Debt limit	\$ 137,702,101	\$ 142,874,199	\$ 141,843,249	\$ 148,949,299
Total Debt applicable to limit	94,258,421	88,989,042	99,505,226	102,151,199
Legal debt margin	\$ 93,598,883	\$ 93,598,883	\$ 42,338,023	\$ 46,798,100
<b>Total debt applicable to the limit as a percentage of debt limit</b>	68.45%	62.28%	70.15%	68.58%

Source: School District financial records, Iowa Department of Management 100% Valuations by individual levy authority

Notes:

(a) Actual assessed value includes Tax Increment Financing. Valuation date is for the calendar year and relates to the fiscal year that begins the following year (ex: January 1, 2012 is for FY2013/2014.)

(b) Code of Iowa Section 296.1

\* Includes all debt (general obligation, capital loan and revenue bonds)

**Legal Debt Margin Calculation for Fiscal Year 2022**

Actual assessed value (a)	<u><u>\$ 4,326,686,652</u></u>
Debt limit (5% of assessed value) (b)	\$ 216,334,333
Debt applicable to limit *	<u>125,759,420</u>
Legal debt margin	<u><u>\$ 90,574,913</u></u>

	2017	2018	2019	2020	2021	2022
\$	159,702,420	\$ 164,359,253	\$ 181,087,602	\$ 188,538,292	\$ 208,515,940	\$ 216,334,333
	92,490,621	57,778,500	53,801,061	47,604,591	135,006,792	125,759,420
\$	67,211,799	\$ 106,580,753	\$ 127,286,541	\$ 140,933,701	\$ 73,509,148	\$ 90,574,913

	57.91%	35.15%	29.71%	25.25%	64.75%	58.13%
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**Schedule 17**  
**Southeast Polk Community School District**

**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

**(Unaudited)**

Fiscal Year	Sales Tax Revenue Bans/Bonds			Coverage
	Revenue	Debt Service		
		Principal	Interest	
2013	5,390,070	1,415,000	1,581,624	1.80
2014	5,558,904	2,065,000	1,792,876	1.44
2015	6,266,009	2,190,000	1,680,026	1.62
2016	6,266,009	2,190,000	1,680,026	1.62
2017	6,505,503	2,705,000	4,033,603	0.97
2018	6,330,770	2,795,000	2,448,039	1.21
2019	7,014,891	1,420,000	777,562	3.19
2020	7,142,471	2,990,000	1,188,000	1.71
2021	6,977,613	3,125,000	1,070,395	1.66
<b>2022</b>	<b>8,333,025</b>	<b>3,255,000</b>	<b>947,100</b>	<b>1.98</b>

Source: School District financial records.

Notes: Details regarding the District's outstanding debt can be found in Note 6 of the notes to the financial statements.

**Schedule 18**  
**Southeast Polk Community School District**

**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**(Unaudited)**

Calendar Year	Population (a)	Personal Income (b)	Adjusted Gross Income Per Tax Return (b)	Per Capita Personal Income	Unemployment Rate (c)
2013	33,623	\$ 889,728,088	\$ 45,075	\$ 26,462	4.6%
2014	34,230	948,564,688	46,861	27,712	4.3%
2015	34,811	1,029,145,784	47,863	29,564	3.6%
2016	35,281	1,090,554,642	49,729	30,911	3.9%
2017	35,852	1,113,407,782	50,095	31,056	3.1%
2018	36,256	1,170,691,938	51,461	32,290	2.7%
2019	36,466	1,248,178,534	52,114	34,229	2.8%
2020	N/A	N/A	N/A	N/A	9.2%
2021	N/A	N/A	N/A	N/A	4.0%
<b>2022</b>	N/A	N/A	N/A	N/A	<b>2.7%</b>

Notes:

N/A = not available.

(a) U.S. Bureau of Census

(b) Iowa Department of Revenue

(c) Iowa Workforce Development, Polk Co. based on June date in that fiscal year

**Schedule 19  
Southeast Polk Community School District**

**Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wells Fargo & Company (a)	13,500	1	*	13,500	1	*
State Of Iowa (b)				8,300	2	*
Hy-Vee Inc.	6,800	2	*	2,100	10	*
Principal	6,500	3	*	6,131	4	*
MercyOne	5,843	4	*	7,100	3	*
UnityPoint Health	5,580	5	*	5,505	5	*
Des Moines Public Schools				4,950	7	*
Amazon	3,500	6	*			
Nationwide	3,300	7	*	5,000	6	*
John Deere (DSM Works, Financial & ISG)	3,280	8	*	3,100	8	*
Vermeer Corporation	2,900	9	*			
Pioneer Hi-Bred International Inc.				2,849	9	*
Corteva Agriscience	2,500	10	*			
Total	<u>53,703</u>	*	*	<u>58,535</u>	*	*

Total Employment \*\*

Source: www.desmoinesmetro.com, School District Records

Notes:

(a) Includes Wells Fargo banking and mortgage divisions.

