

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2024
Altoona, Iowa



Annual Comprehensive Financial Report
of the

Southeast Polk Community School District

Altoona, Iowa

For the Fiscal Year Ended June 30, 2024

Official Issuing Report
Kevin Baccam, Chief Financial Officer

Office Issuing Report
Business Services Office

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April 16, 2025

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, 2024.

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, 2024. 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.

Learn. Lead. Live. Success for college, career, and civic life.

Dr. Dirk Halupnik, Superintendent • 407 8th St. SE • Altoona, Iowa 50009 • Phone: 515-967-4294 • Fax: 515-967-4257

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 2022 count) for the 2023-2024 school year was 7,211, making it the 13th largest public school district in Iowa as of the 2022-2023 school year. Enrollment for October 2023 indicates a decrease of nearly 11 student FTEs for a total budgeted enrollment of 7,200 for the 2024-2025 school year. Enrollment growth for the most recent count for October 2024 indicates an increase of 89 student FTEs for a total enrollment of 7,289 student FTEs.

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 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. Prior the 2024-2025 school year, the new Middle School was opened along with the roadways leading to the school. The new maintenance building project was completed and the old warehouse was renovated to outfit the space for the temporary placement of the transportation department staff due to challenges in the transportation building. The District plans to replace the old transportation building with a newly constructed building and improving the parking lot for buses and employees the summer of 2025. The project is scheduled to be completed by spring 2026. The District is also completing the renovation of the Spring Creek building into the new district administration office. Renovations will also include classroom renovations for The Harbor, Renew, and Success programs. The completion of this renovation project will be June 2025. Additionally, the high school swimming pool had a substantially refresh during fiscal year 2024 and roof repairs were made at Four Mile Elementary and the junior high during the summer of 2024.

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 2024, the District had \$1.3 million remaining in ESSER III or COVID-related funding from the federal government. All ESSER funding was expended for allowable expenditures and during the time allowed by the state and federal agencies.

Economic Condition and Outlook

Public school districts in Iowa receive approximately 85% to 90% of their funding in the general operating budget from State sources and local property taxes. The political environment and landscape in Iowa have not been favorable for public schools. There are continuing efforts to financially support families choosing to enroll their children in private schools at the State level. Consequently, more families are choosing to enroll their children in private schools rather than public schools across the State. Subsequently, this has reduced public school enrollment for many public schools in Iowa and the funding that is generated based on the long-standing State Foundation Aid Formula.

The District receives about 5% of its funding from federal sources. This includes funding for Title programs, Medicaid reimbursements, and reimbursements to the Food Service program. Although direct federal funding to public schools isn't significant, the indirect effects of funding and political policy could have a significant impact on education policies across the country.

Property tax reform across the State of Iowa is certain. Proposed legislation for property tax reform will affect the amount of local property taxes received at the local government level affecting municipalities and public schools. Furthermore, proposed legislation also includes limitations to levy rates imposed by public schools. These limitations include funding used for repairs to school buildings, the purchase of school buses and musical instruments, and property, casualty, and workers' compensation insurance premiums.

Mortgage rates have steadily increased since record lows in 2021 but have leveled to around 7% for a 30-year fixed rate mortgage. Bouncing back from low inventory levels in the housing market, new home construction is on the rise. The median cost of a newly constructed 1,200 square foot ranch home is \$340,000. The City of Altoona is boasting a number of expanding residential developments and new ones as well. Brookhaven Estates just to the west of Clay Elementary School continues to fill in as does the Clay Estates just to the east. The City of Altoona also plans to connect Edwin Skinner Parkway going west to the Rutherford development just off 34th Avenue SW. Spring Creek Ridge and Spring Creek Crossing off 80th Street on the Altoona's east side continues to fill in around the Spring Creek Sports Complex. New construction has begun in the Prairie Landing development located in between Fieldstone and Spring Creek Ridge developments. Boulder Creek Estates directly east of the new Middle School has continued to fill in all remaining lots. The Stonebridge development just south of Clay Elementary has opened a second plat. And home development will begin this spring/summer across the "S" curve, east of Stonebridge.

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. The Sunrise Pointe development on the City's east side has opened additional plats for new homes. Construction of new homes continues in the Woods of Copper Creek development just off NE 23rd Avenue and north of Copper Creek Golf Course. Construction activity continues for multi-family homes just south of University Avenue off of NE 60th Street.

Additionally, the Deer Run development in the City of Mitchellville continues to fill out with construction of new single-family homes.

Major Initiatives

Enrollment projections continue to indicate steady and consistent growth for the District. With elementary school buildings continuing to creep up to capacity thresholds, there is a need for an additional elementary school building. The location of the District's ninth elementary school will still need to be determined. The District will also be making improvements to elementary school playgrounds to make surfaces safer and equipment more accessible to all students. To improve security at the junior high, the building's administrative offices will be moved towards the front of the school. The vacated area will allow for additional student collaborative spaces.

A new transportation building will be constructed to service school buses and other vehicles. New transportation offices will also be added to the existing warehouse for transportation staff. The current transportation building will be demolished thereby providing additional parking for school buses and staff. The entire parking lot will also be resurfaced. Other major projects include improvement to the sidewalk and parking lot on the west side of the high school, installing bollards along the parent drop off areas at Four Mile Elementary, and resurfacing of the tennis courts.

Finally, the District is using a third party to assess mechanical, electrical, and plumbing infrastructure in all school buildings. The building envelope including the roof and exterior shell will also be assessed. Assessment reports will help the District identify critical infrastructure deficiencies and assist with short and long term infrastructure improvement planning.

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-third 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. In addition, the Association of School Business Officials (ASBO) International also awarded a Certificate of Excellence in Financial Reporting to the District for the twenty-second year in a row for the ACFR for the fiscal year ended June 30, 2023. 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, 2023 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
Chief Financial Officer

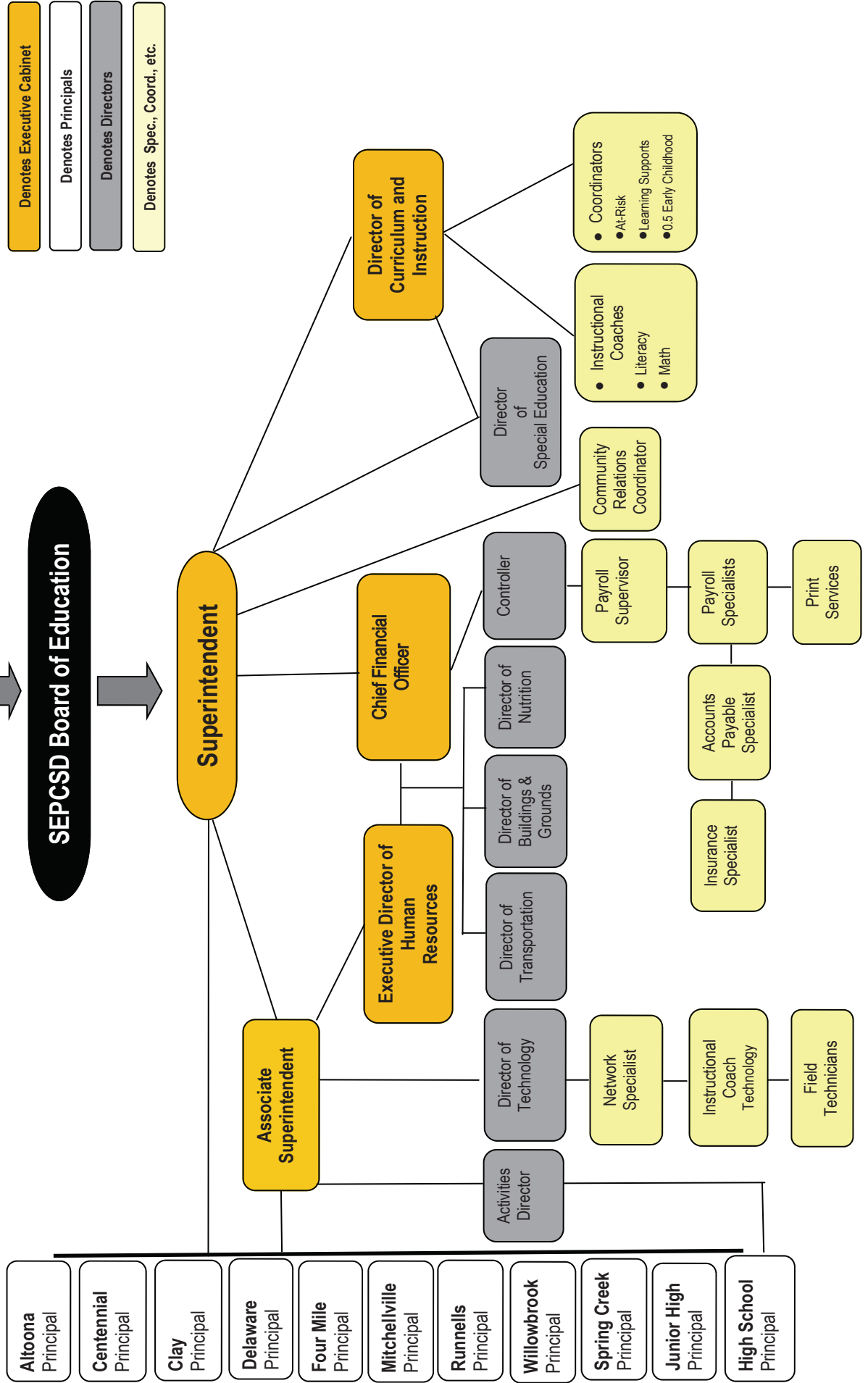
Southeast Polk Community School District

**Board of Education and School District Officials
Year Ended June 30, 2024**

	<u>Title</u>	<u>Term/Contract Expires</u>
Board of Education:		
Brett Handy	President	November 2027
Brigid Ernst	Vice-President	November 2025
Chad Crabb	Member	November 2027
Ric Powell	Member	November 2025
Lori Slings	Member	November 2027
Kelly Simmons	Member	November 2027
Whitney Smith-McIntosh	Member	November 2025
District Administration:		
Dr. Dirk Halupnik	Superintendent	June 30, 2024
Joe Horton	Associate Superintendent	June 30, 2024
Kevin Baccam	Executive Director of Business Services	June 30, 2024
Dr. Jo Ellen Latham	Director of Curriculum/Instruction	June 30, 2024
Dr. Margi Belger	Executive Director of Human Resources	June 30, 2024
Lea Morris	Director of Special Education	June 30, 2024
Nathan Ballagh	Principal	June 30, 2024
Jacob Bartels	Principal	June 30, 2024
Scott Belger	Assistant Principal	June 30, 2024
Jayson Campbell	Activities Director	June 30, 2024
Chelsea Clark	Principal	June 30, 2024
Mike Dailey	Principal	June 30, 2024
Glenn Dietzenbach	Assistant Principal	June 30, 2024
Cory Goldsmith	Assistant Principal	June 30, 2024
Blake Kielman	Principal	June 30, 2024
Morgan Miller	Principal	June 30, 2024
Andrea Morris	Principal	June 30, 2024
George Panosh	Principal	June 30, 2024
Stephen Pettit	Principal	June 30, 2024
Jenny Rinehart	Assistant Principal	June 30, 2024
Tamera Steenhoek	Principal	June 30, 2024
Lori Waddell	Principal	June 30, 2024



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, 2023

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, 2023.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/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, the 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, 2024, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Southeast Polk Community School District, as of June 30, 2024, 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 (*Government Auditing Standards*). 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.

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 4-12 and 57-66 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 other 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 other 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 26, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 26, 2025

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Southeast Polk Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

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, 2024. 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 \$18,113,574 and \$17,474,033 during the years ended June 30, 2024 and 2023, respectively.

Total revenues for the fiscal year ended June 30, 2024 and 2023 of \$134,550,090 and \$124,277,976 were comprised of general revenues in the amount of \$101,365,984 and \$93,270,081 and program revenues totaling \$33,184,106 and \$31,007,895, respectively.

As of June 30, 2024, the District's governmental funds reported combined fund balances of \$46,865,458, a decrease of \$18,615,669 in comparison to 2023. As of June 30, 2023, the District's governmental funds reported combined fund balances of \$65,481,127, a decrease of \$44,104,073 in comparison to 2022.

The Southeast Polk Community School District's total long-term debt decreased by \$1,178,751 during fiscal year ended June 30, 2024, which included principal and interest payments of \$10,662,696 and the issuance of \$6,670,000 in long-term debt.

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, 2024

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.

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. Custodial funds are custodial in nature and do not involve measurement of results of operation.

Southeast Polk Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

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 \$117,123,407 to \$135,236,981.

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Current and other assets	\$ 119,725,961	\$ 133,467,428	\$ 10,360,796	\$ 9,039,719	\$ 130,086,757	\$ 142,507,147
Capital assets	218,032,764	188,800,303	405,852	412,627	218,438,616	189,212,930
Total assets	337,758,725	322,267,731	10,766,648	9,452,346	348,525,373	331,720,077
Deferred outflows of resources	12,061,937	8,077,476	287,753	209,536	12,349,690	8,287,012
Other liabilities	28,386,956	26,738,713	204,039	150,047	28,590,995	26,888,760
Noncurrent liabilities	144,401,619	146,433,678	1,290,704	1,334,218	145,692,323	147,767,896
Total liabilities	172,788,575	173,172,391	1,494,743	1,484,265	174,283,318	174,656,656
Deferred inflows of resources	51,111,938	47,989,125	242,826	237,901	51,354,764	48,227,026
Net position:						
Net investment in capital assets	107,117,733	101,536,967	405,852	412,627	107,523,585	101,949,594
Restricted	34,815,838	26,085,302	-	-	34,815,838	26,085,302
Unrestricted	(16,013,422)	(18,438,578)	8,910,980	7,527,089	(7,102,442)	(10,911,489)
Total net position	\$ 125,920,149	\$ 109,183,691	\$ 9,316,832	\$ 7,939,716	\$ 135,236,981	\$ 117,123,407

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 \$107,523,585 for 2024 and \$101,949,594 for 2023. 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 (25.7 percent for 2024 and 22.3 percent for 2023) represents resources that are subject to external restrictions on how they may be used. These restrictions for 2024 include \$4,771,683 for physical plant and equipment levy, \$22,810,096 for school infrastructure, \$1,227,348 for management levy, \$2,070,179 for debt service, \$3,032,695 for categorical funding, and \$903,837 for student activities. The remaining balance of unrestricted net position is (\$7,102,442) for 2024.

Southeast Polk Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

The District's total net position increased by \$18,113,574 during the current fiscal year as compared to \$17,474,033 in 2023. The governmental activities net position increased by \$16,736,458 in 2024 and \$15,817,701 in 2023. The business-type activities, which include school nutrition and school store increased by \$1,377,116 in 2024 and increased by \$1,656,332 in 2023.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2024 and 2023. 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.

