ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025
Pleasant Hill, Iowa

Southeast Polk
COMMUNITY SCHOOL DISTRICT

Annual Comprehensive Financial Report
of the

Southeast Polk Community School District

Altoona, Iowa

For the Fiscal Year Ended June 30, 2025

Official Issuing Report
Kevin Baccam, Chief Financial Officer

Office Issuing Report
Business Services Office

INTRODUCTORY SECTION (Unaudited)

FINANCIAL SECTION

STATISTICAL SECTION (Unaudited)

COMPLIANCE SECTION

March 20, 2026

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, 2025.

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, 2025. 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 • 8031 NE University Avenue • Pleasant Hill, Iowa 50327 • 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 2023 count) for the 2024-2025 school year was 7,200, making it the 13th largest public school district in Iowa as of the 2023-2024 school year. Enrollment for October 2024 indicates a increase of nearly 89 student FTEs for a total budgeted enrollment of 7,289 for the 2024-2025 school year. Enrollment growth for the most recent count for October 2025 indicates an increase of 11 student FTEs for a total enrollment of 7,300 student FTEs.

There are eleven schools in the District including eight elementary schools, a middle school for sixth and seventh graders, a junior high for eighth and ninth graders and a high school for tenth grade level students and above. The oldest of these buildings is Altoona Elementary School which was built in 1939. A complete remodel of the building was completed in August 2014. The newest building is the Middle School which opened for the 2024-2025 school year. For the 2025-2026 school year, the District's alternative high school program, the Harbor, was also moved from the High School into the old Spring Creek 6th Grade Center. At the end of fiscal year 2025, a remodel of the Spring Creek 6th Grade Center was completed and transformed into the new District Office and Alternative Programs building including the aforementioned Harbor Alternative High School and the Renew/Connect, Success, and EmpowerU programs.

The District continues to assess its capital improvement needs. The District plans to replace the old transportation building with a newly constructed building and improving the parking lot for buses and employees beginning the summer of 2026. The project is scheduled to be completed by later summer 2027. With the passing of a $52 million bond referendum in November 2025, the District is beginning design plans for the ninth elementary school, making revisions to the Junior High to have a more secured entranceway, and to make improvements to all eight elementary school playgrounds.

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.

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 in Iowa continues to create fiscal challenges for public schools. Legislation, both previously passed and proposed, continues to divert State funds away from public schools to nonpublic and private institutions.

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. Currently, there are three, separate legislative proposals addressing property tax reform. Proposed legislation for property tax reform will affect the amount of local property taxes received at the local government level affecting both municipalities and public schools. Furthermore, proposed legislation continues to inhibit the ability of public schools to levy property taxes in a sufficient manner. Proposed legislation 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.

The cost of a newly constructed 1,200 square foot ranch home begins at no less than $300,000. In the City of Altoona, Brookhaven Estates just to the west of Clay Elementary School continues to fill in as does the Clay Estates just to the east of the school and going north towards Edwin Skinner Parkway. The City 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. Construction of single family and multi-family homes continues in the Prairie Landing development located in between Fieldstone and Spring Creek Ridge developments. The Stonebridge development just south of Clay Elementary opened a second plat that is quickly filling in. The Magnolia development just to the east of Stonebridge has opened it's first plat with foundations already started.

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.

The City of Des Moines and Hubbell Realty Co announced a 508 single family home community called The Woodmont located just west of Brook Run Village and south of Douglas Avenue. This is the largest residential development project for the company in ten years. The first plat of 45 home lots will open in March 2026.

Major Initiatives

With the passing of the bond referendum in November 2025, the District will begin construction of its ninth elementary school. As part of the $51 million bond referendum, 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 and higher visibility for monitoring student safety in those 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.

The District will need to continue to assess its aging facilities and equipment. A third-party assessment includes recommendations to improve/repair mechanical, electrical, and plumbing infrastructure in all school buildings. Recommendations were also provided for building envelopes including the roof and exterior surfaces. This assessment 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, 2024. 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, 2024. 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, 2024 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,