(b) Total is for the Greater Des Moines metropolitan statistical area which includes Dallas, Guthrie, Madison and Warren counties.

(c) Total does not include substitute teachers. Direct count from Des Moines Schools.

\* Information not available.

\*\*Per Iowa Workforce Development data regarding the number of employees for private sector employers is no longer available to public.



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**Schedule 20**  
**Southeast Polk Community School District**

**Full-Time Equivalent District Employees By Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2013	2014	2015	2016
<b>Supervisory:</b>				
Superintendent	1.0	1.0	1.0	1.0
Assistant superintendent	1.0	1.0	1.0	1.0
Principals	11.0	11.0	11.0	11.0
Assistant principals	4.0	4.0	4.0	4.0
All other administrators	9.0	8.0	8.0	7.0
<b>Total supervisory</b>	<b>26.0</b>	<b>25.0</b>	<b>25.0</b>	<b>24.0</b>
<b>Instruction:</b>				
Regular program teachers	354.0	370.9	369.1	372.6
Special Education teachers	61.0	58.0	67.0	64.0
Instructional Coaches/PD Leads	0.0	0.0	27.0	29.0
<b>Total instruction</b>	<b>415.0</b>	<b>428.9</b>	<b>463.1</b>	<b>465.6</b>
<b>Student services:</b>				
Guidance counselors	17.0	17.0	17.0	16.0
Nurses/Nurse aides	13.5	13.5	13.5	13.5
Media Specialists/Media Clerks	5.0	3.0	3.0	7.7
<b>Total student services</b>	<b>35.5</b>	<b>33.5</b>	<b>33.5</b>	<b>37.2</b>
<b>Support and administration:</b>				
Clerical/secretarial/teacher aide/ other support staff	165.5	157.3	148.4	184.5
Custodial and Maintenance	41.6	40.6	51.1	53.4
Food Service	37.2	35.0	36.5	39.4
Bus Drivers/Bus Aides/ Crossing Guard	36.7	35.4	41.0	50.7
<b>Total support and administration</b>	<b>281.0</b>	<b>268.3</b>	<b>276.9</b>	<b>328.0</b>
<b>Total</b>	<b>757.4</b>	<b>755.7</b>	<b>798.4</b>	<b>854.6</b>

Source: District records.

2017	2018	2019	2020	2021	2022	Percentage Change 2013-22
1.0	1.0	1.0	1.0	1.0	<b>1.0</b>	0.0%
1.0	1.0	1.0	1.0	1.0	<b>1.0</b>	0.0%
11.0	11.0	11.0	11.0	11.0	<b>11.0</b>	0.0%
4.0	4.0	4.0	4.0	4.0	<b>4.0</b>	0.0%
7.0	7.0	7.0	7.0	7.0	<b>7.0</b>	-22.2%
24.0	24.0	24.0	24.0	24.0	<b>24.0</b>	-7.7%
373.1	368.9	379.3	378.9	377.6	<b>384.2</b>	8.5%
65.0	64.5	66.5	69.5	69.5	<b>76.8</b>	25.9%
29.0	27.0	27.0	27.0	27.0	<b>27.0</b>	N/A
467.1	460.4	472.8	475.4	474.1	<b>488.0</b>	17.6%
16.0	16.0	16.0	16.0	16.0	<b>16.0</b>	-5.9%
14.5	16.9	16.0	17.1	19.5	<b>19.5</b>	44.4%
7.7	7.7	7.7	7.7	7.7	<b>7.7</b>	54.0%
38.2	40.6	39.7	40.8	43.2	<b>43.2</b>	21.7%
189.0	198.8	209.0	234.4	248.9	<b>255.2</b>	54.2%
50.7	52.5	52.7	52.4	52.0	<b>47.9</b>	15.1%
37.6	38.6	37.8	38.8	39.9	<b>37.4</b>	0.5%
49.9	48.7	50.0	51.0	47.0	<b>43.3</b>	18.0%
327.2	338.6	349.5	376.6	387.8	<b>383.8</b>	36.6%
856.4	863.5	885.9	916.7	929.1	<b>939.0</b>	24.0%