Table 2 - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenues:						
Program revenues:						
Charges for service and sales	\$ 7,696,667	\$ 7,243,052	\$ 2,480,688	\$ 2,484,635	\$ 10,177,355	\$ 9,727,687
Operating grants and contributions	19,567,742	17,756,750	3,114,394	3,355,898	22,682,136	21,112,648
Capital grants and contributions	324,615	167,560	-	-	324,615	167,560
General revenues:						
Property taxes and other taxes	52,291,497	48,521,674	-	-	52,291,497	48,521,674
State sources	44,793,396	42,059,123	-	-	44,793,396	42,059,123
Investment earnings	3,435,478	2,451,538	526,129	228,916	3,961,607	2,680,454
Other	319,484	-	-	8,830	319,484	8,830
Total revenues	128,428,879	118,199,697	6,121,211	6,078,279	134,550,090	124,277,976
Program expenses:						
Instruction	64,422,616	57,483,962	-	-	64,422,616	57,483,962
Support services	36,418,365	34,147,096	-	-	36,418,365	34,147,096
Noninstructional programs	8,543	9,054	-	-	8,543	9,054
Other	3,681,235	3,480,553	-	-	3,681,235	3,480,553
Depreciation unallocated	4,729,336	4,731,808	-	-	4,729,336	4,731,808
Interest on long-term debt	2,537,086	2,667,779	-	-	2,537,086	2,667,779
School nutrition	-	-	4,319,011	4,001,742	4,319,011	4,001,742
School store	-	-	320,324	281,949	320,324	281,949
Total expenses	111,797,181	102,520,252	4,639,335	4,283,691	116,436,516	106,803,943
Excess of revenues over expenses before transfers	16,631,698	15,679,445	1,481,876	1,794,588	18,113,574	17,474,033
Transfers	104,760	138,256	(104,760)	(138,256)	-	-
Increase in net position	16,736,458	15,817,701	1,377,116	1,656,332	18,113,574	17,474,033
Net position, beginning	109,183,691	93,365,990	7,939,716	6,283,384	117,123,407	99,649,374
Net position, ending	\$ 125,920,149	\$ 109,183,691	\$ 9,316,832	\$ 7,939,716	\$ 135,236,981	\$ 117,123,407

Southeast Polk Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$128,428,879 and expenses were \$111,797,181. 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 2024 and 2023. These sources represent 75.6 percent and 76.6 percent, respectively, of total governmental activities revenues. Instruction constitutes the largest portion of expenditures at \$64,422,616 or 57.6 percent of total governmental activities expenditures.

Revenues increased \$10,229,182 primarily due to 1) an increase in investment earnings from \$2,451,538 in fiscal year 2023 to \$3,435,478 in 2024 due to increases in depository account rates 2) an increase of \$2,734,273 from unrestricted foundation state aid 3) an increase in property taxes and other taxes of \$3,769,823 due to increases in assessed valuation and 4) an increase of \$1,810,992 in operating grants and contributions from Title 1, Coronavirus State and Local Fiscal Recovery Fund, and the Education Stabilization Fund federal programs.

Total governmental activities expenses increased \$9,276,929 primarily in instruction and support services. This increase was due to the increase in wage and benefit costs and increases in building insurance and open enrollment expenses.

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, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Governmental activities:				
Instruction	\$ 64,422,616	\$ 57,483,962	\$ 42,357,620	\$ 39,431,544
Support services	36,418,365	34,147,096	34,575,572	30,512,705
Noninstructional programs	8,543	9,054	8,543	9,054
Other	3,681,235	3,480,553	-	-
Depreciation unallocated	4,729,336	4,731,808	4,729,336	4,731,808
Interest on long-term debt	2,537,086	2,667,779	2,537,086	2,667,779
Business-type activities:				
School nutrition	4,319,011	4,001,742	(977,962)	(1,585,919)
School store	320,324	281,949	22,215	29,077
Total expenses	\$ 116,436,516	\$ 106,803,943	\$ 83,252,410	\$ 75,796,048

Net cost of services is 71.5 percent of total cost of services in 2024 and 71.0 percent in 2023. The cost of governmental activities financed by users of the District's programs was \$7,696,667 for 2024 and \$7,243,052 for 2023. Federal and state governments subsidized certain programs with grants and contributions totaling \$19,892,357 for 2024 and \$17,924,310 for 2023. 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 \$2,480,688. The remaining net cost of the business-type activities was financed with state and federal grant programs and investment earnings.

Southeast Polk Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

Approximately 77.9 percent of the District's General Fund expenditures are comprised of salary and benefit costs. In general, increases in wages and benefits through collective bargaining have been more than the increase in supplemental state aid. Supplemental state aid for fiscal years 2019, 2020, 2021, 2022, 2023, and 2024 were established by the State as 1.00%, 2.06%, 2.30%, 2.40%, 2.50%, and 3%, respectively.

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 \$1,361,570 for fiscal year 2024.
- The primary source of revenue for the School Store fund is charges for the resale of service operations. The School Store fund had a decrease in net position of \$1,310.

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.

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 \$46,865,458, a decrease of \$18,615,669 in comparison with the prior year fund balance of \$65,481,127. The unassigned fund balance is \$10,542,047 for 2024 and \$14,381,968 for 2023. The majority of the remaining fund balance for 2024 is restricted to indicate that it is not available for new spending because it has already been restricted for other purposes, \$33,118,814

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 \$10,542,047 for 2024 and \$14,381,968 for 2023, while total fund balance reached \$16,772,645 for 2024 and \$18,808,523 for 2023. 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 10.4 percent of total fund expenditures and total fund balance is 16.6 percent of total fund expenditures.

The fund balance of the District's General Fund decreased by \$2,035,878 during June 30, 2024. Key factors in this decrease are as follows:

- Revenues were \$98,844,722 in 2024 compared to \$93,067,374 in 2023 due to increases in local, state, and federal sources.

Southeast Polk Community School District

**Management’s Discussion and Analysis
Year Ended June 30, 2024**

- Expenditures increased from \$92,578,684 in 2023 to \$101,271,126 in 2024 due to salaries and benefits increases, open enrollment expenses, and costs incurred with federal programs. Approximately 77.9 percent of the District’s General Fund expenditures are comprised of salary and benefit costs. Collective bargaining contracts have increased three percent or more for the past couple of years regardless of the supplemental state aid increase. Supplemental state aid for fiscal years 2018, 2019, 2020, 2021, 2022, 2023, and 2024 were established by the State as 1.11%, 1.00%, 2.06%, 2.30%, 2.40%, 2.50% and 3.00% respectively.

The Capital Projects Fund fund balance decreased to \$17,843,754 in 2024 from \$39,865,177 in 2023. In 2021 the District issued \$85,330,000 in general obligation bonds to build, furnish and equip an elementary facility, a grade 6-7 facility, an 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 2023 and 2024.

The Debt Service Fund fund balance increased \$201,415 in 2024 to \$5,940,205 from \$5,738,790. This increase is due to a decrease in debt service expenditures.

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, 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	\$ 65,944,000	\$ 65,944,000	\$ 67,010,889	\$ (1,066,889)
Support services	33,829,625	36,742,528	37,389,394	(646,866)
Noninstructional programs	4,268,000	4,335,000	4,664,734	(329,734)
Other	60,992,871	60,992,871	48,649,967	12,342,904
Total	\$ 165,034,496	\$ 168,014,399	\$ 157,714,984	\$ 10,299,415

Revenues exceeded the final amended budget by \$6,824,025. Expenditures were \$10,299,415 under budget at year end. The District exceeded the amended budget in the instruction, support services and noninstructional programs functions by \$1,066,889, \$646,866 and \$329,734 respectively. This was primarily due to building and site repairs not originally budgeted and increased transportation costs.

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.

The District exceeded the amended budget in the support services function. This was due primarily to building and site repairs not originally budgeted and increased transportation costs.

Southeast Polk Community School District

**Management’s Discussion and Analysis
Year Ended June 30, 2024**

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 \$29,226,686 for 2024. Major capital additions include continued construction in progress on the middle school project.

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

	2024	2023
Land	\$ 9,343,040	\$ 9,343,040
Construction-in-progress	73,931,979	66,294,143
Buildings	121,915,793	100,617,096
Land improvements	6,853,703	7,310,568
Machinery and equipment	4,954,121	4,893,408
Right to use lease building	5,608	39,251
Right to use lease equipment	109,210	157,749
Right to use IT subscription	919,310	145,048
Business-type activities, machinery and equipment	405,852	412,627
Total	\$ 218,438,616	\$ 189,212,930

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

Debt

As of June 30, 2024, the Southeast Polk Community School District had general obligation, revenue bonds and lease obligation outstanding totaling \$109,224,701 compared to \$110,403,452 as of June 30, 2023. In the current year, the District paid \$6,885,000 in principal on bonded debt and \$107,094 on lease obligations and \$3,670,602 in interest and other charges on outstanding debt. As of June 30, 2024, the District’s available legal debt margin was \$152,410,084 compared to \$125,740,645 as of June 30, 2023.

Table 5- Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
General obligation bonds	\$ 89,845,434	\$ 87,349,258	\$ -	\$ -	\$ 89,845,434	\$ 87,349,258
Revenue bonds	19,255,694	22,823,527	-	-	19,255,694	22,823,527
Lease obligation	123,573	230,667	-	-	123,573	230,667
Total OPEB liability	14,886,268	18,079,230	674,058	744,882	15,560,326	18,824,112
Net pension liability	28,590,499	24,813,090	634,175	589,336	29,224,674	25,402,426
Early retirement	128,341	111,699	-	-	128,341	111,699
Compensated absences	195,312	192,273	1,970	1,867	197,282	194,140
Total	\$ 153,025,121	\$ 153,599,744	\$ 1,310,203	\$ 1,336,085	\$ 154,335,324	\$ 154,935,829

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, 2024

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. 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 ten percent annually. The tax base increase from fiscal year 2023 to fiscal year 2024 is 3.2%. 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 13th largest school district in the State of Iowa, the District's tax rate is the 65th highest in the State based on tax rates for fiscal year 2024.

The District's certified enrollment count as of October 2023 is 7,200 student FTEs. This is an decrease of 11 student FTEs compared to the prior year. There continues to be an increase in the residential housing developments throughout Altoona, Pleasant Hill, and Mitchellville. As construction materials continue to increase, homes continue to be built at all levels including single and multi-family homes, apartment complexes, and retirement communities.

The District ended fiscal year 2024 with a solvency ratio of 13.1%. Unspent spending authority decreased from 19.3% to 15.9% from fiscal year 2023 to 2024. Both of these ratios are a measurement of financial health for the District's general operating fund.

Proposed property tax reform will limit the amount of property taxes levied and collected by public schools. Reducing local property tax funds will only make public schools more reliant on State funding based on the State Foundation Aid Formula. At the State level, the personal income tax rate was reduced by one-third during the 2024 legislative session. Effective January 1, 2025, Iowa's flat tax is now 3.8% from the previous 5.7%. Legislation also includes eliminating personal income tax on retirement income. Reduced revenues and increased expenditures at the State level is not sustainable.

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, Chief Financial Officer, Southeast Polk Community School District, 407 8th Street SE, Altoona, Iowa 50327.

Southeast Polk Community School District

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents and investments	\$ 62,792,893	\$ 9,997,557	\$ 72,790,450
Restricted cash, cash equivalents and investments	4,878,684	-	4,878,684
Receivables:			
Property taxes	42,015,676	-	42,015,676
Income surtax	2,928,803	-	2,928,803
Other	7,164,186	20,029	7,184,215
Prepaid expenses	259,948	214	260,162
Inventories	-	28,767	28,767
Internal balances	(314,229)	314,229	-
Total current assets	119,725,961	10,360,796	130,086,757
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	9,343,040	-	9,343,040
Construction-in-progress	73,931,979	-	73,931,979
Depreciable:			
Buildings	187,934,935	-	187,934,935
Land improvements	15,949,155	-	15,949,155
Machinery and equipment	25,807,939	3,238,294	29,046,233
Right to use lease building	151,394	-	151,394
Right to use lease equipment	242,692	-	242,692
Right to use IT subscription	1,224,698	-	1,224,698
Accumulated depreciation and amortization	(96,553,068)	(2,832,442)	(99,385,510)
Total noncurrent assets	218,032,764	405,852	218,438,616
Total assets	337,758,725	10,766,648	348,525,373
Deferred outflows of resources:			
OPEB related deferred outflows	1,353,753	50,231	1,403,984
Pension related deferred outflows	10,708,184	237,522	10,945,706
Total deferred outflows of resources	12,061,937	287,753	12,349,690

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	9,827,939	5,893	9,833,832
Salaries and benefits payable	8,750,275	21,219	8,771,494
Claims payable	683,014	-	683,014
Unearned revenue	-	157,428	157,428
Accrued interest payable	502,226	-	502,226
Compensated absences	195,312	1,970	197,282
Early retirement	128,341	-	128,341
Lease obligation	59,610	-	59,610
General obligation bonds	3,915,000	-	3,915,000
Revenue bonds	3,535,000	-	3,535,000
Total OPEB liability	790,239	17,529	807,768
Total current liabilities	28,386,956	204,039	28,590,995
Noncurrent liabilities:			
Lease obligation	63,963	-	63,963
General obligation bonds	85,930,434	-	85,930,434
Revenue bonds	15,720,694	-	15,720,694
Total OPEB liability	14,096,029	656,529	14,752,558
Net pension liability	28,590,499	634,175	29,224,674
Total noncurrent liabilities	144,401,619	1,290,704	145,692,323
Total liabilities	172,788,575	1,494,743	174,283,318
Deferred inflows of resources:			
Succeeding year property taxes	41,889,111	-	41,889,111
OPEB related deferred inflows	8,381,554	224,165	8,605,719
Pension related deferred inflows	841,273	18,661	859,934
Total deferred inflows of resources	51,111,938	242,826	51,354,764
Net Position			
Net investment in capital assets	107,117,733	405,852	107,523,585
Restricted for:			
Categorical funding	3,032,695	-	3,032,695
Physical plant and equipment levy	4,771,683	-	4,771,683
School infrastructure	22,810,096	-	22,810,096
Debt service	2,070,179	-	2,070,179
Management levy	1,227,348	-	1,227,348
Student activities	903,837	-	903,837
Unrestricted	(16,013,422)	8,910,980	(7,102,442)
Total net position	\$ 125,920,149	\$ 9,316,832	\$ 135,236,981

Southeast Polk Community School District

**Statement of Activities
Year Ended June 30, 2024**

Functions/Programs	Expenses	Charges for Services and Sales
Primary Government:		
Governmental activities:		
Instruction	\$ 64,422,616	\$ 6,545,237
Support services	36,418,365	1,151,430
Noninstructional programs	8,543	-
Other, AEA flowthrough	3,681,235	-
Depreciation (unallocated)*	4,729,336	-
Interest on long-term debt	2,537,086	-
Total governmental activities	<u>111,797,181</u>	<u>7,696,667</u>
Business-type activities:		
School nutrition	4,319,011	2,182,579
School store	320,324	298,109
Total business-type activities	<u>4,639,335</u>	<u>2,480,688</u>
Total primary government	<u>\$ 116,436,516</u>	<u>\$ 10,177,355</u>

General revenues and transfers:

General revenues:

- Property taxes for general purposes
- Property taxes for specific purposes
- Income surtax
- Utility excise tax
- Other taxes
- Sales, services, and use tax
- State foundation aid, unrestricted
- Revenue in lieu of taxes
- Insurance proceeds
- Investment earnings

Total general revenues

Transfers

**Total general revenues and
transfers**

Change in net position

Net position, beginning of year

Net position, end of year

*This amount excludes the depreciation expenses of 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
\$ 15,519,759	\$ -	\$ (42,357,620)	\$ -	\$ (42,357,620)
366,748	324,615	(34,575,572)	-	(34,575,572)
-	-	(8,543)	-	(8,543)
3,681,235	-	-	-	-
-	-	(4,729,336)	-	(4,729,336)
-	-	(2,537,086)	-	(2,537,086)
19,567,742	324,615	(84,208,157)	-	(84,208,157)
3,114,394	-	-	977,962	977,962
-	-	-	(22,215)	(22,215)
3,114,394	-	-	955,747	955,747
\$ 22,682,136	\$ 324,615	(84,208,157)	955,747	(83,252,410)
		21,874,311	-	21,874,311
		13,511,608	-	13,511,608
		3,552,331	-	3,552,331
		3,829,251	-	3,829,251
		24,501	-	24,501
		9,499,495	-	9,499,495
		44,472,332	-	44,472,332
		321,064	-	321,064
		319,484	-	319,484
		3,435,478	526,129	3,961,607
		100,839,855	526,129	101,365,984
		104,760	(104,760)	-
		100,944,615	421,369	101,365,984
		16,736,458	1,377,116	18,113,574
		109,183,691	7,939,716	117,123,407
\$	\$	\$ 125,920,149	\$ 9,316,832	\$ 135,236,981