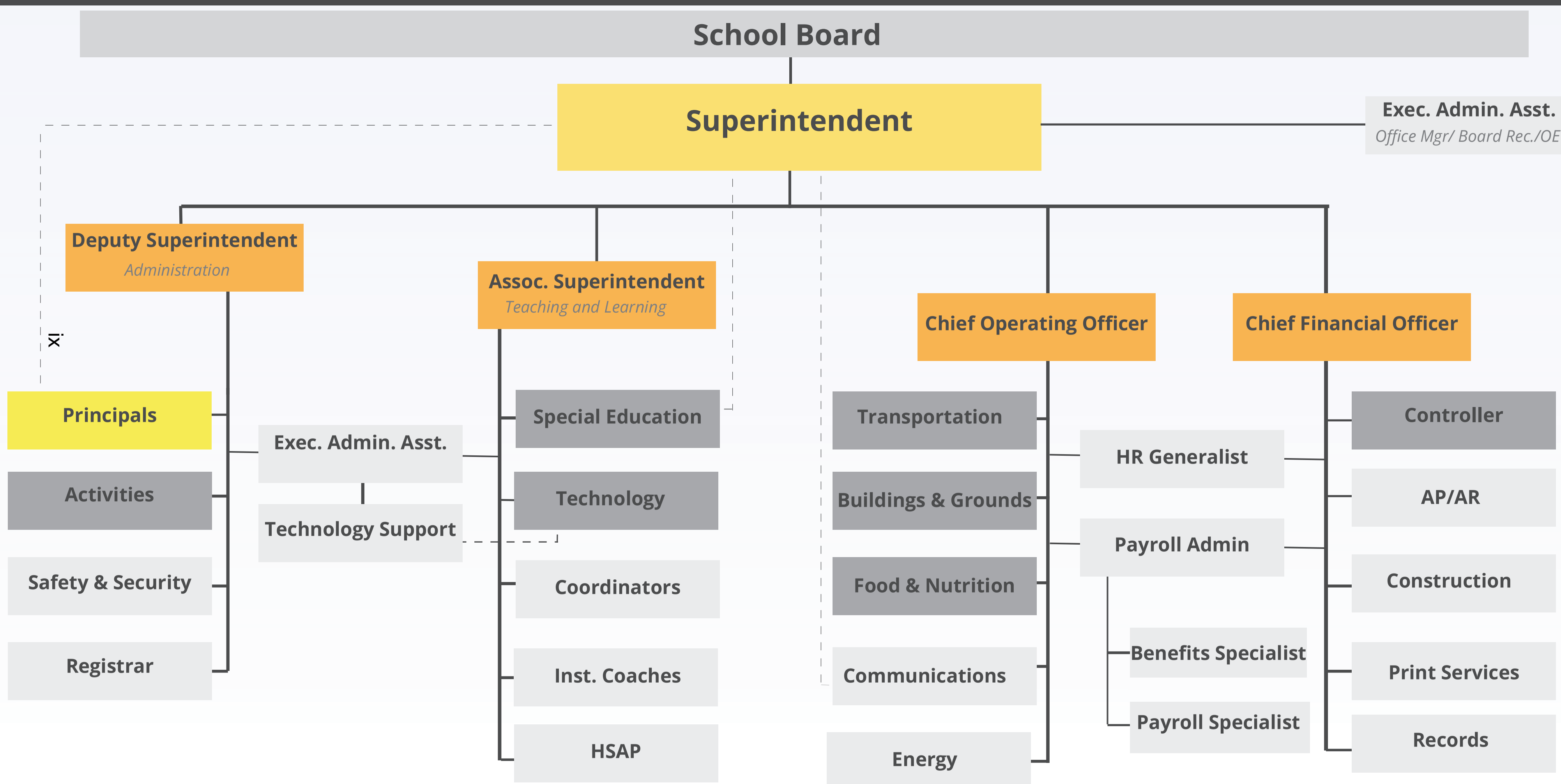
Dr. Dirk Halupnik	Kevin S. Baccam
Superintendent of Schools	Chief Financial Officer

Southeast Polk Community School District
Board of Education and School District Officials
Year Ended June 30, 2025

Board of Education:	**Title**	**Term/Contract**
Brigid Ernst	President	November 2029
Chad Crabb	Vice-President	November 2027
Brett Handy	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, 2025
Joe Horton	Deputy Superintendent Chief	June 30, 2025
Kevin Baccam	Financial Officer Associate	June 30, 2025
Dr. Jo Ellen Latham	Superintendent of Teaching and Learning	June 30, 2025
Anthonyy Spurgetis	Chief Operating Officer	June 30, 2025
Lea Morris	Director of Special Education	June 30, 2025
Jacob Bartels	Principal	June 30, 2025
Scott Belger	Assistant Principal Activities	June 30, 2025
Jayson Campbell	Director	June 30, 2025
Chelsea Clark	Principal	June 30, 2025
Mike Dailey	Principal	June 30, 2025
Glenn Dietzenbach	Assistant Principal	June 30, 2025
Cory Goldsmith	Assistant Principal	June 30, 2025
Josh Griffth	Principal	June 30, 2025
Blake Kielman	Principal	June 30, 2025
Morgan Miller	Principal	June 30, 2025
Andrea Morris	Principal	June 30, 2025
George Panosh	Principal	June 30, 2025
Stephen Pettit	Principal	June 30, 2025
Jenny Rinehart	Assistant Principal	June 30, 2025
Tamera Steenhoek	Principal	June 30, 2025
Lori Waddell	Principal	June 30, 2025

Organizational Chart

Southeast Polk CSD



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, 2024

Christopher P. Morrill

Executive Director/CEO

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, 2024.

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

Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

Bohnsack & Frommelt LLP
Certified Public Accountants
575 12th Avenue
East Moline, Illinois 61244

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, 2025, 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, 2025, 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.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, June 30, 2024 governmental activities, business-type activities, and major enterprise fund School Nutrition net positions were restated.

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 judgment 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 20, 2026, 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

East Moline, Illinois
March 20, 2026

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It is an honor to present to you the financial picture of Southeast Polk Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Southeast Polk Community School District for the fiscal year ended June 30, 2025. 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 $8,132,645 and $18,113,574 during the years ended June 30, 2025 and 2024, respectively.

Total revenues for the fiscal year ended June 30, 2025 and 2024 of $137,114,255 and $134,550,090 were comprised of general revenues in the amount of $104,306,287 and $101,365,984 and program revenues totaling $32,807,968 and $33,184,106, respectively.

As of June 30, 2025, the District's governmental funds reported combined fund balances of $32,867,149, a decrease of $13,998,309 in comparison to 2024. 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.

The Southeast Polk Community School District's total long-term bond debt and lease obligations decreased by $7,509,610 during fiscal year ended June 30, 2025.

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). 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.

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 restated $132,085,720 to $140,218,365.

Table 1 - Net Position

	Governmental Activities		Business-Type Activities		Total District	
		Restated		Restated		Restated
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Current and other assets	$ 105,703,768	$ 119,725,961	$ 11,627,263	$ 10,360,796	$ 117,331,031	$ 130,086,757
Capital assets	227,684,319	218,032,764	1,191,820	405,852	228,876,139	218,438,616
Total assets	333,388,087	337,758,725	12,819,083	10,766,648	346,207,170	348,525,373
Deferred outflows of resources	9,726,764	12,061,937	236,830	287,753	9,963,594	12,349,690
Other liabilities	29,845,502	28,386,956	394,692	204,039	30,240,194	28,590,995
Noncurrent liabilities	132,607,845	147,411,647	1,297,874	1,431,937	133,905,719	148,843,584
Total liabilities	162,453,347	175,798,603	1,692,566	1,635,976	164,145,913	177,434,579
Deferred inflows of resources	51,591,352	51,111,938	215,134	242,826	51,806,486	51,354,764
Net position:						
Net investment in capital assets	129,489,300	107,117,733	1,191,820	405,852	130,681,120	107,523,585
Restricted	20,988,695	34,815,838	-	-	20,988,695	34,815,838
Unrestricted	(21,407,843)	(19,023,450)	9,956,393	8,769,747	(11,451,450)	(10,253,703)
Total net position	$ 129,070,152	$ 122,910,121	$ 11,148,213	$ 9,175,599	$ 140,218,365	$ 132,085,720