**Schedule 21**  
**Southeast Polk Community School District**

**Operating Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Enrollment (1)	Operating Expenditures (2)	Cost Per Pupil	Percentage Change	Expenses
2013	6,400	65,380,674	10,216	(2.28)%	78,959,496
2014	6,617	68,311,690	10,324	1.51%	79,513,843
2015	6,636	73,315,816	11,048	8.15%	84,221,965
2016	6,801	76,116,377	11,192	8.41%	93,838,512
2017	6,797	77,654,095	11,425	3.41%	93,184,532
2018	6,843	79,115,662	11,562	1.20%	94,612,537
2019	6,894	78,001,578	11,476	(0.74)%	99,087,607
2020	6,992	84,872,613	12,139	5.77%	94,304,573
2021	6,911	84,421,788	12,216	0.63%	98,900,653
<b>2022</b>	<b>7,024</b>	<b>87,580,772</b>	<b>12,469</b>	<b>2.07%</b>	<b>90,597,256</b>

Source: School District financial records and Iowa Department of Education.

Notes: N/A = not available.

(1) Certified enrollment.

(2) Operating expenditures are total General Fund expenditures less debt service and capital outlay exper

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Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
12,337	(1.25)%	415.00	15.42	28.87%
12,017	(2.60)%	428.92	15.43	28.20%
12,692	5.62%	463.10	14.33	29.10%
13,798	8.71%	465.60	14.61	27.80%
13,710	(0.64)%	467.10	14.55	28.98%
13,826	0.85%	460.40	14.86	28.48%
14,373	3.96%	472.80	14.58	31.60%
13,487	(6.16)%	475.40	14.71	34.17%
14,311	6.10%	474.10	14.58	65.85%
<b>12,898</b>	<b>(9.87)%</b>	<b>488.00</b>	<b>14.39</b>	<b>33.26%</b>

Expenditures in the General Fund

**Schedule 22**  
**Southeast Polk Community School District**

**School Building Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

School	2013	2014	2015	2016
<b>Elementary:</b>				
Altoona (1939)				
Square feet	64,104	64,104	64,104	64,104
Capacity*	630	630	630	630
Enrollment	333	353	371	381
Centennial (1968)				
Square feet	61,017	61,017	61,017	61,017
Capacity	630	630	630	630
Enrollment	430	402	405	422
Clay (2006)				
Square feet	79,738	79,738	79,738	79,738
Capacity	840	840	840	840
Enrollment	430	529	576	585
Delaware (1951)				
Square feet	65,641	65,641	65,641	65,641
Capacity	630	630	630	630
Enrollment	512	380	369	418
Four Mile (1966)				
Square feet	63,204	63,204	63,204	63,204
Capacity	630	630	630	630
Enrollment	483	432	426	451
Mitchellville (1925)				
Square feet	45,293	45,293	50,799	50,799
Capacity	420	420	540	540
Enrollment	154	162	184	195
Runnells (2002)				
Square feet**	43,007	43,007	43,007	43,007
Capacity	400	400	400	400
Enrollment	225	255	271	286
Willowbrook (1991)				
Square feet	56,546	56,546	56,546	56,546
Capacity	630	630	630	630
Enrollment	459	465	492	510
Harbor (1997)				
Square feet	4,537	4,537	N/A	N/A
Capacity	454	454	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
<b>Spring Creek 6th Grade Center:</b>				
Southeast Polk Spring Creek (1992)				
Square feet	89,670	89,670	89,670	89,670
Capacity	950	950	950	950
Enrollment	518	487	512	456