Southeast Polk Community School District

Balance Sheet Governmental Funds June 30, 2024

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Assets					
Cash, cash equivalents and investments	\$ 22,507,665	\$ 26,570,127	\$ 1,629,030	\$ 2,283,955	\$ 52,990,777
Restricted cash, cash equivalents and investments	-	586,486	4,292,198	-	4,878,684
Receivables:					
Property taxes	25,758,366	5,189,859	6,674,127	4,393,324	42,015,676
Income surtax	2,928,803	-	-	-	2,928,803
Other	1,636,696	-	-	4,475	1,641,171
Due from other funds	179,651	123,019	-	-	302,670
Due from other governments	4,648,922	874,093	-	-	5,523,015
Prepaid items	128,351	-	-	6,694	135,045
Total assets	\$ 57,788,454	\$ 33,343,584	\$ 12,595,355	\$ 6,688,448	\$ 110,415,841
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	\$ 3,064,566	\$ 6,146,842	\$ -	\$ 15,077	\$ 9,226,485
Salaries and benefits payable	8,716,068	-	-	34,207	8,750,275
Due to other funds	123,019	-	-	-	123,019
Early retirement	-	-	-	128,341	128,341
Total liabilities	11,903,653	6,146,842	-	177,625	18,228,120
Deferred Inflows of Resources, unavailable revenue:					
Succeeding year property tax	25,679,004	5,175,319	6,655,150	4,379,638	41,889,111
Income surtax	2,928,803	-	-	-	2,928,803
Other	504,349	-	-	-	504,349
Total deferred inflows of resources	29,112,156	5,175,319	6,655,150	4,379,638	45,322,263
Fund balances:					
Nonspendable	128,351	-	-	6,694	135,045
Restricted for:					
Categorical funding	3,032,695	-	-	-	3,032,695
Physical plant and equipment	-	4,635,121	-	-	4,635,121
School infrastructure	-	16,799,816	-	-	16,799,816
Debt service	-	586,486	5,940,205	-	6,526,691
Management levy	-	-	-	1,227,348	1,227,348
Student activities	-	-	-	897,143	897,143
Assigned for community programs	2,040,752	-	-	-	2,040,752
Committed	1,028,800	-	-	-	1,028,800
Unassigned	10,542,047	-	-	-	10,542,047
Total fund balances	16,772,645	22,021,423	5,940,205	2,131,185	46,865,458
Total liabilities, deferred inflows of resources and fund balances	\$ 57,788,454	\$ 33,343,584	\$ 12,595,355	\$ 6,688,448	\$ 110,415,841

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, 2024

Total fund balances		\$ 46,865,458
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		218,032,764
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		3,433,152
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	9,927,019	
Other current liabilities	<u>(1,464,119)</u>	8,462,900
Internal Service funds allocated to business-type activities		(314,229)
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	1,353,753	
OPEB related deferred inflows of resources	(8,381,554)	
Pension related deferred outflows of resources	10,708,184	
Pension related deferred inflows of resources	<u>(841,273)</u>	2,839,110
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(502,226)	
Compensated absences	(195,312)	
Premium on general obligation bond issuance	(6,095,434)	
General obligation bonds, current	(3,915,000)	
General obligation bonds, noncurrent	(79,835,000)	
Premium on revenue bond issuance	(425,694)	
Revenue bonds, current	(3,535,000)	
Revenue bonds, noncurrent	(15,295,000)	
Lease liability, current	(59,610)	
Lease liability, noncurrent	(63,963)	
Total OPEB liability	(14,886,268)	
Net pension liability	<u>(28,590,499)</u>	(153,399,006)
Net position of governmental activities		<u><u>\$ 125,920,149</u></u>

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, 2024**

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Revenues:					
Property taxes and local sources:					
Property taxes	\$ 21,874,311	\$ 4,230,930	\$ 5,514,954	\$ 3,765,724	\$ 35,385,919
Income surtax	3,341,570	-	-	-	3,341,570
Utility excise tax	2,420,676	422,849	551,177	434,549	3,829,251
Other taxes	15,488	2,706	3,527	2,780	24,501
Student activities	-	-	-	914,302	914,302
Investment earnings	962,961	1,634,567	436,094	54,267	3,087,889
Tuition/transportation	5,122,489	-	-	-	5,122,489
Other	1,368,541	472,825	-	143,125	1,984,491
State sources:					
State foundation aid	44,472,332	-	-	-	44,472,332
Sales services tax	-	9,499,495	-	-	9,499,495
Other state sources	13,842,538	35,454	46,214	36,435	13,960,641
Federal sources	5,423,816	-	-	-	5,423,816
Total revenues	98,844,722	16,298,826	6,551,966	5,351,182	127,046,696
Expenditures:					
Current:					
Instruction	65,096,229	104,914	-	1,809,746	67,010,889
Support services:					
Student services	3,440,364	-	-	16,663	3,457,027
Instructional support	3,970,822	9,988	-	23,969	4,004,779
General administration	1,470,098	-	-	10,614	1,480,712
School administration	5,043,548	-	-	112,477	5,156,025
Business and central administration	4,058,922	1,465,835	-	863,271	6,388,028
Plant operation and maintenance	9,343,653	106,213	-	1,404,024	10,853,890
Student transportation	5,166,255	843,351	-	39,327	6,048,933
Noninstructional programs	-	-	-	8,543	8,543
Other, AEA support	3,681,235	-	-	-	3,681,235
Capital outlay	-	34,306,036	-	-	34,306,036
Debt service:					
Principal	-	-	6,992,094	-	6,992,094
Interest and other charges	-	125,855	3,544,747	-	3,670,602
Total expenditures	101,271,126	36,962,192	10,536,841	4,288,634	153,058,793
Excess (deficiency) of revenues over (under) expenditures	(2,426,404)	(20,663,366)	(3,984,875)	1,062,548	(26,012,097)
Other financing sources (uses):					
Proceeds from sale of capital assets	18,482	-	-	-	18,482
Insurance proceeds	319,484	-	-	-	319,484
Issuance of long-term debt	-	6,670,000	-	-	6,670,000
Premium on issuance of long-term debt	-	283,702	-	-	283,702
Transfers in	104,760	-	4,186,290	-	4,291,050
Transfers (out)	(52,200)	(4,134,090)	-	-	(4,186,290)
Total other financing sources (uses)	390,526	2,819,612	4,186,290	-	7,396,428
Net change in fund balance	(2,035,878)	(17,843,754)	201,415	1,062,548	(18,615,669)
Fund balances, beginning of year	18,808,523	39,865,177	5,738,790	1,068,637	65,481,127
Fund balances, end of year	\$ 16,772,645	\$ 22,021,423	\$ 5,940,205	\$ 2,131,185	\$ 46,865,458

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, 2024

Net change in fund balances - total governmental funds		\$ (18,615,669)
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	35,244,973	
Depreciation expense by function:		
Instruction	(57,883)	
Support services	(1,148,522)	
Unallocated	(4,729,336)	29,309,232
Proceeds from sale of capital asset	(18,482)	
Loss on disposal of capital assets	(58,289)	(76,771)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Income surtax	210,761	
Grants	504,349	715,110
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 long-term debt	(6,670,000)	
Premium on issuance of long-term debt	(283,702)	
Repayment of lease	107,094	
Repayment of bonds principal	6,885,000	
Amortization of premium	1,140,359	
Interest	(6,843)	1,171,908
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.		1,334,033
Change in internal service funds allocation to business-type activities		(16,856)
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	(3,039)	
Change in liability for total OPEB liability:		
Instruction	(259,307)	
Support services	(103,868)	
Change in liability for net pension liability:		
Instruction	2,334,894	
Support services	946,791	2,915,471
Change in net position of governmental activities		\$ 16,736,458

See Notes to Basic Financial Statements.

Southeast Polk Community School District

Statement of Net Position

Proprietary Funds

June 30, 2024

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor School Store	Total	
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 9,632,979	\$ 364,578	\$ 9,997,557	\$ 9,802,116
Other receivables	20,029	-	20,029	-
Inventories	28,767	-	28,767	-
Prepaid expense	-	214	214	124,903
Total current assets	9,681,775	364,792	10,046,567	9,927,019
Noncurrent assets:				
Capital assets:				
Machinery and equipment	3,238,294	-	3,238,294	-
Less accumulated depreciation	(2,832,442)	-	(2,832,442)	-
Total noncurrent assets	405,852	-	405,852	-
Total assets	10,087,627	364,792	10,452,419	9,927,019
Deferred outflows of resources:				
OPEB related deferred outflows	50,231	-	50,231	-
Pension related deferred outflows	237,522	-	237,522	-
Total deferred outflows of resources	287,753	-	287,753	-
Liabilities				
Current liabilities:				
Accounts payable	3,528	2,365	5,893	601,454
Salaries and benefits payable	17,451	3,768	21,219	-
Compensated absences	1,970	-	1,970	-
Claims payable	-	-	-	683,014
Unearned revenues	150,138	7,290	157,428	-
Due to other funds	-	-	-	179,651
Total OPEB liability	17,529	-	17,529	-
Total current liabilities	190,616	13,423	204,039	1,464,119
Noncurrent liabilities:				
Total OPEB liability	656,529	-	656,529	-
Net pension liability	634,175	-	634,175	-
Total noncurrent liabilities	1,290,704	-	1,290,704	-
Total liabilities	1,481,320	13,423	1,494,743	1,464,119
Deferred inflows of resources:				
OPEB related deferred inflows	224,165	-	224,165	-
Pension related deferred inflows	18,661	-	18,661	-
Total deferred inflows of resources	242,826	-	242,826	-
Net Position				
Investment in capital assets	405,852	-	405,852	-
Unrestricted	8,245,382	351,369	8,596,751	8,462,900
Total net position	\$ 8,651,234	\$ 351,369	\$ 9,002,603	\$ 8,462,900

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, 2024

Total enterprise funds net position \$ 9,002,603

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.

314,229

Net position of business-type activities

\$ 9,316,832

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, 2024

	Business-Type Activities, Enterprise Funds			Governmental
	School	Nonmajor	Total	Activities,
	Nutrition	School Store		Internal Service Fund
Operating revenues:				
Food sales	\$ 2,181,310	\$ -	\$ 2,181,310	\$ -
Charges for services	1,269	298,109	299,378	12,074,364
Total operating revenues	2,182,579	298,109	2,480,688	12,074,364
Operating expenses:				
Salaries	1,307,982	35,020	1,343,002	-
Employee benefits	383,109	5,948	389,057	-
Purchased services	114,212	15,756	129,968	422,681
Food consumed	1,939,325	-	1,939,325	-
Supplies	538,124	253,721	791,845	-
Depreciation	51,915	-	51,915	-
Claims and administration	-	-	-	10,665,239
Other	1,200	9,879	11,079	-
Total operating expenses	4,335,867	320,324	4,656,191	11,087,920
Operating income (loss)	(2,153,288)	(22,215)	(2,175,503)	986,444
Nonoperating revenues:				
Federal food commodities	397,959	-	397,959	-
Federal appropriations	2,681,340	-	2,681,340	-
State appropriations	35,095	-	35,095	-
Interest	505,224	20,905	526,129	347,589
Total nonoperating revenues	3,619,618	20,905	3,640,523	347,589
Income (loss) before transfers	1,466,330	(1,310)	1,465,020	1,334,033
Transfers (out)	(104,760)	-	(104,760)	-
Change in net position	1,361,570	(1,310)	1,360,260	1,334,033
Net position, beginning of year	7,289,664	352,679	7,642,343	7,128,867
Net position, end of year	\$ 8,651,234	\$ 351,369	\$ 9,002,603	\$ 8,462,900

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, 2024**

Net changes in net position in enterprise funds \$ 1,360,260

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.

16,856

Change in net position of business-type activities

\$ 1,377,116

See Notes to Basic Financial Statements.

Southeast Polk Community School District

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024**

	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	\$ 2,227,858	\$ 305,279	\$ 2,533,137	\$ 12,619,379
Payments to suppliers	(2,201,196)	(282,506)	(2,483,702)	(11,758,388)
Payments to employees	(1,791,961)	(39,350)	(1,831,311)	-
Net cash provided by (used in) operating activities	(1,765,299)	(16,577)	(1,781,876)	860,991
Cash flows from noncapital financial activities:				
Federal and state appropriations received	2,716,435	-	2,716,435	-
Payments to other funds	(104,760)	-	(104,760)	179,651
Net cash provided by noncapital financing activities	2,611,675	-	2,611,675	179,651
Cash flows from capital and related financing activities:				
Purchase of capital assets	(45,140)	-	(45,140)	-
Net cash (used in) capital and related financing activities	(45,140)	-	(45,140)	-
Cash flows from investing activities, interest received	505,224	20,905	526,129	347,589
Net increase in cash and cash equivalents	1,306,460	4,328	1,310,788	1,388,231
Cash and cash equivalents, beginning of year	8,326,519	360,250	8,686,769	8,413,885
Cash and cash equivalents, end of year	\$ 9,632,979	\$ 364,578	\$ 9,997,557	\$ 9,802,116

(Continued)

Southeast Polk Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2024

	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)	(2,153,288)	(22,215)	(2,175,503)	986,444
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	51,915	-	51,915	-
Federal food commodities used	397,959	-	397,959	-
Change in assets and liabilities:				
Receivables	3,997	-	3,997	545,015
Prepaid expenses	-	(214)	(214)	(124,903)
Inventories	2,784	-	2,784	-
Accounts payable	(9,078)	(2,936)	(12,014)	(518,245)
Salaries and benefits payable	(1,696)	1,618	(78)	-
Compensated absences	103	-	103	-
Claims payable	-	-	-	(27,320)
Unearned revenue	41,282	7,170	48,452	-
Net pension liability and related deferrals	(107,333)	-	(107,333)	-
Total OPEB liability and related deferrals	8,056	-	8,056	-
Net cash provided by (used in) operating activities	\$ (1,765,299)	\$ (16,577)	\$ (1,781,876)	\$ 860,991
Schedule of noncash items:				
Noncapital financing activities, federal commodities	\$ 397,959	\$ -	\$ 397,959	\$ -

See Notes to Basic Financial Statements.

Southeast Polk Community School District

Statement of Fiduciary Net Position

Fiduciary Fund

June 30, 2024

	<u>Custodial</u>
Assets	
Cash, cash equivalents and investments	\$ 475,050
Accounts receivable	133
Total assets	<u>475,183</u>
Liabilities	
Accounts payable	1,497
Total liabilities	<u>1,497</u>
Net position	<u>\$ 473,686</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, 2024

	<u>Custodial</u>
Additions:	
Local sources:	
Interest income	\$ 27,358
Other	284,015
Total additions	<u>311,373</u>
Deductions:	
Current:	
Instruction	
Administrative	245,132
Total deductions	<u>245,132</u>
Change in net position	66,241
Net position, beginning of year	407,445
Net position, end of year	<u>\$ 473,686</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, 2024

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, 2024

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, 2024

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 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, 2024

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 and fiduciary 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.