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 $130,681,120 for 2025 and $107,523,585 for 2024. 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 (15.0 percent for 2025 and 25.7 percent for 2024) represents resources that are subject to external restrictions on how they may be used. These restrictions for 2025 include $5,305,034 for physical plant and equipment levy, $7,881,138 for school infrastructure, $1,904,444 for management levy, $2,447,105 for debt service, $2,408,222 for categorical funding, and $1,042,752 for student activities. The remaining balance of unrestricted net position is ($11,451,450) for 2025.

The District's total net position increased by $8,132,645 during the current fiscal year as compared to $18,113,574 in 2024. The governmental activities net position increased by $6,160,031 in 2025 and $16,736,458 in 2024. The business-type activities, which include school nutrition and school store increased by $1,972,614 in 2025 and increased by $1,377,116 in 2024.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2025 and 2024. 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	
		Not Restated		Not Restated		Not Restated
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenues:						
Program revenues:						
Charges for service and sales	$ 8,845,312	$ 7,696,667	$ 2,472,354	$ 2,480,688	$ 11,317,666	$ 10,177,355
Operating grants and contributions	17,234,886	19,567,742	3,266,131	3,114,394	20,501,017	22,682,136
Capital grants and contributions	148,165	324,615	841,120	-	989,285	324,615
General revenues:						
Property taxes and other taxes	54,503,540	52,291,497	-	-	54,503,540	52,291,497
State sources	46,847,866	44,793,396	-	-	46,847,866	44,793,396
Investment earnings	2,244,252	3,435,478	434,753	526,129	2,679,005	3,961,607
Other	275,876	319,484	-	-	275,876	319,484
Total revenues	130,099,897	128,428,879	7,014,358	6,121,211	137,114,255	134,550,090
Program expenses:						
Instruction	69,992,649	64,422,616	-	-	69,992,649	64,422,616
Support services	41,521,076	36,418,365	-	-	41,521,076	36,418,365
Noninstructional programs	10,439	8,543	-	-	10,439	8,543
Other	2,920,819	3,681,235	-	-	2,920,819	3,681,235
Depreciation unallocated	7,395,300	4,729,336	-	-	7,395,300	4,729,336
Interest on long-term debt	2,225,968	2,537,086	-	-	2,225,968	2,537,086
School nutrition	-	-	4,580,078	4,319,011	4,580,078	4,319,011
School store	-	-	335,281	320,324	335,281	320,324
Total expenses	124,066,251	111,797,181	4,915,359	4,639,335	128,981,610	116,436,516
Excess of revenues over expenses before transfers	6,033,646	16,631,698	2,098,999	1,481,876	8,132,645	18,113,574
Transfers	126,385	104,760	(126,385)	(104,760)	-	-
Increase in net position	6,160,031	16,736,458	1,972,614	1,377,116	8,132,645	18,113,574
Net position, beginning, as restated	122,910,121	109,183,691	9,175,599	7,939,716	132,085,720	117,123,407
Net position, ending	$ 129,070,152	$ 125,920,149	$ 11,148,213	$ 9,316,832	$ 140,218,365	$ 135,236,981

GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were $130,099,897 and expenses were $124,066,251. 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 2025 and 2024. These sources represent 77.9 percent and 75.6 percent, respectively, of total governmental activities revenues. Instruction constitutes the largest portion of expenditures at $69,992,649 or 56.4 percent of total governmental activities expenditures.

Revenues increased $1,671,018 primarily due to 1) an increase in property taxes and other taxes of $2,212,043 due to increases in assessed valuation 2) an increase of $2,036,563 from unrestricted foundation state aid and 3) an increase of $1,148,645 in charges for services for tuition for open enrollment and special education. These increases were offset by a decrease of $2,332,856 in operating grants primarily from the expiring of the COVID-19 funding in September 2024.

Total governmental activities expenses increased $12,269,070. This increase was due to the increase in wage and benefit costs and increases in building insurance and increase depreciation from placing approximately $78 million of capital asset in service.

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	
		Not Restated		Not Restated
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Governmental activities:				
Instruction	$ 69,992,649	$ 64,422,616	$ 48,311,476	$ 42,357,620
Support services	41,521,076	36,418,365	39,894,705	34,575,572
Noninstructional programs	10,439	8,543	10,439	8,543
Other	2,920,819	3,681,235	-	-
Depreciation unallocated	7,395,300	4,729,336	7,395,300	4,729,336
Interest on long-term debt	2,225,968	2,537,086	2,225,968	2,537,086
Business-type activities:				
School nutrition	4,580,078	4,319,011	(1,705,035)	(977,962)
School store	335,281	320,324	40,789	22,215
Total expenses	$ 128,981,610	$ 116,436,516	$ 96,173,642	$ 83,252,410

Net cost of services is 74.6 percent of total cost of services in 2025 and 71.5 percent in 2024. The cost of governmental activities financed by users of the District's programs was $8,845,312 for 2025 and $7,696,667 for 2024. Federal and state governments subsidized certain programs with grants and contributions totaling $17,383,051 for 2025 and $19,892,357 for 2024. 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 $2,472,354. The remaining net cost of the business-type activities was financed with state and federal grant programs and investment earnings.

Approximately 81.2 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 2020, 2021, 2022, 2023, 2024, and 2025 were established by the State as 2.06%, 2.30%, 2.40%, 2.50%, 3%, and 2.5%, 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 $1,984,709 for fiscal year 2025.
- 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 $27,296.