2017	2018	2019	2020	2021	2022
64,104	64,104	64,104	64,104	64,104	<b>64,104</b>
630	630	630	630	630	<b>630</b>
396	372	371	381	381	<b>381</b>
61,017	61,017	61,017	61,017	61,017	<b>61,017</b>
630	630	630	630	630	<b>630</b>
398	392	401	391	391	<b>391</b>
79,738	79,738	79,738	79,738	79,738	<b>79,738</b>
840	840	840	840	840	<b>840</b>
562	579	571	560	560	<b>560</b>
65,641	65,641	65,641	65,641	65,641	<b>65,641</b>
630	630	630	630	630	<b>630</b>
395	373	378	362	362	<b>362</b>
63,204	63,204	63,204	63,204	63,204	<b>63,204</b>
630	630	630	630	630	<b>630</b>
441	441	421	439	439	<b>439</b>
50,799	50,799	50,799	50,799	50,799	<b>50,799</b>
540	540	540	540	540	<b>540</b>
217	217	211	212	212	<b>212</b>
43,007	43,007	43,007	43,007	43,007	<b>43,007</b>
400	400	400	400	400	<b>400</b>
288	288	273	267	267	<b>267</b>
56,546	56,546	56,546	56,546	56,546	<b>56,546</b>
630	630	630	630	630	<b>630</b>
511	510	497	476	476	<b>476</b>
N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
89,670	89,670	89,670	89,670	89,670	<b>89,670</b>
950	950	950	950	950	<b>950</b>
483	577	588	577	612	<b>612</b>

**Schedule 22**  
**Southeast Polk Community School District**

**School Building Information(Continued)**  
**Last Ten Fiscal Years**  
**(Unaudited)**

School	2013	2014	2015	2016
<b>Junior High:</b>				
Southeast Polk Junior High (1992)				
Square feet	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
Southeast Polk Junior High (1963)				
Square feet	206,674	206,674	206,674	206,674
Capacity	1,800	1,800	1,800	1,800
Enrollment	977	974	1,002	1,055
<b>Senior High:</b>				
Southeast Polk Senior High (2010)				
Square feet	430,227	430,227	430,227	430,227
Capacity	2,000	2,000	2,000	2,000
Enrollment	1,920	1,895	1,967	2,089
<b>Other District Facilities:</b>				
Bus Garage (2002)				
Square feet	16,384	16,384	16,384	16,384
District Office (1977)				
Square Feet	8,033	8,033	8,033	8,033
<b>Grand Total:</b>				
Square Feet	1,234,075	1,234,075	1,235,044	1,235,044

Source: District records

Notes:

- \* Capacity figures are based on 30 pupils per classroom
- \*\* Runnells Elementary was replaced in 2001; open for 2002 school year
- \*\*\*District records, students in seats, bldg budgets for that fiscal year



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2017	2018	2019	2020	2021	<b>2022</b>
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
206,674	206,674	206,674	206,674	206,674	206,674
1,800	1,800	1,800	1,800	1,800	1,800
1,033	1,072	1,193	1,190	1,190	1,190
430,227	430,227	430,227	430,227	430,227	430,227
2,000	2,000	2,000	2,000	2,000	2,000
2,041	2,114	2,092	2,153	2,153	2,153
16,384	16,384	16,384	16,384	16,384	16,384
8,033	8,033	8,033	8,033	8,033	8,033
1,235,044	1,235,044	661,318	1,235,044	1,235,044	1,235,044

**Schedule 23**  
**Southeast Polk Community School District**

**Certified Staff Salaries**  
**Last Ten Fiscal Years**  
**(Unaudited)**

School Year	Minimum	Maximum	Average
2012-2013	\$41,804	\$71,873	\$57,529
2013-2014	\$42,736	\$73,427	\$59,550
2014-2015	\$43,774	\$75,156	\$60,333
2015-2016	\$44,567	\$77,579	\$61,355
2016-2017	\$45,436	\$79,027	\$63,277
2017-2018	\$45,743	\$79,538	\$64,702
2018-2019	\$45,845	\$79,709	\$64,641
2019-2020	\$46,217	\$80,328	\$66,092
2020-2021	\$46,383	\$80,605	\$65,025
<b>2021-2022</b>	<b>\$46,935</b>	<b>\$81,525</b>	<b>\$66,160</b>

Source: School District financial records.

## **Compliance**

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**Southeast Polk Community School District**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY22 4552	\$ -	\$ 1,197,079
National School Lunch Program	10.555	FY22 4553	-	4,178,962
COVID-19 Child Nutrition Program CARES Grants to States	10.555	FY22 4553	-	1,531
Commodities -DOD (Noncash)	10.555	FY22	-	180,297
Commodities (Noncash)	10.555	FY22	-	249,990
			-	4,610,780
Special Milk	10.556	FY22 4555	-	7,445
Summer Food Service Program for Children	10.559	FY22 4556	-	208,608
Total Child Nutrition Cluster Program			-	6,023,912
Child Nutrition Discretionary Grants Limited Availability	10.579	FY22 4011	-	33,120
<b>Total U.S. Department of Agriculture</b>			-	6,057,032
<b>U.S. Department of Education</b>				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY22 4501	-	549,548
Title 1 Grants to Local Educational Agencies	84.010	FY22 4508	-	4,389
			-	553,937
Career and Technical Education- Basic Grants to States	84.048	FY22 4531	-	52,236
Supporting Effective Instruction State Grants	84.367	FY22 4643	-	124,715
Student Support and Academic Enrichment Program	84.424	FY22 4669	-	33,616
Education Stabilization Fund:				
COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants	84.425B	FY22 4053	-	30,913
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	84.425D	FY22 4048	-	399,382
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY22 4043	-	92,999
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY22 4045	-	1,724,730
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY22 4048	-	87,196
			-	1,904,925
Total Education Stabilization Fund			-	2,335,220