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 2023 based on 2022 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, 2024

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 amounts due from the state for grant programs and amounts 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, 2024

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.

The District maintains the following capitalization thresholds:

Asset Class	Threshold
Land	\$ 1
Buildings	5,000
Land improvements	5,000
Intangibles	25,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

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 and a building. 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, 2024

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.

Subscription-Based Information Technology Arrangements (SBITA): The District has entered into contracts that convey control of the right to use information technology software. The District has recognized an intangible right-to-use IT subscription asset in the government-wide financial statements.

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

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

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

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

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

Southeast Polk Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2024**

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

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.

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 Chief Financial Officer by the Board of Education through the adoption of the budget.

Southeast Polk Community School District

Notes to Basic Financial Statements Year Ended June 30, 2024

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

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 and, contributions from the employer after the measurement date but before the end of the employer's reporting period.

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 income surtax, property tax, and grants. 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.

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 \$4,456,512.

Southeast Polk Community School District

Notes to Basic Financial Statements Year Ended June 30, 2024

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

Net position restricted through enabling legislation consists of \$4,771,683 for physical plant and equipment levy, \$22,810,096 for school infrastructure, and \$1,227,348 for management levy. All other restricted net position consists of \$3,032,695 for categorical funding, \$2,070,179 for required bond reserves and \$903,837 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.

The District exceeded the amended budget in the instruction, support services and noninstructional programs functions by \$1,066,889, \$646,866 and \$329,734, respectively.

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.

Southeast Polk Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2024**

Note 3. Cash and Investments (Continued)

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, 2024, 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, 2024 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, 2024 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:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
Major funds:		
General Fund	\$ 104,760	\$ 52,200
Capital Projects Fund	-	4,134,090
Debt Service Fund	4,186,290	-
Business-type activities:		
Major fund, School Nutrition Fund	-	104,760
	<u>\$ 4,291,050</u>	<u>\$ 4,291,050</u>

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.

Southeast Polk Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2024**

Note 5. Capital Assets

Capital asset activity of the governmental activities for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,343,040	\$ -	\$ -	\$ 9,343,040
Construction-in-progress	66,294,143	32,764,945	25,127,109	73,931,979
Total capital assets, not being depreciated	75,637,183	32,764,945	25,127,109	83,275,019
Capital assets, being depreciated/amortized:				
Buildings	162,807,826	25,127,109	-	187,934,935
Land improvements	15,794,628	154,527	-	15,949,155
Machinery and equipment	24,619,576	1,302,206	113,843	25,807,939
Right to use leased building	151,394	-	-	151,394
Right to use leased equipment	242,692	-	-	242,692
Right to use IT subscription	201,403	1,023,295	-	1,224,698
Total capital assets, being depreciated/amortized	203,817,519	27,607,137	113,843	231,310,813
Accumulated depreciation and amortization:				
Buildings	62,190,730	3,828,412	-	66,019,142
Land improvements	8,484,060	611,392	-	9,095,452
Machinery and equipment	19,726,168	1,164,722	37,072	20,853,818
Right to use leased building	112,143	33,643	-	145,786
Right to use leased equipment	84,943	48,539	-	133,482
Right to use IT subscription	56,355	249,033	-	305,388
Total accumulated depreciation and amortization	90,654,399	5,935,741	37,072	96,553,068
Total capital assets, being depreciated/amortized, net	113,163,120	21,671,396	76,771	134,757,745
Governmental activities capital assets, net	\$ 188,800,303	\$ 54,436,341	\$ 25,203,880	\$ 218,032,764

Southeast Polk Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2024**

Note 5. Capital Assets (Continued)

Capital asset activity of the business-type activities for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Business-type activities:				
Capital assets, being depreciated, machinery and equipment	\$ 3,220,351	\$ 45,140	\$ 27,197	\$ 3,238,294
Accumulated depreciation, machinery and equipment	2,807,724	51,915	27,197	2,832,442
Total capital assets, being depreciation, net	\$ 412,627	\$ (6,775)	\$ -	\$ 405,852

Depreciation was charged to the functions as follows:

Governmental activities:	
Instruction	\$ 57,883
Support services	1,148,522
Unallocated	4,729,336
Total depreciation/amortization expense, governmental activities	\$ 5,935,741
Business-type activities, school nutrition	\$ 51,915

Subscription-Based Information Technology Arrangements (SBITA):

The District has entered into SBITA for curriculum and technology. The District pays for the full SBITA at the beginning of the SBITA term. As of June 30, 2024, the District has SBITA cost of \$1,224,698 which will amortized until fiscal year 2029.

Southeast Polk Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2024**

Note 6. Long-term Debt

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

	June 30, 2023	Additions	Reductions	June 30, 2024	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 80,580,000	\$ 6,670,000	\$ 3,500,000	\$ 83,750,000	\$ 3,915,000
Premium on general obligation bonds	6,769,258	283,702	957,526	6,095,434	-
Revenue bonds	19,570,000	-	2,980,000	16,590,000	3,115,000
Premium on revenue bonds	608,527	-	182,833	425,694	-
Direct placements, revenue refunding bonds series 2018	2,645,000	-	405,000	2,240,000	420,000
Building lease	69,218	-	59,081	10,137	10,137
Equipment lease	161,449	-	48,013	113,436	49,473
Early retirement	111,699	128,341	111,699	128,341	128,341
Compensated absences	192,273	195,312	192,273	195,312	195,312
Total OPEB liability	18,079,230	-	3,192,962	14,886,268	790,239
Net pension liability	24,813,090	3,777,409	-	28,590,499	-
Total	\$ 153,599,744	\$ 11,054,764	\$ 11,629,387	\$ 153,025,121	\$ 8,623,502
Business-type activities:					
Compensated absences	\$ 1,867	\$ 1,970	\$ 1,867	\$ 1,970	\$ 1,970
Total OPEB liability	744,882	-	70,824	674,058	17,529
Net pension liability	589,336	44,839	-	634,175	-
	\$ 1,336,085	\$ 46,809	\$ 72,691	\$ 1,310,203	\$ 19,499

Compensated absences are generally liquidated by the General Fund. The total 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, 2024

Note 6. Long-term Debt (Continued)

General obligation bonds: On July 27, 2023, the District issued \$6,670,000 General Obligation School Bonds Series 2023A. The bonds have an interest rate ranging from 4.0-5.0%, principal is payable annually beginning on May 1, 2024. Interest is payable semi annually on May 1 and November 1 until maturity of May 1, 2042.

Details of the District's June 30, 2024 general obligation bond indebtedness is as follows:

Year ending June 30:	Interest Rates (Percents)	\$85,330,000 Issued November 6, 2020		
		Principal	Interest	Total
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	5.00	5,185,000	1,826,850	7,011,850
2029	4.00	5,725,000	1,567,600	7,292,600
2030-2034	3.00-4.00	36,570,000	4,486,150	41,056,150
2035-2036	2.00	17,060,000	513,500	17,573,500
Totals		\$ 77,210,000	\$ 15,186,900	\$ 92,396,900

Year ending June 30:	Interest Rates (Percents)	\$6,670,000 Issued July 27, 2023		
		Principal	Interest	Total
2025	5.00	\$ 140,000	\$ 278,600	\$ 418,600
2026	5.00	150,000	271,600	421,600
2027	5.00	160,000	264,100	424,100
2028	5.00	100,000	256,100	356,100
2029	5.00	195,000	251,100	446,100
2030-2034	4.00-5.00	1,760,000	1,055,950	2,815,950
2035-2039	4.00	2,355,000	627,000	2,982,000
2040-2042	4.00	1,680,000	136,400	1,816,400
Totals		\$ 6,540,000	\$ 3,140,850	\$ 9,680,850

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 2018. 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, 2019 until maturity on June 1, 2029.

Southeast Polk Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2024**

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 \$20,495,432. During the year ended June 30, 2024, principal and interest of \$4,071,898 was paid on the bonds and statewide sales, services and use tax revenues were \$9,499,495.

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, 2024, the reserve account balance was \$4,276,653.
- 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, 1/6th of the next interest payment and 1/12th of the next principal payment are to be deposited in to the sinking account. As of June 30, 2024, the sinking fund account balance was \$602,031.
- 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
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	750,000	42,090	792,090	565,000	40,150	605,150
2029	780,000	21,840	801,840	580,000	23,200	603,200
Totals	\$ 3,635,000	\$ 297,030	\$ 3,932,030	\$ 2,725,000	\$ 295,500	\$ 3,020,500

Year ending June 30:	Issued June 15, 2016			Direct Placements Issued July 2, 2018		
	Principal	Interest	Total	Principal	Interest	Total
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	2,095,000	127,500	2,222,500	465,000	27,877	492,877
2029	2,155,000	64,650	2,219,650	480,000	14,160	494,160
Totals	\$ 10,230,000	\$ 870,089	\$ 11,100,089	\$ 2,240,000	\$ 202,813	\$ 2,442,813

Southeast Polk Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2024**

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, 2024, the value of the building lease liability was \$10,137 and the value of the equipment lease was \$113,436. 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, 2024, were as follows:

Year ending June 30:	Interest Rates	Building Lease		
		Principal	Interest	Total
2025	5.00	\$ 10,137	\$ 63	\$ 10,200
Totals		\$ 10,137	\$ 63	\$ 10,200

Year ending June 30:	Interest Rates	Copier Printer Lease		
		Principal	Interest	Total
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
Totals		\$ 113,436	\$ 4,014	\$ 117,450

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, 2024, the District had obligations to 14 participants with a total liability of \$128,341 which was recorded in the Management Fund. Actual early retirement expenditures for the year ended June 30, 2024, totaled \$111,699. Early retirement obligations are generally liquidated by the Management Fund.

Southeast Polk Community School District

Notes to Basic Financial Statements Year Ended June 30, 2024

Note 6. Long-Term Debt (Continued)

As of June 30, 2024, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 5,102,273,136</u>
Debt limit, 5% of total assessed valuation	\$ 255,113,657
Amount of debt applicable to debt limit:	
General obligation bonds	83,750,000
Revenue bonds	18,830,000
Lease obligation	<u>123,573</u>
Excess of debt limit over debt outstanding, legal debt margin	<u>\$ 152,410,084</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, 2024**

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

The full monthly premium rates as of July 1, 2023 for each plan are as shown below:

Rate Tier	Medical	Dental	Vision
Single	\$ 746	\$ 34	\$ 5
Family	2,136	118	9

Employees covered by benefit terms: At June 30, 2024, 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	855
	904

Total OPEB Liability: The District's total OPEB liability of \$15,560,326 was measured as of June 30, 2023 and was determined by an actuarial valuation with a reporting date of June 30, 2024.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50% per annum
Discount rate	3.86% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	7.6%, gradually decreasing over several decades to an ultimate rate of 3.9% in FY 2076 and later years.

The discount rate was based on the Fidelity 20-Year Municipal GO AA Index. 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, 2024 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, 2024**

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	\$ 18,824,112
Changes for the year:	
Service cost	1,290,020
Interest	727,308
Changes of benefit terms	-
Differences between expected and actual experience	(3,149,131)
Changes in assumptions or other inputs	(1,324,215)
Benefit payments	(807,768)
Net changes	(3,263,786)
Balance at June 30, 2024	<u>\$ 15,560,326</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	Discount Rate	1% Increase
	2.86%	3.86%	4.86%
Total OPEB liability	\$ 16,841,663	\$ 15,560,326	\$ 14,358,030

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	Trend Rates	1% Increase
	6.60%	7.60%	8.60%
Total OPEB liability	\$ 13,848,545	\$ 15,560,326	\$ 17,591,404

For the year ended June 30, 2024, the District recognized OPEB expense of \$1,034,463. At June 30, 2024, 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	\$ 94,341	\$ 4,209,037
Changes of assumptions or other inputs	643,362	4,396,682
Net difference between projected and actual investments	-	-
Contributions subsequent to measurement date	666,281	-
Total	<u>\$ 1,403,984</u>	<u>\$ 8,605,719</u>

Southeast Polk Community School District

Notes to Basic Financial Statements Year Ended June 30, 2024

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

Deferred outflows of resources of \$666,281 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, 2025. 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:

2025	\$ (982,865)
2026	(982,865)
2027	(982,865)
2028	(823,152)
2029	(886,509)
Thereafter	<u>(3,209,760)</u>
	<u>\$ (7,868,016)</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.

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, 2024**

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 2024, 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, 2024 were \$5,693,147.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the District reported a liability of \$29,224,674 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the District’s proportion was 0.6474710 percent, which was a decrease of .0248800 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$2,304,129. At June 30, 2024, 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	\$ 2,472,447	\$ 120,123
Changes of assumptions	-	464
Net difference between projected and actual earnings on pension plan investments	2,706,559	-
Changes in proportion and differences between District contributions and proportionate share of contributions	73,553	739,347
District contributions subsequent to the measurement date	5,693,147	-
Total	\$ 10,945,706	\$ 859,934

Southeast Polk Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2024**

Note 8. Retirement System (Continued)

\$5,693,147 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, 2025. 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,	
2025	\$ (888,392)
2026	(2,322,937)
2027	6,426,859
2028	1,047,562
2029	129,533
Total	<u>\$ 4,392,625</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2023 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, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021. Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on 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, 2024**

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	21.0%	4.56%
International equity	16.5%	6.22%
Global smart beta equity	5.0%	5.22%
Core plus fixed income	23.0%	2.69%
Public credit	3.0%	4.38%
Cash	1.0%	1.59%
Private equity	17.0%	10.44%
Private real assets	9.0%	3.88%
Private credit	4.5%	4.60%
Total	<u>100%</u>	

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	\$ 62,138,169	\$ 29,224,674	\$ 1,642,622

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.

Payables to the Pension Plan – As of June 30, 2024, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 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, 2024

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, 2024 and 2023 are as follows:

	2024	2023
Claims payable, beginning of year	\$ 710,334	\$ 581,408
Incurred claims (including IBNR and changes in estimates)	8,576,422	8,072,585
Claim payments	8,603,742	7,943,659
Claims payable, end of year	<u>\$ 683,014</u>	<u>\$ 710,334</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 \$3,681,235 for the year ended June 30, 2024 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

Note 11. Contingencies

As of June 30, 2024, 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, 2024**

Note 12. Commitments

The District has active construction projects as of June 30, 2024 relating to multi-purpose projects, softball field project, and middle school. The construction commitments for these projects total \$99,703,716 of which \$94,352,817 has been paid leaving \$5,350,899 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, 2024 is comprised of the following programs:

Program:	Amount
Teacher salary supplement	\$ 42,262
Professional development	388,836
Empowerment	10,750
Early reader	523,214
Home school assistance	89,103
Health care trust fund	1,000
Teacher leadership	1,612,463
Teacher mentoring	136,133
School ready children	9,096
Nonpublic transportation	486
Gifted and talented	203,905
Other	15,447
	<u>\$ 3,032,695</u>

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, 2024 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	\$ 349,853

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, 2024, this reimbursement amounted to \$167,526.

Southeast Polk Community School District

Notes to Basic Financial Statements Year Ended June 30, 2024

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

The District adopted the following statement during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022. 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.

The above statement did not have a material impact on the District's Financial Statements.

As of June 30, 2024, 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. 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.