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 $32,867,149, a decrease of $13,998,309 in comparison with the prior year fund balance of $46,865,458. The unassigned fund balance is $7,283,937 for 2025 and $10,542,047 for 2024. The majority of the remaining fund balance for 2025 is restricted to indicate that it is not available for new spending because it has already been restricted for other purposes, $23,473,891.

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 $7,283,937 for 2025 and $10,542,047 for 2024, while total fund balance reached $11,794,605 for 2025 and $16,772,645 for 2024. 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 6.9 percent of total fund expenditures and total fund balance is 11.1 percent of total fund expenditures.

The fund balance of the District's General Fund decreased by $4,978,040 during June 30, 2025. Key factors in this decrease are as follows:

- Revenues were $100,940,342 in 2025 compared to $98,844,722 in 2024 due to increases in local and state sources.

- Expenditures increased from $101,271,126 in 2024 to $106,270,953 in 2025 due to salaries and benefits increases, and supplies and insurance increases. 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, 2024, and 2025 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 $11,810,737 in 2025 from $22,021,423 in 2024. 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 2024 and 2025.

The Debt Service Fund fund balance increased $376,926 in 2025 to $6,317,131 from $5,940,205. This increase is due to transfers in and taxes exceeding 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/	
	Original	Final	Expenses	Variance
Instruction	$ 69,238,700	$ 71,625,000	$ 70,999,792	$ 625,208
Support services	38,908,500	39,840,373	40,983,832	(1,143,459)
Noninstructional programs	4,551,000	4,551,000	4,634,087	(83,087)
Other	28,158,422	29,286,139	31,933,041	(2,646,902)
Total	$ 140,856,622	$ 145,302,512	$ 148,550,752	$ (3,248,240)

Revenues exceeded the final amended budget by $2,051,979. Expenditures were $3,248,240 over budget at year end. The District exceeded the amended budget in the support services, noninstructional programs and other functions by $1,143,459, $83,087 and $2,646,902, 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.

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 $10,437,523 for 2025. 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)

	June 30, 2025	June 30, 2024
Land	$ 9,343,040	$ 9,343,040
Construction-in-progress	13,717,404	73,931,979
Buildings	188,486,026	121,915,793
Land improvements	10,504,683	6,853,703
Machinery and equipment	4,912,021	4,954,121
Right to use lease building	-	5,608
Right to use lease equipment	60,671	109,210
Right to use IT subscription	660,474	919,310
Business-type activities, machinery and equipment	1,191,820	405,852
Total	$ 228,876,139	$ 218,438,616

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

Debt

As of June 30, 2025, the Southeast Polk Community School District had general obligation, revenue bonds and lease obligation outstanding totaling $100,689,610 compared to $109,224,701 as of June 30, 2024. In the current year, the District paid $7,509,610 in principal and $3,294,555 in interest and other charges on outstanding debt. As of June 30, 2025, the District's available legal debt margin was $226,767,354 compared to $152,410,084 as of June 30, 2024.

Table 5- Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total District	
	June 30, 2025	Restated June 30, 2024	June 30, 2025	Restated June 30, 2024	June 30, 2025	Restated June 30, 2024
General obligation bonds	$ 85,046,579	$ 89,845,434	$ -	$ -	$ 85,046,579	$ 89,845,434
Revenue bonds	15,579,068	19,255,694	-	-	15,579,068	19,255,694
Lease obligation	63,963	123,573	-	-	63,963	123,573
Total OPEB liability	15,879,630	14,886,268	696,196	674,058	16,575,826	15,560,326
Net pension liability	23,233,319	28,590,499	517,774	634,175	23,751,093	29,224,674
Early retirement	219,888	128,341	-	-	219,888	128,341
Compensated absences	5,377,508	3,205,340	334,055	143,203	5,711,563	3,348,543
Total	$ 145,399,955	$ 156,035,149	$ 1,548,025	$ 1,451,436	$ 146,947,980	$ 157,486,585

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

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 thirteen percent annually. The tax base increase from fiscal year 2024 to fiscal year 2025 is 14.6%. 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 58th highest in the State based on tax rates for fiscal year 2025.

The District's certified enrollment count as of October 2024 is 7,289 student FTEs. This is an increase of 78 student FTEs compared to the prior year. There continues to be an increase in the residential housing developments throughout Altoona, Pleasant Hill, and Mitchellville. Developments include both single family and multi-family housing. Renting seems to be on the rise. Apartment complexes in Pleasant Hill and multi-plex housing units in Altoona are becoming more prevalent.

The District ended fiscal year 2025 with a solvency ratio of 9.5%. This is a decrease from the previous year's solvency ratio of 13.1% Unspent spending authority decreased from 15.9% to 15.5% from fiscal year 2024 to 2025. Both of these ratios are a measurement of financial health for the District's general operating fund.

Proposed property tax reform continues to inhibit the ability of Iowa public schools to provide sufficient resources at a local level to effectively educate students and to keep staff and students safe. Reducing local property tax funds will only make public schools more reliant on State funding based on the State Foundation Aid Formula. Furthermore, proposed legislation to accelerate the diversion of funding that was implemented at the State level to provide public schools with a dedicated funding source to maintain its infrastructures is troublesome. Public schools were established as political subdivisions of the State with the task of educating the children of Iowa. As a legal, separate entity with its own governing body and the ability to levy local property taxes, public schools in Iowa have become less fiscally local community-centric and more State directed.