(Continued)

**Southeast Polk Community School District**

**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education (continued)</b>				
Pass-Through Heartland Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY22 4521	\$ -	\$ 326,638
COVID-19 American Rescue Plan- Special Education				
Grants to States (IDEA, Part B)	84.027X	FY22 4031	-	50,392
Total Special Education Cluster Program			-	377,030
English Language Acquisition State Grants	84.365	FY22 4644	-	14,207
<b>Total U.S. Department of Education</b>			-	3,490,961
<b>Total Expenditures of Federal Awards</b>			<b>\$ -</b>	<b>\$ 9,547,993</b>

See notes to schedule of expenditures of federal awards.

## **Southeast Polk Community School District**

### **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal grant activity of Southeast Polk Community School District under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

#### **Note 2. Significant Accounting Policies**

Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual or accrual basis of accounting based on the fund type of the program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

#### **Note 3. Indirect Cost Rate**

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**Southeast Polk Community School District**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022**

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Findings	Status	Corrective Action	
		Plan or Other Explanation	Reason For Recurrence
<b>Other Findings Related to Required Statutory Reporting:</b>			
<b>IV-A-21</b> Expenditures in the other and transfers functional area exceeded the amended budget.	Corrected.		
<b>IV-H-21</b> The District identified variances in certified enrollment certified to the state in October 2020	Not corrected.	See IV-H-22	Student information was not timely communicated.
<b>IV-I-21</b> The District identified variances in supplementary weighting certified to the state in October 2020.	Corrected.		

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Dr. Dirk Halupnik, Superintendent • 8379 NE University Ave. • Pleasant Hill, IA 50327 • Phone: 515-967-4294 •

Fax: 515-967-4257

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

To the Board of Education  
Southeast Polk Community School District  
Altoona, Iowa

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 Southeast Polk Community School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 27, 2023.

Our report included an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 87.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Southeast Polk Community School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs, as item 2022-001 that we consider to be a material weakness.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2022-002.

We also noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2022, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

## **District's Responses to the Findings**

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

*Bohnsack & Frommelt LLP*

Moline, Illinois  
March 27, 2023



**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  
Southeast Polk Community School District  
Altoona, Iowa

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Southeast Polk Community School District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2022. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Southeast Polk Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
March 27, 2023

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**Southeast Polk Community School District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022**

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**I. Summary of the Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency identified?
- Noncompliance material to financial statements noted?

Yes     No  
 Yes     None Reported  
 Yes     No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency identified?

Yes     No  
 Yes     None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes     No

**Identification of major programs:**

Federal Assistance

Listing Number                      Name of Federal Program or Cluster

Education Stabilization Fund:

84.425B	COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants
84.425D	COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)
84.425U	COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

Yes     No

(Continued)

**Southeast Polk Community School District**

**Schedule of Findings and Responses  
Year Ended June 30, 2022**

---

**Part I: Findings Related to the Basic Financial Statements**

**Material Weakness:**

**2022-001**

Finding: The District did not reconcile ending cash and investments as of and during the fiscal year ended June 30, 2022.

Criteria: Timely and accurate bank reconciliations are a key process to ensuring District transactions have been properly recorded within the general ledger.

Condition: The cash and investments bank reconciliations as of June 30, 2022, presented for audit had material unreconciled differences and, after subsequent corrections, an unreconciled difference of approximately \$31,000. We noted bank reconciliations were not properly prepared and reviewed for the fiscal year.

Context: The deficiency is over the cash and investment balances of the District. As of June 30, 2022, the District has an unreconciled difference of approximately \$31,000.

Effect: The District's trial balances do not accurately reflect the cash and investment balances and transactions may be unrecorded.

Cause: There has been turnover in the District's Business Services Department.