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

Southeast Polk Community School District

Notes to Basic Financial Statements Year Ended June 30, 2024

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

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

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, 2024**

	Governmental Funds - Actual	Enterprise Fund - Actual
Revenues:		
Local sources	\$ 53,690,412	\$ 3,006,817
State sources	67,932,468	35,095
Federal sources	5,423,816	3,079,299
Total revenues	127,046,696	6,121,211
Expenditures/expenses:		
Instruction	67,010,889	-
Support services	37,389,394	-
Noninstructional programs	8,543	4,656,191
Other expenditures	48,649,967	-
Total expenditures/expenses	153,058,793	4,656,191
Excess (deficiency) of revenues over (under) expenditures/expenses	(26,012,097)	1,465,020
Other financing sources (uses):		
Transfers in	4,291,050	-
Transfers (out)	(4,186,290)	(104,760)
Other uses	-	-
Insurance proceeds	319,484	-
Issuance of long-term debt	6,670,000	-
Premium on issuance of long-term debt	283,702	-
Proceeds from sale of capital assets	18,482	-
Total other financing sources (uses)	7,396,428	(104,760)
Net change in fund balance	(18,615,669)	1,360,260
Balance, beginning of year	65,481,127	7,642,343
Balance, end of year	\$ 46,865,458	\$ 9,002,603

See Notes to Required Supplementary Information.

Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 56,697,229	\$ 53,025,987	\$ 53,025,987	\$ 3,671,242
67,967,563	66,184,954	66,184,954	1,782,609
8,503,115	7,132,941	7,132,941	1,370,174
<u>133,167,907</u>	<u>126,343,882</u>	<u>126,343,882</u>	<u>6,824,025</u>
67,010,889	65,944,000	65,944,000	(1,066,889)
37,389,394	33,829,625	36,742,528	(646,866)
4,664,734	4,268,000	4,335,000	(329,734)
<u>48,649,967</u>	<u>60,992,871</u>	<u>60,992,871</u>	<u>12,342,904</u>
<u>157,714,984</u>	<u>165,034,496</u>	<u>168,014,399</u>	<u>10,299,415</u>
<u>(24,547,077)</u>	<u>(38,690,614)</u>	<u>(41,670,517)</u>	<u>17,123,440</u>
4,291,050	4,196,898	4,196,898	94,152
(4,291,050)	(4,196,898)	(4,196,898)	(94,152)
-	(4,000)	(4,000)	4,000
319,484	-	-	319,484
6,670,000	6,530,460	6,530,460	139,540
283,702	-	-	283,702
18,482	25,000	25,000	(6,518)
<u>7,291,668</u>	<u>6,551,460</u>	<u>6,551,460</u>	<u>740,208</u>
<u>(17,255,409)</u>	<u>(32,139,154)</u>	<u>(35,119,057)</u>	<u>17,863,648</u>
<u>73,123,470</u>			
<u>\$ 55,868,061</u>			

Southeast Polk Community School District

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

	2024	2023
Total OPEB liability		
Changes for the year:		
Service cost	\$ 1,290,020	\$ 1,690,054
Interest	727,308	413,438
Changes of benefit terms	-	-
Differences between expected and actual experience	(3,149,131)	13,501
Changes in assumptions or other inputs	(1,324,215)	(2,758,959)
Benefit payments	(807,768)	(754,153)
Net changes in total OPEB liability	(3,263,786)	(1,396,119)
Total OPEB liability - beginning	18,824,112	20,220,231
Total OPEB liability - ending	<u>\$ 15,560,326</u>	<u>\$ 18,824,112</u>
Covered employee payroll	\$ 50,206,682	\$ 47,367,036
Total OPEB liability as a percentage of covered employee payroll	31%	40%

Notes to Schedule:

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: 3.86% 3.69%

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

	2022	2021	2020	2019	2018
\$	1,697,291	\$ 1,418,849	\$ 1,430,250	\$ 1,368,235	\$ 1,444,144
	506,525	562,882	709,366	650,401	524,813
	(316,569)	-	-	-	-
	99,170	18,191	(2,557,098)	-	-
	(416,768)	1,035,058	(559,565)	(92,299)	(935,446)
	(653,223)	(591,545)	(656,132)	(668,472)	(653,438)
	916,426	2,443,435	(1,633,179)	1,257,865	380,073
	19,303,805	16,860,370	18,493,549	17,235,684	16,855,611
\$	20,220,231	\$ 19,303,805	\$ 16,860,370	\$ 18,493,549	\$ 17,235,684
\$	47,652,000	\$ 46,383,000	\$ 43,236,794	\$ 45,038,411	\$ 41,739,096
	42%	42%	39%	41%	41%
	1.92%	2.45%	3.13%	3.62%	3.56%

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 Ten Fiscal Years

	2024*	2023*	2022*	2021*
District's proportion of the net pension liability	0.6474710%	0.6723510%	-0.2661131%	0.6486431%
District's proportionate share of the net pension liability	\$ 29,224,674	\$ 25,402,426	\$ 918,694	\$ 45,565,462
District's covered payroll	\$ 56,881,474	\$ 54,249,103	\$ 53,187,513	\$ 51,548,904
District's proportionate share of the pension liability as a percentage of its covered payroll	51.38%	46.83%	1.73%	88.39%
Plan fiduciary net pension as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%

*The amounts presented for each fiscal year were determined 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.

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**

	2024	2023	2022	2021
Statutorily required contribution	\$ 5,693	\$ 5,363	\$ 5,106	\$ 5,021
Contributions in relation to the statutorily required contribution	\$ (5,693)	\$ (5,363)	\$ (5,106)	\$ (5,021)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 60,309	\$ 56,881	\$ 54,249	\$ 53,188
Contributions as a percentage of covered payroll	9.44%	9.43%	9.41%	9.44%

See Notes to Required Supplementary Information.

2020	2019	2018	2017	2016	2015
\$ 4,866	\$ 4,719	\$ 4,390	\$ 4,303	\$ 4,140	\$ 3,956
\$ (4,866)	\$ (4,719)	\$ (4,390)	\$ (4,303)	\$ (4,140)	\$ (3,956)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 51,549	\$ 49,991	\$ 49,165	\$ 48,182	\$ 46,392	\$ 44,299
9.44%	9.44%	8.93%	8.93%	8.92%	8.93%

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Southeast Polk Community School District

Notes to Required Supplementary Information Year Ended June 30, 2024

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 \$2,979,903. The District exceeded the amended budget in the instruction, support services and noninstructional programs functions by \$1,066,889, \$646,866 and \$329,734, respectively.

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

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

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

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

Southeast Polk Community School District

**Notes to Required Supplementary Information
Year Ended June 30, 2024**

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

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%.

**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, 2024**

	Special Revenue		
	Management	Student Activity	Total
Assets			
Cash, cash equivalents and investments	\$ 1,374,868	\$ 909,087	\$ 2,283,955
Receivables:			
Property taxes	4,393,324	-	4,393,324
Other	-	4,475	4,475
Prepaid items	-	6,694	6,694
Total assets	\$ 5,768,192	\$ 920,256	\$ 6,688,448
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 2,280	\$ 12,797	\$ 15,077
Salaries and benefits payable	30,585	3,622	34,207
Early retirement	128,341	-	128,341
Total liabilities	161,206	16,419	177,625
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	4,379,638	-	4,379,638
Fund balances:			
Nonspendable	-	6,694	6,694
Restricted	1,227,348	897,143	2,124,491
Total fund balances	1,227,348	903,837	2,131,185
Total liabilities, deferred inflows of resources and fund balances	\$ 5,768,192	\$ 920,256	\$ 6,688,448

Southeast Polk Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2024

	Special Revenue		Total
	Management	Student Activity	
Revenues:			
Property taxes and other local sources:			
Property tax	\$ 3,765,724	\$ -	\$ 3,765,724
Utility excise tax	434,549	-	434,549
Other taxes	2,780	-	2,780
Student activities	-	914,302	914,302
Investment earnings	37	54,230	54,267
Other local sources	29,372	113,753	143,125
State sources, other	36,435	-	36,435
Total revenues	4,268,897	1,082,285	5,351,182
Expenditures:			
Current:			
Instruction	904,833	904,913	1,809,746
Support services:			
Student support	16,663	-	16,663
Instructional support	12,238	11,731	23,969
General administration	-	10,614	10,614
School administration	112,477	-	112,477
Business and central administration	854,463	8,808	863,271
Plant operation and maintenance	1,395,024	9,000	1,404,024
Student transportation	19,118	20,209	39,327
Noninstructional programs	5,733	2,810	8,543
Total expenditures	3,320,549	968,085	4,288,634
Change in fund balances	948,348	114,200	1,062,548
Fund balances, beginning of year	279,000	789,637	1,068,637
Fund balances, end of year	\$ 1,227,348	\$ 903,837	\$ 2,131,185

Southeast Polk Community School District

**Schedule of Combining Balance Sheet-
Capital Projects Fund, By Account
June 30, 2024**

	Capital Projects Fund Accounts			Total
	Physical Plant and Equipment	Statewide Sales and Services Tax	Other Capital Projects	
Assets				
Cash, cash equivalents and investments	\$ 4,634,124	\$ 16,892,301	\$ 5,043,702	\$ 26,570,127
Restricted cash and investments	-	586,486	-	586,486
Receivables:				
Property taxes	5,189,859	-	-	5,189,859
Due from other funds	123,019	-	-	123,019
Due from other governments	-	874,093	-	874,093
Total assets	\$ 9,947,002	\$ 18,352,880	\$ 5,043,702	\$ 33,343,584
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 136,562	\$ 966,689	\$ 5,043,591	\$ 6,146,842
Total liabilities	136,562	966,689	5,043,591	6,146,842
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	5,175,319	-	-	5,175,319
Total deferred inflows of resources	5,175,319	-	-	5,175,319
Fund balances:				
Restricted for:				
Physical plant and equipment	4,635,121	-	-	4,635,121
Debt service	-	586,486	-	586,486
School infrastructure	-	16,799,705	111	16,799,816
Total fund balances	4,635,121	17,386,191	111	22,021,423
Total liabilities, deferred inflows of resources and fund balances	\$ 9,947,002	\$ 18,352,880	\$ 5,043,702	\$ 33,343,584

Southeast Polk Community School District

**Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance-Capital Projects Fund, By Account
Year Ended June 30, 2024**

	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	\$ 4,230,930	\$ -	\$ -	\$ 4,230,930
Utility excise tax	422,849	-	-	422,849
Other taxes	2,706	-	-	2,706
Investment earnings	151,820	790,763	691,984	1,634,567
Other	168,210	252,907	51,708	472,825
State sources:				
Sales and services tax	-	9,499,495	-	9,499,495
Other	35,454	-	-	35,454
Total revenues	5,011,969	10,543,165	743,692	16,298,826
Expenditures:				
Current:				
Instruction	104,914	-	-	104,914
Support services:				
Instruction	9,988	-	-	9,988
Business and central administration	1,458,276	7,353	206	1,465,835
Plant operation and maintenance	106,213	-	-	106,213
Student transportation	843,351	-	-	843,351
Capital outlay	1,257,525	5,748,347	27,300,164	34,306,036
Debt service, interest and fiscal charges	-	8,467	117,388	125,855
Total expenditures	3,780,267	5,764,167	27,417,758	36,962,192
Excess (deficiency) of revenues over (under) expenditures	1,231,702	4,778,998	(26,674,066)	(20,663,366)
Other financing (uses):				
Issuance of long-term debt	-	-	6,670,000	6,670,000
Premium on issuance of long-term debt	-	-	283,702	283,702
Transfers (out)	(61,200)	(4,072,890)	-	(4,134,090)
Total other financing (uses)	(61,200)	(4,072,890)	6,953,702	2,819,612
Net change in fund balance	1,170,502	706,108	(19,720,364)	(17,843,754)
Fund balance, beginning of year	3,464,619	16,680,083	19,720,475	39,865,177
Fund balance, end of year	\$ 4,635,121	\$ 17,386,191	\$ 111	\$ 22,021,423

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INTERNAL SERVICE FUNDS

Southeast Polk Community School District

Combining Statement of Net Position

Internal Service Funds

June 30, 2024

	Self-Funded Health Insurance	Flex Benefit	Self-Funded Dental Insurance	Total
Assets				
Current assets:				
Cash, cash equivalents and investments	\$ 9,328,497	\$ 96,655	\$ 376,964	\$ 9,802,116
Prepaid expense	124,903	-	-	124,903
Total assets	9,453,400	96,655	376,964	9,927,019
Liabilities				
Current liabilities:				
Accounts payable	557,521	-	43,933	601,454
Claims payable	668,014	-	15,000	683,014
Due to other funds	179,651	-	-	179,651
Total liabilities	1,405,186	-	58,933	1,464,119
Net Position				
Unrestricted	\$ 8,048,214	\$ 96,655	\$ 318,031	\$ 8,462,900

Southeast Polk Community School District

**Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2024**

	Self-Funded Health Insurance	Flex Benefit	Self-Funded Dental Insurance	Total
Operating revenues:				
Charges for services	\$ 11,063,801	\$ 432,623	\$ 577,940	\$ 12,074,364
Operating expenses:				
Claims and administration	10,136,433	-	528,806	10,665,239
Purchased services	-	422,681	-	422,681
Total operating expenses	10,136,433	422,681	528,806	11,087,920
Operating income	927,368	9,942	49,134	986,444
Nonoperating revenues:				
Interest	337,193	626	9,770	347,589
Changes in net position	1,264,561	10,568	58,904	1,334,033
Net position, beginning	6,783,653	86,087	259,127	7,128,867
Net position, end of year	\$ 8,048,214	\$ 96,655	\$ 318,031	\$ 8,462,900

Southeast Polk Community School District

Combining Statement of Cash Flows

Internal Service Funds

Year Ended June 30, 2024

	Self-Funded Health Insurance	Flex Benefit	Self-Funded Dental Insurance	Total
Cash flows from operating Activities:				
Receipts from customers and users	\$ 11,608,816	\$ 432,623	\$ 577,940	\$ 12,619,379
Payments to suppliers	(10,832,527)	(422,681)	(503,180)	(11,758,388)
Net cash provided by operating activities	776,289	9,942	74,760	860,991
Cash flows from noncapital financial activities payments to other funds	179,651	-	-	179,651
Cash flows from investing activities, interest received	337,193	626	9,770	347,589
Net increase in cash and cash equivalents	1,293,133	10,568	84,530	1,388,231
Cash and Cash Equivalents:				
Beginning of year	8,035,364	86,087	292,434	8,413,885
End of year	<u>\$ 9,328,497</u>	<u>\$ 96,655</u>	<u>\$ 376,964</u>	<u>\$ 9,802,116</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 927,368	\$ 9,942	\$ 49,134	\$ 986,444
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in assets and liabilities:				
Accounts receivable	545,015	-	-	545,015
Prepaid expense	(124,903)	-	-	(124,903)
Accounts payable	(547,178)	-	28,933	(518,245)
Claims payable	(24,013)	-	(3,307)	(27,320)
Net cash provided by operating activities	\$ 776,289	\$ 9,942	\$ 74,760	\$ 860,991

Statistical Section

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Southeast Polk Community School District

Statistical Section

(Unaudited)

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.

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Schedule 1
Southeast Polk Community School District

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities:				
Net investment in capital assets	\$ 53,819,946	\$ 59,014,853	\$ 66,780,379	\$ 73,928,586
Restricted	7,537,285	9,101,745	10,051,620	11,738,778
Unrestricted	(20,136,604)	(17,005,758)	(14,792,803)	(22,621,368)
Total governmental activities net position	\$ 41,220,627	\$ 51,110,840	\$ 62,039,196	\$ 63,045,996
Business type activities:				
Net investment in capital assets	\$ 854,710	\$ 680,706	\$ 531,215	\$ 410,080
Restricted	-	-	-	-
Unrestricted	625,292	907,902	1,430,667	1,618,293
Total business type activities net position	\$ 1,480,002	\$ 1,588,608	\$ 1,961,882	\$ 2,028,373
Primary government:				
Net investment in capital assets	\$ 54,674,656	\$ 59,695,559	\$ 67,311,594	\$ 74,338,666
Restricted	7,537,285	9,101,745	10,051,620	11,738,778
Unrestricted	(19,511,312)	(16,097,856)	(13,362,136)	(21,003,075)
Total primary government net position	\$ 42,700,629	\$ 52,699,448	\$ 64,001,078	\$ 65,074,369

Source: School District financial records.