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, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash, cash equivalents and investments	$ 48,453,806	$ 11,249,516	$ 59,703,322
Restricted cash, cash equivalents and investments	5,117,464	-	5,117,464
Receivables:			
Property taxes	43,762,165	-	43,762,165
Income surtax	3,108,377	-	3,108,377
Other	5,372,812	21,993	5,394,805
Prepaid expenses	218,574	-	218,574
Inventories	-	26,324	26,324
Internal balances	(329,430)	329,430	-
Total current assets	105,703,768	11,627,263	117,331,031
Noncurrent assets:			
Capital assets:			
Nondepreciable:			
Land	9,343,040	-	9,343,040
Construction-in-progress	13,717,404	-	13,717,404
Depreciable:			
Buildings	261,654,429	-	261,654,429
Land improvements	20,422,492	-	20,422,492
Machinery and equipment	24,828,883	4,084,714	28,913,597
Right to use lease equipment	242,692	-	242,692
Right to use IT subscription	1,224,698	-	1,224,698
Accumulated depreciation and amortization	(103,749,319)	(2,892,894)	(106,642,213)
Total noncurrent assets	227,684,319	1,191,820	228,876,139
Total assets	333,388,087	12,819,083	346,207,170
Deferred outflows of resources:			
OPEB related deferred outflows	1,290,278	48,816	1,339,094
Pension related deferred outflows	8,436,486	188,014	8,624,500
Total deferred outflows of resources	9,726,764	236,830	9,963,594

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable	6,141,263	20,675	6,161,938
Salaries and benefits payable	9,832,541	21,332	9,853,873
Claims payable	580,468	-	580,468
Unearned revenue	40,000	102,534	142,534
Accrued interest payable	459,120	-	459,120
Compensated absences	3,764,256	233,838	3,998,094
Early retirement	219,888	-	219,888
Lease obligation	50,978	-	50,978
General obligation bonds	4,365,000	-	4,365,000
Revenue bonds	3,660,000	-	3,660,000
Total OPEB liability	731,988	16,313	748,301
Total current liabilities	29,845,502	394,692	30,240,194
Noncurrent liabilities:			
Lease obligation	12,985	-	12,985
General obligation bonds	80,681,579	-	80,681,579
Revenue bonds	11,919,068	-	11,919,068
Compensated absences	1,613,252	100,217	1,713,469
Total OPEB liability	15,147,642	679,883	15,827,525
Net pension liability	23,233,319	517,774	23,751,093
Total noncurrent liabilities	132,607,845	1,297,874	133,905,719
Total liabilities	162,453,347	1,692,566	164,145,913
Deferred inflows of resources:			
Succeeding year property taxes	43,615,051	-	43,615,051
OPEB related deferred inflows	7,443,093	203,251	7,646,344
Pension related deferred inflows	533,208	11,883	545,091
Total deferred inflows of resources	51,591,352	215,134	51,806,486
Net Position			
Net investment in capital assets	129,489,300	1,191,820	130,681,120
Restricted for:			
Categorical funding	2,408,222	-	2,408,222
Physical plant and equipment levy	5,305,034	-	5,305,034
School infrastructure	7,881,138	-	7,881,138
Debt service	2,447,105	-	2,447,105
Management levy	1,904,444	-	1,904,444
Student activities	1,042,752	-	1,042,752
Unrestricted	(21,407,843)	9,956,393	(11,451,450)
Total net position	$ 129,070,152	$ 11,148,213	$ 140,218,365

Southeast Polk Community School District

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Charges for Services and Sales
Primary Government:		
Governmental activities:		
Instruction	$ 69,992,649	$ 7,523,147
Support services	41,521,076	1,322,165
Noninstructional programs	10,439	-
Other, AEA flowthrough	2,920,819	-
Depreciation (unallocated)*	7,395,300	-
Interest on long-term debt	2,225,968	-
Total governmental activities	124,066,251	8,845,312
Business-type activities:		
School nutrition	4,580,078	2,177,862
School store	335,281	294,492
Total business-type activities	4,915,359	2,472,354
Total primary government	$ 128,981,610	$ 11,317,666

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
Other
Investment earnings
Total general revenues

Transfers
Total general revenues and transfers

Change in net position

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

*This amount excludes the depreciation expenses of various programs.

See Notes to Basic Financial Statements.

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
$ 14,158,026	$ -	$ (48,311,476)	$ -	$ (48,311,476)
156,041	148,165	(39,894,705)	-	(39,894,705)
-	-	(10,439)	-	(10,439)
2,920,819	-	-	-	-
-	-	(7,395,300)	-	(7,395,300)
-	-	(2,225,968)	-	(2,225,968)
17,234,886	148,165	(97,837,888)	-	(97,837,888)
3,266,131	841,120	-	1,705,035	1,705,035
-	-	-	(40,789)	(40,789)
3,266,131	841,120	-	1,664,246	1,664,246
$ 20,501,017	$ 989,285	(97,837,888)	1,664,246	(96,173,642)
		24,451,520	-	24,451,520
		15,468,558	-	15,468,558
		3,059,017	-	3,059,017
		1,976,690	-	1,976,690
		24,904	-	24,904
		9,522,851	-	9,522,851
		46,508,895	-	46,508,895
		338,971	-	338,971
		275,876	-	275,876
		2,244,252	434,753	2,679,005
		103,871,534	434,753	104,306,287
		126,385	(126,385)	-
		103,997,919	308,368	104,306,287
		6,160,031	1,972,614	8,132,645
		122,910,121	9,175,599	132,085,720
		$ 129,070,152	$ 11,148,213	$ 140,218,365