Recommendation: We recommend the Director of Accounting prepare monthly bank reconciliations and resolve unreconciled differences. We recommend the Executive Director of Business Services monthly review and formally document approval of the monthly bank reconciliations.

Response and Corrective Action Plan: The District will review current monthly bank reconciliation processes and ensure cash and investments are properly reconciled.

**Instances of noncompliance:**

**2022-002**

Finding: The District did not transfer the proper amounts into the debt sinking fund to comply with the revenue bond resolution.

Criteria: The resolutions providing for the issuance of the District's revenue bonds require equal monthly installments to be deposited into a sinking fund. The required monthly installments are to be the equal monthly amount necessary to pay in full the installment of interest and principal coming due on the outstanding bonds.

Condition: For June 30, 2022, the amount required in the sinking fund would be 1/6<sup>th</sup> of the next interest payment due December 1, 2022 and 1/12<sup>th</sup> of the next principal payment due June 1, 2023.

Context: The District was required to have \$338,601 in the sinking fund as of June 30, 2022. The District's sinking fund account balance as of June 30, 2022, was \$88,038.

Effect: The District is not in compliance with the revenue bond resolutions.

Cause: There has been turnover in District's Business Services Department.



## Southeast Polk Community School District

### Schedule of Findings and Responses Year Ended June 30, 2022

---

Recommendation: We recommend the District establish a routine monthly transfer process into the sinking fund. The monthly transfers for compliance with bond resolutions should be monitored by the Executive Director of Business Services.

Response and Corrective Action Plan: The District will review current processes and establish a routine monthly transfer and review process to ensure compliance.

#### Part II: Other Findings Related to Statutory Reporting

**II-A-22** - Certified Budget: Expenditures for the year ended June 30, 2022 did not exceed the amounts budgeted at year-end.

**II-B-22** - Questionable Expenditures: No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

**II-C-22** - Travel Expense: No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

**II-D-22** - Business Transactions: No business transactions between the District and District officials or District employees were noted.

**II-E-22** - Restricted Donor Activity: No transactions were noted between the District, District officials, or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

**II-F-22** - 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.

**II-G-22** - Board Minutes: No transactions requiring Board approval which had not been approved by the Board were noted.

**II-H-22** - Certified Enrollment:

Finding: The District identified variances in certified enrollment submitted to the state in October 2021.

Recommendation: We recommend the District review certified enrollment data for accuracy prior to submission to the state.

Response and Corrective Action Plan: The District will continue to review data prior to submission.

Conclusion: Response accepted.

**II-I-22** - Supplementary Weighting: No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

**II-J-22** - Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

**II-K-22** - Certified Annual Report: The certified annual report was certified timely to the Iowa Department of Education.

**Southeast Polk Community School District**

**Schedule of Findings and Responses  
Year Ended June 30, 2022**

---

**II-L-22 - Categorical Funding:** No instances of categorical funding being used to supplant rather than supplement other funds were noted.

**II-M-22 - Statewide Sales, Services and Use Tax:** No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

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

Beginning balance		\$	9,939,676
Revenues/transfers in:			
Statewide sales and services tax revenue	8,333,025		
Investment earnings	4,116		8,337,141
			<hr/>
Expenditures/transfers out:			
Transfers out	4,190,526		
School infrastructure	978,952		5,169,478
			<hr/>
Ending balance		\$	<u>13,107,339</u>

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

**II-N-22 - Revenue Bonds:** Refer to 2022-002.



**Southeast Polk Community School District**

**Corrective Action Plan  
Year Ended June 30, 2022**

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Findings	Corrective Action Plan	Anticipated Date of Completion
<b>Findings Related to Basic Financial Statements:</b>		
<b>Material Weakness:</b>		
<b>2022-001</b> The District did not reconcile ending cash and investments as of and during the fiscal year ended June 30, 2022.	See response and corrective action plan at 2022-001.	Fiscal Year 2023 Kevin Baccam
<b>Noncompliance:</b>		
<b>2022-002</b> The District did not transfer the proper amounts into the debt sinking fund to comply with the revenue bond resolution.	See response and corrective action plan at 2022-002.	Fiscal Year 2023 Kevin Baccam
<b>Other Findings Related to Required Statutory Reporting:</b>		
<b>IV-H-22</b> The District identified variances in certified enrollment certified to the state in October 2021	See response and corrective action plan at IV-H-22	Fiscal Year 2023 Kevin Baccam

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