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 79,535,244	\$ 83,271,611	\$ 83,202,211	\$ 89,292,967	\$ 101,536,967	\$ 107,117,733	
16,979,543	22,904,144	29,369,804	29,766,701	26,085,302	34,815,838	
(27,568,609)	(33,952,847)	(36,371,672)	(25,693,678)	(18,438,578)	(16,013,422)	
\$ 68,946,178	\$ 72,222,908	\$ 76,200,343	\$ 93,365,990	\$ 109,183,691	\$ 125,920,149	
\$ 325,775	\$ 277,144	\$ 171,793	\$ 293,596	\$ 412,627	\$ 405,852	
-	-	-	-	-	-	
2,141,607	2,754,095	3,722,884	5,989,788	7,527,089	8,910,980	
\$ 2,467,382	\$ 3,031,239	\$ 3,894,677	\$ 6,283,384	\$ 7,939,716	\$ 9,316,832	
\$ 79,861,019	\$ 83,548,755	\$ 83,374,004	\$ 89,586,563	\$ 101,949,594	\$ 107,523,585	
16,979,543	22,904,144	29,369,804	29,766,701	26,085,302	34,815,838	
(25,427,002)	(31,198,752)	(32,648,788)	(19,703,890)	(10,911,489)	(7,102,442)	
\$ 71,413,560	\$ 75,254,147	\$ 80,095,020	\$ 99,649,374	\$ 117,123,407	\$ 135,236,981	

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			
	2015	2016	2017	2018
Expenses:				
Governmental activities:				
Instruction	\$ 45,484,994	\$ 48,158,191	\$ 50,763,104	\$ 52,602,425
Support services	24,622,587	25,326,960	26,173,501	25,785,228
Non-instructional programs	35,339	-	11,238	20,462
Interest on long-term debt	2,713,171	2,749,350	2,717,208	2,930,059
Other	3,138,172	3,661,535	2,863,461	5,113,155
Depreciation (unallocated)	4,121,705	2,953,836	3,817,740	2,464,589
Total governmental activities expenses	80,115,968	82,849,872	86,346,252	88,915,918
Business type activities:				
Nutrition services	3,718,102	3,810,411	3,841,949	3,746,338
Community service services	58,807	110	-	-
School store services	329,088	281,461	269,444	279,307
Total business type activities expenses	4,105,997	4,091,982	4,111,393	4,025,645
Total primary government expenses	\$ 84,221,965	\$ 86,941,854	\$ 90,457,645	\$ 92,941,563
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	\$ 5,106,252	\$ 5,903,985	\$ 6,239,183	\$ 6,322,008
Support services	237,925	270,679	55,321	54,275
Operating grants and contributions	13,209,625	13,778,687	13,195,579	13,589,134
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	18,553,802	19,953,351	19,490,083	19,965,417

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

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 53,969,537	\$ 55,972,136	\$ 55,807,010	\$ 52,431,826	\$ 57,483,962	\$ 64,422,616	
29,042,605	30,448,735	34,457,492	30,589,079	34,147,096	36,418,365	
20,493	23,934	23,893	19,957	9,054	8,543	
1,369,246	1,168,600	4,168,733	3,330,533	3,480,553	3,681,235	
2,994,193	3,110,584	3,263,821	4,594,842	2,667,779	4,729,336	
4,073,778	4,199,806	4,298,216	2,727,473	4,731,808	2,537,086	
91,469,852	94,923,795	102,019,165	93,693,710	102,520,252	111,797,181	
3,789,197	3,862,190	3,520,597	4,043,244	4,001,742	4,319,011	
-	-	-	-	-	-	
246,828	114,668	93,112	235,519	281,949	320,324	
4,036,025	3,976,858	3,613,709	4,278,763	4,283,691	4,639,335	
\$ 95,505,877	\$ 98,900,653	\$ 105,632,874	\$ 97,972,473	\$ 106,803,943	\$ 116,436,516	
\$ 4,828,288	\$ 4,419,029	\$ 4,637,323	\$ 4,074,269	\$ 4,194,035	\$ 6,545,237	
532,075	436,805	750,184	3,209,682	3,049,017	1,151,430	
14,825,906	14,892,125	18,093,152	18,098,233	17,756,750	19,567,742	
-	-	-	-	167,560	324,615	
20,186,269	19,747,959	23,480,659	25,382,184	25,167,362	27,589,024	

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			
	2015	2016	2017	2018
Business type activities:				
Charges for services:				
Nutrition	2,314,942	2,396,754	2,429,705	2,481,290
Community service	157,534	-	-	-
School store	324,268	297,035	269,085	262,606
Operating grants and contributions	1,543,997	1,700,264	1,790,006	1,804,773
Total business type program revenues	4,340,741	4,394,053	4,488,796	4,548,669
Total primary government program revenues	\$ 22,894,543	\$ 24,347,404	\$ 24,454,213	\$ 24,514,086
Net (expense) revenue:				
Governmental activities	\$ (61,562,166)	\$ (62,896,521)	\$ (68,950,501)	\$ (68,950,501)
Business type activities	234,744	302,071	463,151	523,024
Total primary government net expense	\$ (61,327,422)	\$ (62,594,450)	\$ (68,487,350)	\$ (68,427,477)

Source: School District financial records.

Fiscal Year					
2019	2020	2021	2022	2023	2024
2,362,022	1,790,487	251,964	405,065	2,231,763	2,182,579
-	-	-	-	-	-
228,039	142,852	81,872	238,435	252,872	298,109
1,948,650	2,663,358	4,172,592	6,092,948	3,355,898	3,114,394
4,538,711	4,596,697	4,506,428	6,736,448	5,840,533	5,595,082
\$ 4,538,711	\$ 24,344,656	\$ 4,506,428	\$ 6,736,448	\$ 31,007,895	\$ 33,184,106
\$ -	\$ (75,175,836)	\$ -	\$ -	\$ (77,352,890)	\$ (84,208,157)
4,538,711	619,839	4,506,428	6,736,448	1,556,842	955,747
\$ 4,538,711	\$ (74,555,997)	\$ 4,506,428	\$ 6,736,448	\$ (75,796,048)	\$ (83,252,410)

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			
	2015	2016	2017	2018
Net (expense) revenue:				
Governmental activities	\$ (61,562,166)	\$ (62,896,521)	\$ (66,856,169)	\$ (68,950,501)
Business type activities	234,744	302,071	377,403	523,024
Total primary government net expense	(61,327,422)	(62,594,450)	(66,478,766)	(68,427,477)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general purposes	20,432,766	20,023,898	20,899,173	20,845,556
Property taxes levied for specific purposes	10,035,219	10,265,123	10,845,982	11,229,021
Income surtax	1,958,621	1,882,917	2,279,360	2,402,966
Sales tax	6,314,056	6,325,132	6,391,561	6,521,298
Unrestricted grants and contributions	34,212,768	33,976,146	35,940,865	35,627,912
Revenue in lieu of taxes	-	-	965,007	965,007
Other	-	-	116,674	-
Investment earnings	83,632	113,904	330,903	494,852
Transfers	-	199,614	15,000	138,813
Gain on sale of capital assets	-	-	-	-
Total governmental activities	73,037,062	72,786,734	77,784,525	78,225,425
Business type activities:				
Investment earnings	4,546	6,149	10,871	22,830
Gain on sale of capital assets	-	-	-	-
Transfers	-	(199,614)	(15,000)	(138,813)
Total business type activities	4,546	(193,465)	(4,129)	(115,983)
Total primary government	73,041,608	72,593,269	77,780,396	78,109,442
Change in net position:				
Governmental activities	11,474,896	9,890,213	10,928,356	9,274,924
Business type activities	239,290	108,606	373,274	407,041
Total primary government	\$ 11,714,186	\$ 9,998,819	\$ 11,301,630	\$ 9,681,965

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (771,283,583)	\$ (75,175,836)	\$ (78,538,506)	\$ (68,311,526)	\$ (77,352,890)	\$ (84,208,157)
502,686	619,839	892,719	2,457,685	1,556,842	955,747
(70,780,897)	(74,555,997)	(77,645,787)	(65,853,841)	(75,796,048)	(83,252,410)
17,833,712	17,698,429	20,042,352	21,613,949	21,457,618	21,874,311
11,627,761	10,495,138	10,556,896	10,399,392	12,650,233	13,511,608
2,476,238	2,628,941	2,787,244	2,672,524	4,010,721	3,552,331
7,036,501	7,004,627	7,772,095	8,490,311	8,435,198	9,499,495
35,017,999	36,593,168	38,286,917	39,175,393	42,059,123	44,472,332
765,985	722,038	731,073	740,685	-	321,064
1,484,770	2,442,683	2,069,597	2,263,289	1,967,904	4,173,236
821,520	760,073	197,930	46,072	2,451,538	3,435,478
119,279	107,469	39,392	73,026	138,256	104,760
-	-	32,445	24,113	-	-
77,183,765	78,452,566	82,515,941	85,498,754	93,170,591	100,944,615
55,602	51,487	10,111	2,471	228,916	526,129
-	-	-	1,577	8,830	-
(119,279)	(107,469)	(39,392)	(73,026)	(138,256)	(104,760)
(63,677)	(55,982)	(29,281)	(68,978)	99,490	421,369
77,120,088	78,396,584	82,486,660	85,429,776	93,270,081	101,365,984
77,183,765	3,276,730	3,977,435	17,187,228	15,817,701	16,736,458
(63,677)	563,857	863,438	2,388,707	1,656,332	1,377,116
\$ 77,120,088	\$ 3,840,587	\$ 4,840,873	\$ 19,575,935	\$ 17,474,033	\$ 18,113,574

Schedule 4
Southeast Polk Community School District

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

	2015	2016	2017	2018
General Fund:				
Nonspendable	\$ 1,913	\$ 37,496	\$ 909	\$ 1,205
Restricted	1,828,433	1,313,669	1,292,406	1,150,367
Assigned	171,588	297,355	565,482	1,113,921
Committed	-	-	-	-
Unassigned	7,226,923	9,658,140	13,724,658	15,534,247
Total General Fund	\$ 9,228,857	\$ 11,306,660	\$ 15,583,455	\$ 17,799,740
All other governmental funds:				
Nonspendable				
Special revenue funds	\$ 798,262	\$ 747,538	\$ 121	\$ 3,937
Capital projects funds	-	-	-	-
Debt service fund	-	-	78,500	-
Restricted				
Debt service funds	15,378,305	26,680,808	26,787,002	6,705,677
Capital projects funds	8,953,292	5,685,228	4,933,399	5,050,726
Special revenue funds	1,142,026	1,509,128	2,643,288	2,958,955
Total all other governmental funds	\$ 26,271,885	\$ 34,622,702	\$ 34,442,310	\$ 14,719,295

Source: School District financial records.

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 3,115	\$ 17,037	\$ -	\$ 296	\$ 10,343	\$ 128,351	
1,339,627	2,169,246	2,958,815	3,272,457	2,552,814	3,032,695	
1,230,843	1,664,778	1,572,161	1,706,747	1,863,398	2,040,752	
-	-	-	-	-	1,028,800	
13,096,684	10,514,980	11,070,924	13,233,663	14,381,968	10,542,047	
\$ 15,670,269	\$ 14,366,041	\$ 15,601,900	\$ 18,213,163	\$ 18,808,523	\$ 16,772,645	
\$ 124	\$ -	\$ 2,940	\$ 101	\$ 600	\$ 6,694	
-	-	-	-	-	-	
-	-	-	-	-	-	
10,092,956	14,678,956	15,895,226	13,450,458	5,738,790	5,940,205	
6,498,694	6,988,687	98,985,531	77,188,475	39,865,177	22,021,423	
3,157,103	3,313,936	2,295,906	733,003	1,068,037	2,124,491	
\$ 19,748,877	\$ 24,981,579	\$ 117,179,603	\$ 91,372,037	\$ 46,672,604	\$ 30,092,813	

Schedule 5
Southeast Polk Community School District

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

	Fiscal Year			
	2015	2016	2017	2018
Federal sources:				
Federal sources	\$ 2,622,484	\$ 2,526,681	\$ 2,546,771	\$ 2,716,985
Total federal sources	2,622,484	2,526,681	2,546,771	2,716,985
State sources:				
State sources	\$ 51,065,918	\$ 51,561,019	\$ 54,187,709	\$ 53,795,838
Total state sources	51,065,918	51,561,019	54,187,709	53,795,838
Local sources:				
Local taxes	\$ 32,220,900	\$ 32,248,857	\$ 33,827,878	\$ 34,343,125
Tuition	3,280,065	3,676,839	3,636,975	3,563,257
Other revenues	2,120,198	2,368,230	2,853,621	3,191,952
Total local sources	37,621,163	38,293,926	40,318,474	41,098,334
Total revenues	\$ 91,309,565	\$ 92,381,626	\$ 97,052,954	\$ 97,611,157

Source: School District financial records.

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 2,830,239	\$ 2,503,471	\$ 5,675,002	\$ 5,922,475	\$ 4,899,268	\$ 5,423,816	
2,830,239	2,503,471	5,675,002	5,922,475	4,899,268	5,423,816	
\$ 53,842,025	\$ 55,802,258	\$ 57,857,108	\$ 60,339,362	\$ 64,632,647	\$ 67,932,468	
53,842,025	55,802,258	57,857,108	60,339,362	64,632,647	67,932,468	
\$ 34,841,792	\$ 34,967,919	\$ 36,585,593	\$ 36,992,675	\$ 39,920,622	\$ 42,581,241	
3,611,424	3,394,384	3,664,977	4,368,674	4,673,802	5,122,489	
1,697,959	1,457,546	638,092	2,958,838	5,008,339	5,986,682	
40,151,175	39,819,849	40,888,662	44,320,187	49,602,763	53,690,412	
\$ 96,823,439	\$ 98,125,578	\$ 104,420,772	\$ 110,582,024	\$ 119,134,678	\$ 127,046,696	

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			
	2015	2016	2017	2018
Instruction	\$ 45,982,846	\$ 48,104,936	\$ 49,458,741	\$ 50,910,837
Student services	2,850,063	2,835,083	2,971,365	3,043,379
Instructional staff services	3,283,435	3,450,150	3,568,936	3,533,494
Administration services	8,635,595	8,971,511	8,992,574	8,999,077
Operation and maintenance of plant	6,391,691	6,341,985	5,886,695	6,497,539
Pupil transportation services	3,423,676	3,643,517	3,901,085	3,758,835
Non-instructional programs	35,339	19,845	11,238	20,462
AEA Flowthrough	2,713,171	2,749,350	2,863,461	2,930,059
Capital outlay:				
Facilities acquisition/construction	3,963,473	5,395,881	3,129,114	2,684,816
Debt service:				
Principal	7,650,416	8,041,744	8,362,733	8,528,500
Interest	4,036,730	4,284,510	4,038,590	3,705,539
Total expenditures	\$ 88,966,435	\$ 93,838,512	\$ 93,184,532	\$ 94,612,537
Debt service as a percentage of noncapital expenditures	13.80%	14.03%	13.86%	13.31%

Source: School District financial records.