Southeast Polk Community School District

Balance Sheet
Governmental Funds
June 30, 2025

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Assets					
Cash, cash equivalents and investments	$ 21,001,440	$ 12,097,725	$ 1,761,893	$ 3,211,652	$ 38,072,710
Restricted cash, cash equivalents and investments	-	586,486	4,530,978	-	5,117,464
Receivables:					
Property taxes	26,887,072	5,426,280	6,933,672	4,515,141	43,762,165
Income surtax	3,108,377	-	-	-	3,108,377
Other	700,734	53,833	-	3,452	758,019
Due from other funds	10,573	27,114	-	-	37,687
Due from other governments	3,616,159	998,634	-	-	4,614,793
Prepaid items	16,699	-	-	6,875	23,574
Total assets	$ 55,341,054	$ 19,190,072	$ 13,226,543	$ 7,737,120	$ 95,494,789
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	$ 3,237,111	$ 1,961,921	$ -	$ 5,411	$ 5,204,443
Salaries and benefits payable	9,767,927	-	-	64,614	9,832,541
Due to other funds	27,114	10,000	-	-	37,114
Unearned revenue	40,000	-	-	-	40,000
Early retirement	-	-	-	219,888	219,888
Total liabilities	13,072,152	1,971,921	-	289,913	15,333,986
Deferred Inflows of Resources, unavailable revenue:					
Succeeding year property tax	26,798,214	5,407,414	6,909,412	4,500,011	43,615,051
Income surtax	3,108,377	-	-	-	3,108,377
Grants	567,706	-	-	2,520	570,226
Total deferred inflows of resources	30,474,297	5,407,414	6,909,412	4,502,531	47,293,654
Fund balances:					
Nonspendable	16,699	-	-	6,875	23,574
Restricted for:					
Categorical funding	2,408,222	-	-	-	2,408,222
Physical plant and equipment	-	5,160,210	-	-	5,160,210
School infrastructure	-	6,064,041	-	-	6,064,041
Debt service	-	586,486	6,317,131	-	6,903,617
Management levy	-	-	-	1,901,924	1,901,924
Student activities	-	-	-	1,035,877	1,035,877
Assigned for community programs	2,085,747	-	-	-	2,085,747
Unassigned	7,283,937	-	-	-	7,283,937
Total fund balances	11,794,605	11,810,737	6,317,131	2,944,676	32,867,149
Total liabilities, deferred inflows of resources and fund balances	$ 55,341,054	$ 19,190,072	$ 13,226,543	$ 7,737,120	$ 95,494,789

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, 2025

Total fund balances		$ 32,867,149
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		227,684,319
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		3,678,603
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	10,576,096	
Other current liabilities	(1,517,861)	9,058,235
Internal Service funds allocated to business-type activities		(329,430)
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	1,290,278	
OPEB related deferred inflows of resources	(7,443,093)	
Pension related deferred outflows of resources	8,436,486	
Pension related deferred inflows of resources	(533,208)	1,750,463
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(459,120)	
Compensated absences	(5,377,508)	
Premium on general obligation bond issuance	(5,211,579)	
General obligation bonds, current	(4,365,000)	
General obligation bonds, noncurrent	(75,470,000)	
Premium on revenue bond issuance	(284,068)	
Revenue bonds, current	(3,660,000)	
Revenue bonds, noncurrent	(11,635,000)	
Lease liability, current	(50,978)	
Lease liability, noncurrent	(12,985)	
Total OPEB liability	(15,879,630)	
Net pension liability	(23,233,319)	(145,639,187)
Net position of governmental activities		$ 129,070,152

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, 2025

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Revenues:					
Property taxes and local sources:					
Property taxes	$ 24,451,520	$ 4,945,661	$ 6,359,913	$ 4,162,984	$ 39,920,078
Income surtax	2,879,443	-	-	-	2,879,443
Utility excise tax	1,258,511	217,370	279,437	221,372	1,976,690
Other taxes	15,856	2,738	3,521	2,789	24,904
Student activities	-	-	-	1,064,843	1,064,843
Investment earnings	754,813	727,068	344,150	56,763	1,882,794
Tuition/transportation	6,014,927	-	-	-	6,014,927
Other	1,671,546	242,161	-	-	1,913,707
State sources:					
State foundation aid	46,508,895	-	-	-	46,508,895
Sales services tax	-	9,522,851	-	-	9,522,851
Other state sources	13,633,104	37,265	47,921	37,963	13,756,253
Federal sources	3,751,727	-	-	-	3,751,727
Total revenues	100,940,342	15,695,114	7,034,942	5,546,714	129,217,112
Expenditures:					
Current:					
Instruction	68,569,486	302,789	-	1,857,559	70,729,834
Support services:					
Student services	3,546,982	-	-	18,193	3,565,175
Instructional support	5,064,416	9,988	-	11,630	5,086,034
General administration	1,515,504	-	-	8,656	1,524,160
School administration	5,986,245	-	-	105,559	6,091,804
Business and central administration	3,519,878	2,162,836	-	957,135	6,639,849
Plant operation and maintenance	9,971,367	57,400	-	1,729,894	11,758,661
Student transportation	5,176,256	1,070,781	-	34,158	6,281,195
Noninstructional programs	-	-	-	10,439	10,439
Other, AEA support	2,920,819	-	-	-	2,920,819
Capital outlay	-	18,208,057	-	-	18,208,057
Debt service:					
Principal	-	-	7,509,610	-	7,509,610
Interest and other charges	-	-	3,294,555	-	3,294,555
Total expenditures	106,270,953	21,811,851	10,804,165	4,733,223	143,620,192
Excess (deficiency) of revenues over (under) expenditures	(5,330,611)	(6,116,737)	(3,769,223)	813,491	(14,403,080)
Other financing sources (uses):					
Proceeds from sale of capital assets	2,510	-	-	-	2,510
Insurance proceeds	275,876	-	-	-	275,876
Transfers in	126,385	-	4,146,149	-	4,272,534
Transfers (out)	(52,200)	(4,093,949)	-	-	(4,146,149)
Total other financing sources (uses)	352,571	(4,093,949)	4,146,149	-	404,771
Net change in fund balance	(4,978,040)	(10,210,686)	376,926	813,491	(13,998,309)
Fund balances, beginning of year	16,772,645	22,021,423	5,940,205	2,131,185	46,865,458
Fund balances, end of year	$ 11,794,605	$ 11,810,737	$ 6,317,131	$ 2,944,676	$ 32,867,149

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, 2025

Net change in fund balances - total governmental funds		$ (13,998,309)
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	19,311,594	
Depreciation expense by function:		
Instruction	(90,512)	
Support services	(1,795,953)	
Unallocated	(7,395,300)	10,029,829
Proceeds from sale of capital asset	(2,510)	
Loss on disposal of capital assets	(375,764)	(378,274)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Income surtax	179,574	
Grants	65,877	245,451
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:		
Repayment of lease	59,610	
Repayment of bonds principal	7,450,000	
Amortization of premium	1,025,481	
Interest	43,106	8,578,197
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.		595,335
Change in internal service funds allocation to business-type activities		(15,201)
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:		
Instruction	(1,542,239)	
Support services	(629,929)	
Change in liability for total OPEB liability:		
Instruction	(84,520)	
Support services	(33,856)	
Change in liability for net pension liability:		
Instruction	2,416,599	
Support services	976,948	1,103,003
Change in net position of governmental activities		$ 6,160,031

See Notes to Basic Financial Statements.

Southeast Polk Community School District

Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor School Store	Total	
Assets				
Current assets:				
Cash, cash equivalents and investments	$ 10,913,506	$ 336,010	$ 11,249,516	$ 10,381,096
Other receivables	21,993	-	21,993	-
Inventories	26,324	-	26,324	-
Prepaid expense	-	-	-	195,000
Total current assets	10,961,823	336,010	11,297,833	10,576,096
Noncurrent assets:				
Capital assets:				
Machinery and equipment	4,084,714	-	4,084,714	-
Less accumulated depreciation	(2,892,894)	-	(2,892,894)	-
Total noncurrent assets	1,191,820	-	1,191,820	-
Total assets	12,153,643	336,010	12,489,653	10,576,096
Deferred outflows of resources:				
OPEB related deferred outflows	48,816	-	48,816	-
Pension related deferred outflows	188,014	-	188,014	-
Total deferred outflows of resources	236,830	-	236,830	-
Liabilities				
Current liabilities:				
Accounts payable	11,200	9,475	20,675	936,820
Salaries and benefits payable	18,870	2,462	21,332	-
Compensated absences	233,838	-	233,838	-
Claims payable	-	-	-	580,468
Unearned revenues	102,534	-	102,534	-
Due to other funds	-	-	-	573
Total OPEB liability	16,313	-	16,313	-
Total current liabilities	382,755	11,937	394,692	1,517,861
Noncurrent liabilities:				
Compensated absences	100,217	-	100,217	-
Total OPEB liability	679,883	-	679,883	-
Net pension liability	517,774	-	517,774	-
Total noncurrent liabilities	1,297,874	-	1,297,874	-
Total liabilities	1,680,629	11,937	1,692,566	1,517,861
Deferred inflows of resources:				
OPEB related deferred inflows	203,251	-	203,251	-
Pension related deferred inflows	11,883	-	11,883	-
Total deferred inflows of resources	215,134	-	215,134	-
Net Position				
Investment in capital assets	1,191,820	-	1,191,820	-
Unrestricted	9,302,890	324,073	9,626,963	9,058,235
Total net position	$ 10,494,710	$ 324,073	$ 10,818,783	$ 9,058,235

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, 2025

Total enterprise funds net position	$	10,818,783
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.		329,430
Net position of business-type activities	$	11,148,213

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, 2025

	Business-Type Activities, Enterprise Funds			Governmental Activities,
	School Nutrition	Nonmajor School Store	Total	Internal Service Fund
Operating revenues:				
Food sales	$ 2,174,742	$ -	$ 2,174,742	$ -
Charges for services	3,120	294,492	297,612	13,021,954
Total operating revenues	2,177,862	294,492	2,472,354	13,021,954
Operating expenses:				
Salaries	1,577,941	46,887	1,624,828	-
Employee benefits	464,970	7,932	472,902	-
Purchased services	89,352	19,573	108,925	439,783
Food consumed	1,811,657	-	1,811,657	-
Supplies	589,989	248,393	838,382	-
Depreciation	60,452	-	60,452	-
Claims and administration	-	-	-	12,348,294
Other	918	12,496	13,414	-
Total operating expenses	4,595,279	335,281	4,930,560	12,788,077
Operating income (loss)	(2,417,417)	(40,789)	(2,458,206)	233,877
Nonoperating revenues:				
Federal food commodities	471,762	-	471,762	-
Federal appropriations	2,759,883	-	2,759,883	-
State appropriations	34,486	-	34,486	-
Interest	421,260	13,493	434,753	361,458
Total nonoperating revenues	3,687,391	13,493	3,700,884	361,458
Income (loss) before capital contributions and transfers	1,269,974	(27,296)	1,242,678	595,335
Capital contributions	841,120	-	841,120	-
Transfers (out)	(126,385)	-	(126,385)	-
	714,735	-	714,735	-
Change in net position	1,984,709	(27,296)	1,957,413	595,335
Net position, beginning of year, as restated	8,510,001	351,369	8,861,370	8,462,900
Net position, end of year	$ 10,494,710	$ 324,073	$ 10,818,783	$ 9,058,235

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, 2025

Net changes in net position in enterprise funds	$	1,957,413
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.		15,201
Change in net position of business-type activities	$	1,972,614

See Notes to Basic Financial Statements.

Southeast Polk Community School District

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Business-Type Activities, Enterprise Funds			Governmental Activities,
	School Nutrition	Nonmajor School Store	Total	Internal Service Fund
Cash flows from operating activities:				
Receipts from customers and users	$ 2,128,294	$ 287,202	$ 2,415,496	$ 13,021,954
Payments to suppliers	(2,010,039)	(273,138)	(2,283,177)	(12,625,354)
Payments to employees	(1,921,672)	(56,125)	(1,977,797)	-
Net cash provided by (used in) operating activities	(1,803,417)	(42,061)	(1,845,478)	396,600
Cash flows from noncapital financial activities:				
Federal and state appropriations received	2,794,369	-	2,794,369	-
Payments to other funds	(126,385)	-	(126,385)	(179,078)
Net cash provided by (used in) noncapital financing activities	2,667,984	-	2,667,984	(179,078)
Cash flows from capital and related financing activities:				
Purchase of capital assets	(5,300)	-	(5,300)	-
Net cash (used in) capital and related financing activities	(5,300)	-	(5,300)	-
Cash flows from investing activities, interest received	421,260	13,493	434,753	361,458
Net increase (decrease) in cash and cash equivalents	1,280,527	(28,568)	1,251,959	578,980
Cash and cash equivalents, beginning of year	9,632,979	364,578	9,997,557	9,802,116
Cash and cash equivalents, end of year	$ 10,913,506	$ 336,010	$ 11,249,516	$ 10,381,096