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

Fiscal Year					
2019*	2020	2021	2022	2023	2024
\$ 51,542,654	\$ 52,663,256	\$ 53,958,699	\$ 58,124,592	\$ 61,563,450	\$ 67,010,889
3,078,802	3,095,373	3,300,985	3,192,214	3,364,228	3,457,027
3,734,436	3,703,528	3,913,623	3,719,129	3,905,643	4,004,779
10,184,829	10,584,780	13,576,764	12,560,949	12,099,379	13,024,765
6,656,093	7,401,452	8,992,090	8,193,354	9,295,298	10,853,890
4,458,074	4,289,706	4,266,680	5,679,253	5,610,045	6,048,933
20,493	23,934	23,893	19,957	9,054	8,543
2,994,193	3,110,584	3,263,821	3,330,533	3,480,553	3,681,235
1,610,854	2,072,710	3,876,237	26,929,701	46,019,103	34,306,036
12,448,500	5,390,000	5,600,000	8,007,650	14,052,493	6,992,094
2,358,679	1,969,250	4,404,851	4,362,093	3,998,375	3,670,602
\$ 99,087,607	\$ 94,304,573	\$ 105,177,643	\$ 134,119,425	\$ 163,397,621	\$ 153,058,793
15.32%	8.04%	10.03%	11.60%	15.43%	9.05%

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			
	2015	2016	2017	2018
Excess of revenues over (under) expenditures	\$ 2,343,130	\$ (2,528,947)	\$ 3,868,422	\$ 2,998,620
Other financing sources (uses):				
Issuance of general obligation bonds	-	-	-	-
Issuance of revenue bonds	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)	-	(20,660,000)
Premium on bonds/notes	5,648,200	5,648,200	-	-
Proceeds from sale of capital assets	275,558	275,558	212,981	15,837
Issuance of loans	70,373	70,373	-	-
Insurance proceeds	-	-	-	-
Transfers in	4,653,042	4,653,042	4,696,613	4,623,994
Transfers out	(4,653,042)	(4,653,042)	(4,681,613)	(4,485,181)
Total other financing sources (uses)	18,459,131	18,459,131	227,981	(20,505,350)
Net change in fund balances	\$ 20,802,261	\$ 15,930,184	\$ 4,096,403	\$ (17,506,730)

Source: School District financial records.

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ (2,264,168)	\$ 3,821,005	\$ (756,871)	\$ (23,537,401)	\$ (44,262,943)	\$ (26,012,097)	
-	-	85,330,000	-	-	6,670,000	
5,045,000	-	-	-	-	-	
-	-	-	242,692	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	8,777,565	-	-	283,702	
-	-	43,797	25,380	20,614	18,482	
-	-	-	-	-	-	
-	-	-	-	-	319,484	
9,475,183	4,286,919	4,804,635	4,263,552	4,299,368	4,291,050	
(9,355,904)	(4,179,450)	(4,765,243)	(4,190,526)	(4,161,112)	(4,186,290)	
5,164,279	107,469	94,190,754	341,098	158,870	7,396,428	
\$ 2,900,111	\$ 3,928,474	\$ 93,433,883	\$ (23,196,303)	\$ (44,104,073)	\$ (18,615,669)	

**Schedule 8
Southeast Polk Community School District**

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

School Year	Unassigned/Assigned/Committed	Actual Revenues	Financial Solvency Ratio
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%
2021-2022	13,233,663	89,890,087	14.72%
2022-2023	14,381,968	93,067,374	15.45%
2023-2024	13,611,599	98,844,722	13.77%

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			
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
2022	1,591,057,753	664,865,777	219,071,241	2,750,220	2,561,776,636	15.44246
2023	3,151,684,700	713,901,729	273,387,480	2,648,360	4,144,106,259	15.44256
2024	3,359,778,639	729,747,470	98,652,229	2,533,536	4,292,690,018	15.44257

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			
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
2022	11.12843	1.67000	2.16711	0.47693		15.44246	11.68542
2023	10.31706	1.67000	2.13278	1.32272		15.44256	11.32258
2024	9.87954	1.67000	2.17682	1.71621		15.44257	11.32258

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

Notes: Assessed value equals estimated actual value.

Overlapping Rates						
Jasper County	Marion County	Community College	City of Altoona	City of Mitchellville	City of Pleasant Hill	City of Runnels
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
10.10905	10.48320	0.67789	10.75369	9.50017	11.50000	10.49194
9.80975	9.88702	0.69448	10.75369	9.89653	11.50000	10.62358
9.65430	9.78003	0.74410	10.75369	9.87718	11.50000	10.62319

Schedule 11
Southeast Polk Community School District

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

Taxpayer	2024			2015		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Polk County	\$ 161,510,896	1	5.79%			
Mid American Energy	125,109,522	2	4.48%			
Magellan Pipeline Co	90,238,080	3	3.23%			
Prairie Meadows (a)				\$72,799,560	1	8.92%
Ned Altoona LLC	32,514,514	4	1.17%			
Oneck North System LLC	25,600,868	5	0.92%			
Lineage Master RE 6 LLC	25,044,514	6	0.90%			
Festival Fun Parks LLC	24,647,766	7	0.88%			
Ziegler Realty LLC	21,995,199	8	0.79%	13,399,070	4	1.64%
Emory Apartments LC	20,668,889	9	0.74%			
Ironwood Condos LC	19,542,758	10	0.70%			
Forget Properties				19,998,710	2	2.45%
Adventureland/America				18,713,320	3	2.29%
Wal-Mart				12,143,420	5	1.49%
Menards, Inc.				10,586,510	6	1.30%
Lowe's Home Centers Inc.				9,592,850	7	1.18%
Target Corp.				8,004,900	8	0.98%
Bosselman Inc				6,140,910	9	0.75%
Iowa Cold Storage LLC				6,048,200	10	0.74%
Total	\$ 546,873,006		19.60%	\$ 177,427,450		21.74%

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
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%
2022	34,313,748	34,271,019	99.88%	5,613	34,276,632	99.89%
2023	36,817,696	36,817,696	100.00%	209,538	37,027,234	100.57%
2024	39,247,803	39,239,671	99.98%	-	39,239,671	99.98%

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)
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%	8
2021	105,202,301	-	15,895,226	89,307,075	2.14%	2,599
2022	99,150,905	-	9,580,432	89,570,473	2.07%	N/A
2023	87,349,258	-	1,868,764	85,480,494	1.81%	N/A
2024	89,845,434	-	2,070,179	87,775,255	1.72%	N/A

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				Leases	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Revenue Bans/Bonds	Capital Loan Note					
2015	45,930,000	52,853,749	721,477		N/A	99,505,226	9.67%	2,858
2016	30,465,000	71,256,466	429,733		N/A	102,151,199	9.37%	2,895
2017	28,158,831	64,174,790	157,000		N/A	92,490,621	6.45%	2,004
2018	21,731,690	40,353,254	78,500		N/A	62,163,444	5.31%	1,715
2019	17,255,210	36,542,036	-		N/A	53,797,246	4.30%	1,475
2020	14,378,614	33,225,977	-		N/A	47,604,591	3.58%	1,318
2021	105,202,301	29,804,491	-		N/A	135,006,792	9.65%	3,930
2022	99,150,905	26,290,355	-	318,160		125,759,420	N/A	N/A
2023	87,349,258	22,823,527	-	230,667		110,403,452	N/A	N/A
2024	89,845,434	19,255,694	-	123,573		109,224,701	N/A	N/A

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, 2024

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
Polk County	\$ 294,635,708	8.42%	\$ 24,808,327
Jasper County	12,421,776	0.31%	38,508
Marion County	17,605,000	0.27%	47,534
Des Moines Area Community College	75,280,000	4.52%	3,402,656
City of Bondurant	56,901,617	0.01%	5,690
City of Des Moines	549,760,000	1.66%	9,126,016
City of Mitchellville	5,994,888	97.25%	5,830,029
City of Altoona	98,430,000	75.14%	73,960,302
City of Pleasant Hill	23,620,000	79.23%	18,714,126
City of Runnells	1,201,204	100.00%	1,201,204
Subtotal, overlapping debt			\$ 135,933,188
District direct debt			109,224,701
Total direct and overlapping debt			\$ 245,157,889

Source: Debt outstanding data provided by each governmental unit. Iowa Department of Management.

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)

	2015	2016	2017	2018
Debt limit	\$ 141,843,249	\$ 148,949,299	\$ 159,702,420	\$ 164,359,253
Total Debt applicable to limit	99,505,226	102,151,199	92,490,621	57,778,500
Legal debt margin	\$ 42,338,023	\$ 46,798,100	\$ 67,211,799	\$ 106,580,753
Total debt applicable to the limit as a percentage of debt limit	70.15%	68.58%	57.91%	35.15%

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 2024

Actual assessed value (a)	<u><u>\$ 5,102,273,136</u></u>
Debt limit (5% of assessed value) (b)	\$ 255,113,657
Debt applicable to limit *	<u>102,703,573</u>
Legal debt margin	<u><u>\$ 152,410,084</u></u>

	2019	2020	2021	2022	2023	2024
\$	181,087,602	\$ 188,538,292	\$ 208,515,940	\$ 216,334,333	\$ 236,144,097	\$ 255,113,657
	53,801,061	47,604,591	135,006,792	125,759,420	110,403,452	102,703,573
\$	127,286,541	\$ 140,933,701	\$ 73,509,148	\$ 90,574,913	\$ 125,740,645	\$ 152,410,084

	29.71%	25.25%	64.75%	58.13%	46.75%	40.26%
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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		
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	
2022	8,333,025	3,255,000	947,100	1.98	
2023	9,596,797	3,245,000	818,213	2.36	
2024	9,499,495	2,980,000	686,898	2.59	

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)
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	36,780	1,328,198,740	24,644	36,112	9.2%
2021	40,731	1,399,406,106	24,394	34,357	4.0%
2022	41,081	N/A	N/A	N/A	3.0%
2023	N/A	N/A	N/A	N/A	2.9%
2024	41,414	N/A	N/A	N/A	2.9%

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	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Hy-Vee, Inc	11,782	1	*	7,500	3	*
Wells Fargo & Company (a)	11,000	2	*	14,500	1	*
State of Iowa (b)	*	*	*	7,800	2	*
MercyOne	5,641	3	*	7,055	4	*
Principal	5,595	4	*	6,184	6	*
Unity Point Health	5,147	5	*	6,435	5	*
Des Moines Public Schools (c)	4,818	6	*	4,927	7	*
Amazon	4,100	7	*	*	*	*
John Deer (d)	3,800	8	*	3,089	9	*
Vermeer Corporation	3,600	9	*	*	*	*
Natiowaide	3,300	10	*	4,282	8	*
Pioneer Hi-Bred International Inc.	*	*	*	3,000	10	*
Total	58,783	*	*	64,772	*	*

Total Employment **

Source: www.dsmpartnership.com, School District Records

Notes:

(a) Includes Wells Fargo Financial Services

(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.

(d) Includes Des Moines Works, Financial, And Intelligent Solutions Group (ISG)

* 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)

	2015	2016	2017	2018
Supervisory:				
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	8.0	7.0	7.0	7.0
Total supervisory	25.0	24.0	24.0	24.0
Instruction:				
Regular program teachers	369.1	372.6	373.1	368.9
Special Education teachers	67.0	64.0	65.0	64.5
Instructional Coaches/PD Leads	27.0	29.0	29.0	27.0
Total instruction	463.1	465.6	467.1	460.4
Student services:				
Guidance counselors	17.0	16.0	16.0	16.0
Nurses/Nurse aides	13.5	13.5	14.5	16.9
Media Specialists/Media Clerks	3.0	7.7	7.7	7.7
Total student services	33.5	37.2	38.2	40.6
Support and administration:				
Clerical/secretarial/teacher aide/ other support staff	148.4	184.5	189.0	198.8
Custodial and Maintenance	51.1	53.4	50.7	52.5
Food Service	36.5	39.4	37.6	38.6
Bus Drivers/Bus Aides/ Crossing Guard	41.0	50.7	49.9	48.7
Total support and administration	276.9	328.0	327.2	338.6
Total	798.4	854.6	856.4	863.5

Source: District records.

2019	2020	2021	2022	2023	2024	Percentage Change 2015-2024
1.0	1.0	1.0	1.0	1.0	1.0	0.0%
1.0	1.0	1.0	1.0	1.0	1.0	0.0%
11.0	11.0	11.0	11.0	11.0	11.0	0.0%
4.0	4.0	4.0	4.0	4.0	4.0	0.0%
7.0	7.0	7.0	7.0	8.0	11.0	37.5%
24.0	24.0	24.0	24.0	25.0	25.0	0.0%
379.3	378.9	377.6	384.2	393.3	402.6	9.1%
66.5	69.5	69.5	76.8	78.0	75.4	12.5%
27.0	27.0	27.0	27.0	27.0	27.0	N/A
472.8	475.4	474.1	488.0	498.3	505.0	9.0%
16.0	16.0	16.0	16.0	16.0	16.0	-5.9%
16.0	17.1	19.5	19.5	19.5	19.5	44.3%
7.7	7.7	7.7	7.7	7.7	7.7	156.7%
39.7	40.8	43.2	43.2	43.2	43.2	28.9%
209.0	234.4	248.9	255.2	267.1	271.4	82.9%
52.7	52.4	52.0	47.9	52.2	53.2	4.2%
37.8	38.8	39.9	37.4	35.5	34.8	-4.6%
50.0	51.0	47.0	43.3	42.7	53.3	30.2%
349.5	376.6	387.8	383.8	397.5	412.7	49.0%
885.9	916.7	929.1	939.0	964.0	988.9	23.9%

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
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
2022	7,024	87,580,772	12,469	2.07%	90,597,256
2023	7,211	92,578,684	12,839	2.97%	99,327,560
2024	7,200	101,271,126	14,065	9.56%	108,090,061

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 expenditures in the General Fund.

Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
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%
12,898	(9.87)%	488.00	14.39	33.26%
13,774	6.79%	498.25	14.47	38.50%
15,013	8.99%	505.00	14.26	NA

Schedule 22
Southeast Polk Community School District

School Building Information
Last Ten Fiscal Years
(Unaudited)

School	2015	2016	2017	2018
Elementary:				
Altoona (1939)				
Square feet	64,104	64,104	64,104	64,104
Capacity*	630	630	630	630
Enrollment	371	381	396	372
Centennial (1968)				
Square feet	61,017	61,017	61,017	61,017
Capacity	630	630	630	630
Enrollment	405	422	398	392
Clay (2006)				
Square feet	79,738	79,738	79,738	79,738
Capacity	840	840	840	840
Enrollment	576	585	562	579
Delaware (1951)				
Square feet	65,641	65,641	65,641	65,641
Capacity	630	630	630	630
Enrollment	369	418	395	373
Four Mile (1966)				
Square feet	63,204	63,204	63,204	63,204
Capacity	630	630	630	630
Enrollment	426	451	441	441
Mitchellville (1925)				
Square feet	50,799	50,799	50,799	50,799
Capacity	540	540	540	540
Enrollment	184	195	217	217
Runnells (2002)				
Square feet**	43,007	43,007	43,007	43,007
Capacity	400	400	400	400
Enrollment	271	286	288	288
Willowbrook (1991)				
Square feet	56,546	56,546	56,546	56,546
Capacity	630	630	630	630
Enrollment	492	510	511	510
Harbor (1997)				
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
Spring Creek 6th Grade Center:				
Southeast Polk Spring Creek (1992)				
Square feet	89,670	89,670	89,670	89,670
Capacity	950	950	950	950
Enrollment	512	456	483	577

2019	2020	2021	2022	2023	2024
64,104	64,104	64,104	64,104	64,104	64,104
630	630	630	630	630	630
371	381	381	381	385	385
61,017	61,017	61,017	61,017	61,017	61,017
630	630	630	630	630	630
401	391	391	391	361	361
79,738	79,738	79,738	79,738	79,738	79,738
840	840	840	840	840	840
571	560	560	560	581	581
65,641	65,641	65,641	65,641	65,641	65,641
630	630	630	630	630	630
378	362	362	362	361	361
63,204	63,204	63,204	63,204	63,204	63,204
630	630	630	630	630	630
421	439	439	439	441	441
50,799	50,799	50,799	50,799	50,799	50,799
540	540	540	540	540	540
211	212	212	212	217	217
43,007	43,007	43,007	43,007	43,007	43,007
400	400	400	400	400	400
273	267	267	267	269	269
56,546	56,546	56,546	56,546	56,546	56,546
630	630	630	630	630	630
497	476	476	476	462	462
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
89,670	89,670	89,670	89,670	89,670	89,670
950	950	950	950	950	950
588	577	612	612	578	578

Schedule 22
Southeast Polk Community School District

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

School	2015	2016	2017	2018
Junior High:				
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	1,002	1,055	1,033	1,072
Senior High:				
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	1,967	2,089	2,041	2,114
Other District Facilities:				
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
Grand Total:				
Square Feet	1,235,044	1,235,044	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

2019	2020	2021	2022	2023	2024
206,674	206,674	206,674	206,674	206,674	206,674
1,800	1,800	1,800	1,800	1,800	1,800
1,193	1,190	1,190	1,190	1,129	1,129
430,227	430,227	430,227	430,227	430,227	430,227
2,000	2,000	2,000	2,000	2,000	2,000
2,092	2,153	2,153	2,153	2,331	2,331
16,384	16,384	16,384	16,384	16,384	16,384
8,033	8,033	8,033	8,033	-	-
661,318	1,235,044	1,235,044	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
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
2021-2022	46,935	81,525	66,160
2022-2023	48,303	83,805	67,475
2023-2024	49,658	86,064	71,467

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, 2024**

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
U.S. Department of Agriculture				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY24 4552	\$ -	\$ 549,412
National School Lunch Program	10.555	FY24 4553	-	1,894,946
Child Nutrition Program- Supply Chain Assistance	10.555	FY24 4014	-	125,985
Commodities -DOD (Noncash)	10.555	FY24	-	171,562
Commodities (Noncash)	10.555	FY24	-	226,397
			-	2,418,890
Special Milk Program	10.556	FY24 4555	-	5,766
Summer Food Service Program for Children	10.559	FY24 4556	-	34,118
Fresh Fruits and Vegetables Program	10.582	FY24 4557	-	54,118
Total Child Nutrition Cluster Program			-	3,062,304
Pass-Through Iowa Department of Agriculture:				
Local Food for Schools Program	10.185	FY24 4911	-	16,995
Total U.S. Department of Agriculture			-	3,079,299
U.S. Department of Treasury				
Pass-Through Iowa Department of Homeland Security and Emergency Management:				
Coronavirus State and Local Fiscal Recovery Fund- School Safety Improvement Fund	21.027	FY24 4034	-	459,652
U.S. Department of Education				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY24 4501	-	776,505
Title 1 Grants to Local Educational Agencies	84.010	FY24 4508	-	265,617
			-	1,042,122
Special Education Cluster Program:				
High Cost Claims- Special Education Grants to States (IDEA, Part B)	84.027	FY24 4525	-	46,502 (1)
Career and Technical Education- Basic Grants to States	84.048	FY24 4531	-	65,952
Supporting Effective Instruction State Grants	84.367	FY24 4643	-	159,671
Student Support and Academic				
Enrichment Program	84.424	FY24 4669	-	51,000

(Continued)

Southeast Polk Community School District

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2024

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
U.S. Department of Education (continued)				
Education Stabilization Fund:				
COVID-19 Discretionary Grants: Rethink K-12				
Education Models Grants	84.425B	FY24 4053	\$ -	\$ 59,417
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY24 4043	-	293,296
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY24 4045	-	996,143
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY24 4057	-	22,769
			-	1,312,208
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP-HCY)	84.425W	FY24 4044	-	48,890
Total Education Stabilization Fund			-	1,420,515
Pass-Through Heartland Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY24 4521	-	344,467 (1)
English Language Acquisition State Grants	84.365	FY24 4644	-	15,922
Total U.S. Department of Education			-	3,146,151
Total Expenditures of Federal Awards			\$ -	\$ 6,685,102

(1) Total Federal Assistance Listing Number 84.027 \$390,969.

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, 2024

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, 2024. 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.

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Southeast Polk Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024**

Findings	Status	Reason For Recurrence and Corrective Action Plan or Other Explanation
Findings Related to Basic Financial Statements:		
Material Weaknesses:		
2023-001 The District did not reconcile ending cash	Not corrected.	District has not fully implemented processes. See response and corrective action plan at 2024-001.
2022-001 and investments as of and during the fiscal year ended June 30, 2023.		
2023-002 The District did not properly identify and adjust the District's funds for adjustments required for the District's trial balances to be reported in accordance with applicable accounting standards and principles.	Not corrected.	District has not fully implemented processes. See response and corrective action plan at 2024-002.
Findings Related to Federal Awards:		
Significant Deficiencies:		
2023-003 The District does not have a process to ensure compliance with reporting requirements within the federal program.	Corrected.	
Other Findings Related to Required Statutory Reporting:		
IV-A-23 The District overexpended the support services and noninstructional programs functions.	Not corrected.	District did not amend the budget in a sufficient amount. See response and corrective action plan at IV-A-24.
IV-H-23 The District identified variances in certified enrollment certified to the state in October 2022	Not corrected.	Student data changes are not timely communicated. See response and corrective action plan at IV-H-24.
IV-H-21		
IV-G-20		
IV-N-23 The District did not prepare a 1099 form for all required vendors.	Not corrected.	District has not fully implemented processes. See response and corrective action plan at IV-N-24.

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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 (*Government Auditing Standards*), 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, 2024, 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 26, 2025.

Report on 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 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-003.

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, 2024 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 the responses.

Purpose of This Report

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

Bohnsack & Frommelt LLP

Moline, Illinois
March 26, 2025

**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, 2024. 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, 2024.

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 26, 2025

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Southeast Polk Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

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? Yes No
- Significant deficiency identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency identified? 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
84.010	Title 1 Grants to Local Education Agencies
Child Nutrition Cluster Program:	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Child Nutrition Program- Supply Chain Assistance
10.555	Commodities -DOD (Noncash)
10.555	Commodities (Noncash)
10.556	Special Milk Program
10.559	Summer Food Service Program for Children
10.582	Fresh Fruits and Vegetables Program

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 Questioned Costs
Year Ended June 30, 2024**

Part II: Findings Related to the Basic Financial Statements

Internal control deficiencies:

Material Weaknesses:

2024-001

Finding: The District did not timely reconcile ending cash and investments as of and during the fiscal year ended June 30, 2024.

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

Condition: On June 30, 2024, the District had only reconciled cash and investments through December 2023. Bank reconciliations and resolution of differences are not timely prepared and addressed. The June 30, 2024 were not prepared until January 2025. As of the audit fieldwork in January 2025, only the June 30, 2024 bank reconciliations had been completed.

In addition, there was approximately \$14,600 in unreconciled differences in the June 30, 2024 bank reconciliations that had not been resolved. During the course of the audit, an error in reconciling items for approximately \$41,000 was identified. The reconciling error pertained to an uncleared payroll reconciling item from September 2023.

Cause: There has been turnover in the District's Business Services Department. A detail review of the reconciling items is not being performed by management.

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

Context: The deficiency is over the cash and investment balances of the District.

Identification as a repeat finding: This is a repeat finding.

Recommendation: We recommend the Director of Accounting prepare monthly bank reconciliations and resolve unreconciled differences timely. We recommend the Chief Financial Officer monthly review and formally document approval of the monthly bank reconciliations. The Chief Financial Officer review should include a detailed review of reconciling items to unusual items. For example, any uncleared payroll reconciliation items should be questioned. Bank reconciliations and any adjustments identified during the reconciliation process should be timely prepared and posted during the fiscal year.

Response and Corrective Action Plan: The District continues to work on the bank reconciliation process to be more timely and accurate.

(Continued)

Southeast Polk Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

2024-002

Finding: The District did not properly identify and adjust the District's funds for adjustments required for the District's trial balances to be reported in accordance with applicable accounting standards and principles.

Criteria: A properly designed system of internal control over financial reporting requires entities to initiate, authorize, record, process and report financial data reliably in accordance with accounting principles generally accepted in the United States of America.

Condition: The District did not identify and adjust accounts receivable, unearned revenue, deferred revenue, capital assets, and long-term debt. In addition, in a sample of ten journal entries prepared by the District, only five had a documented management review. Three journal entries had no supporting workpapers.

Cause: There has been significant turnover in the Business Office. The District did not properly reconcile balance sheet accounts.

Effect: Financial statements are misstated and errors are not detected on a timely basis.

Context: The governmental activities, business-type activities, each major fund, and aggregate remaining fund information required several material adjustments.

Identification as a repeat finding: This is a repeat finding.

Recommendation: We recommend the Director of Accounting reconcile each balance sheet account of all funds at year-end to ensure ending balances are proper. We recommend the Chief Financial Officer monthly review balance sheet accounts and supporting documentation to ensure the District's transactions are being properly monitored and recorded.

Response and Corrective Action Plan: The District will require the Director of Accounting to reconcile the District's balance sheet accounts on a monthly basis and the Chief Financial Officer to review the monthly balance sheet accounts.

Instances of noncompliance:

2024-003

Finding: The District did not complete the June 30, 2023 single audit within 9 months of the June 30, 2023 year-end.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Section 200.512 states, "The audit, the data collection form, and the reporting package must be submitted within 30 calendar days after the auditee receives the auditor's report(s) or nine months after the end of the audit period (whichever is earlier)."

Condition: The single audit and data collection form submission due date for the June 30, 2023 year-end was March 31, 2024. The June 30, 2023 audit including the single audit was not issued until June 28, 2024. The June 30, 2023 data collection form was not submitted until June 28, 2024.

Cause: The June 30, 2023 year-end audit was significantly delayed due to the District's inability to reconcile the June 30, 2023 trial balances including cash and investments.

(Continued)

Southeast Polk Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

Effect: Oversight grantors are not being provided timely information by the District. The District is considered a high risk auditee.

Context: The deficiency pertains to all federal programs of the District and the reporting requirements.

Identification as a repeat finding: This is not a repeat finding.

Recommendation: We recommend the District implement processes and procedures to ensure compliance with the Office of Management and Budget single audit requirements as stated in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Response and Corrective Action Plan: The District will implement processes and procedures for compliance with the Office of Management and Budget for federal awards.

Part III: Findings and Questioned Costs for Federal Awards

Internal control deficiencies:

No matters to report

Instances of noncompliance:

No matters to report

Part IV: Other Findings Related to Statutory Reporting

IV-A-24 - Certified Budget:

Finding: Expenditures for the year ended June 30, 2024 exceeded the amended certified budget for the instruction, support service and noninstructional programs functions.

Recommendation: The certified budget should be amended in accordance with Chapter 24.9 of the Code of Iowa and in sufficient amounts to ensure the budget is not exceeded.

Response: The District will amend the budget, allowing a higher threshold for estimated expenditures, to comply with the certified budget requirements.

Conclusion: Response accepted.

IV-B-24 - 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.

IV-C-24 - Travel Expense: No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-24 - Business Transactions: No business transactions between the District and District officials or District employees were noted.

IV-E-24 - 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.

(Continued)

Southeast Polk Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2024

IV-F-24 - Bond Coverage: Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

IV-G-24 - Board Minutes: No transactions requiring Board approval which had not been approved by the Board were noted.

IV-H-24 - Certified Enrollment:

Finding: The District identified variances in certified enrollment submitted to the state in October 2023.

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.

IV-I-24 - Supplementary Weighting:

Finding: The District identified variances in supplementary weighting submitted to the state in October 2023.

Recommendation: We recommend the District review supplementary weighting 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.

IV-J-24 - Deposits and Investments:

Finding: The District exceeded the maximum depository resolution as of June 30, 2024.

Recommendation: We recommend the District amend the depository resolution to ensure the maximum is not exceeded.

Response and Corrective Action Plan: The District will increase the maximum depository resolution to be more in line with cash and investment balances and ensure it is not exceeded.

Conclusion: Response accepted.

IV-K-24 - Certified Annual Report: The certified annual report was certified timely to the Iowa Department of Education.

IV-L-24 - Categorical Funding: No instances of categorical funding being used to supplant rather than supplement other funds were noted.

(Continued)

Southeast Polk Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

IV-M-24 - 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, 2024, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	16,680,083
Revenues/transfers in:			
Statewide sales and services tax revenue	9,499,495		
Other	252,907		
Investment earnings	790,763		10,543,165
			<hr/>
Expenditures/transfers out:			
Administration	7,353		
School infrastructure	5,748,347		
Debt service	8,467		
Transfers out	4,072,890		9,837,057
			<hr/>
Ending balance		\$	<u>17,386,191</u>

For the year ended June 30, 2024, the District did not reduce tax levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

IV-N-24 –

Finding: The District does not prepare a 1099 form for all required vendors. Currently, the District only prepares 1099 forms for vendors that use a social security number.

Recommendation: We recommend the District review the requirements for 1099 forms to ensure that all required vendors receive a 1099 form.

Response and Corrective Action Plan: The District will review the requirements and implement procedures to ensure compliance with 1099 requirements.

Conclusion: Response accepted.



Southeast Polk Community School District

**Corrective Action Plan
Year Ended June 30, 2024**

Findings	Corrective Action Plan	Anticipated Date of Completion
Findings Related to Basic Financial Statements:		
Material Weaknesses:		
2024-001 The District did not reconcile ending cash and investments as of and during the fiscal year ended June 30, 2024.	See response and corrective action plan at 2024-001.	Fiscal Year 2025 Kevin Baccam
2024-002 The District did not properly identify and adjust the District's funds for adjustments required for the District's trial balances to be reported in accordance with applicable accounting standards and principles.	See response and corrective action plan at 2024-002.	Fiscal Year 2025 Kevin Baccam
Instance of noncompliance:		
2024-003 The District did not complete the June 30, 2023 single audit within 9 months of the June 30, 2023 year end.	See response and corrective action plan at 2024-003.	Fiscal Year 2025 Kevin Baccam
Other Findings Related to Required Statutory Reporting:		
IV-A-24 The District overexpended the instruction, support services and noninstructional programs functions.	See response and corrective action plan at at IV-A-24	Fiscal Year 2025 Kevin Baccam
IV-H-24 The District identified variances in certified enrollment certified to the state in October 2023	See response and corrective action plan at at IV-H-24	Fiscal Year 2025 Kevin Baccam
IV-I-24 The District identified variances in supplementary weighting submitted to the state in October 2023.	See response and corrective action plan at at IV-I-24	Fiscal Year 2025 Kevin Baccam
IV-J-24 The District exceeded the maximum depository resolution as of June 30, 2024.	See response and corrective action plan at at IV-J-24	Fiscal Year 2025 Kevin Baccam
IV-N-24 The District did not prepare a 1099 form for all required vendors.	See response and corrective action plan at at IV-N-24	Fiscal Year 2025 Kevin Baccam

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