(Continued)

Southeast Polk Community School District

Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2025

	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)	(2,417,417)	(40,789)	(2,458,206)	233,877
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	60,452	-	60,452	-
Federal food commodities used	471,762	-	471,762	-
Change in assets and liabilities:				
Receivables	(1,964)	-	(1,964)	-
Prepaid expenses	-	214	214	(70,097)
Inventories	2,443	-	2,443	-
Accounts payable	7,672	7,110	14,782	335,366
Salaries and benefits payable	1,419	(1,306)	113	-
Compensated absences	190,852	-	190,852	-
Claims payable	-	-	-	(102,546)
Unearned revenue	(47,604)	(7,290)	(54,894)	-
Net pension liability and related deferrals	(73,671)	-	(73,671)	-
Total OPEB liability and related deferrals	2,639	-	2,639	-
Net cash provided by (used in) operating activities	$ (1,803,417)	$ (42,061)	$ (1,845,478)	$ 396,600
Schedule of noncash items:				
Noncapital financing activities, federal commodities	$ 471,762	$ -	$ 471,762	$ -
Capital and related financing activities, capital assets contributed	$ 841,120	$ -	$ 841,120	$ -

See Notes to Basic Financial Statements.

Southeast Polk Community School District

Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2025

	Custodial
Assets	
Cash, cash equivalents and investments	$ 392,734
Total assets	392,734
Liabilities	
Accounts payable	2,341
Total liabilities	2,341
Net position, restricted for other organizations	$ 390,393

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, 2025

		Custodial
Additions:		
Local sources:		
Interest income	$	17,253
Other		270,986
Total additions		288,239
Deductions:		
Current:		
Instruction		
Administrative		371,532
Total deductions		371,532
Change in net position		(83,293)
Net position, beginning of year		473,686
Net position, end of year	$	390,393

See Notes to Basic Financial Statements.

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

Nature of operations:

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

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

Reporting entity:

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

Jointly governed organization: The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Polk, Jasper, and Marion Counties Assessors' Conference Board.

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

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

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.

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.

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 lease obligations 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 2024 based on 2023 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.

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.

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. 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.

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.

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: District employees accumulate a limited amount of earned but unused vacation, sick leave, and personal leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The District estimates the compensated absences liability for leave benefits that are more likely than not to be used or otherwise paid or settled based on historical information on employees use or payment of the benefits provided. The liability is measured using the pay rates in effect at year-end, the measurement date, and includes salary-related payments that are directly and incrementally associated with the leave liability measurement.

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.

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

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.

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.

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

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.

Net position restricted through enabling legislation consists of $5,305,034 for physical plant and equipment levy, $7,881,138 for school infrastructure, and $1,904,444 for management levy. All other restricted net position consists of $2,408,222 for categorical funding, $2,447,105 for required bond reserves and $1,042,752 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 support services, noninstructional programs and other functions by $1,143,459, $83,087 and $2,646,902, 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.

Note 3. Cash and Investments (Continued)

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

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

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2025, 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, 2025 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, 2025 are held in the name of the District and are not exposed to custodial credit risk.

Note 4. Interfund Balances and Transfers

The detail of interfund balances as of June 30, 2025 is as follows:

	Due From	Due To
Governmental activities:		
Major funds:		
General Fund	$ 10,573	$ 27,114
Capital Projects Fund	27,114	10,000
Internal Service Fund	-	573
	$ 37,687	$ 37,687

The interfund balances are a result of cash flowing expenditures of other funds.

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

	Transfers In	Transfers Out
Governmental activities:		
Major funds:		
General Fund	$ 126,385	$ 52,200
Capital Projects Fund	-	4,093,949
Debt Service Fund	4,146,149	-
Business-type activities:		
Major fund, School Nutrition Fund	-	126,385
	$ 4,272,534	$ 4,272,534

Note 4. Interfund Balances and Transfers

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

Note 5. Capital Assets

Capital asset activity of the governmental activities for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 9,343,040	$ -	$ -	$ 9,343,040
Construction-in-progress	73,931,979	17,744,535	77,959,110	13,717,404
Total capital assets, not being depreciated	83,275,019	17,744,535	77,959,110	23,060,444
Capital assets, being depreciated/amortized:				
Buildings	187,934,935	73,719,494	-	261,654,429
Land improvements	15,949,155	4,473,337	-	20,422,492
Machinery and equipment	25,807,939	1,333,338	2,312,394	24,828,883
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
Total capital assets, being depreciated/amortized	231,310,813	79,526,169	2,463,788	308,373,194
Accumulated depreciation and amortization:				
Buildings	66,019,142	7,149,261	-	73,168,403
Land improvements	9,095,452	822,357	-	9,917,809
Machinery and equipment	20,853,818	997,164	1,934,120	19,916,862
Right to use lease building	145,786	5,608	151,394	-
Right to use lease equipment	133,482	48,539	-	182,021
Right to use IT subscription	305,388	258,836	-	564,224
Total accumulated depreciation and amortization	96,553,068	9,281,765	2,085,514	103,749,319
Total capital assets, being depreciated/amortized, net	134,757,745	70,244,404	378,274	204,623,875
Governmental activities capital assets, net	$ 218,032,764	$ 87,988,939	$ 78,337,384	$ 227,684,319

Note 5. Capital Assets (Continued)

Capital asset activity of the business-type activities for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Business-type activities:				
Capital assets, being depreciated, machinery and equipment	$ 3,238,294	$ 846,420	$ -	$ 4,084,714
Accumulated depreciation, machintery and equipment	2,832,442	60,452	-	2,892,894
Total capital assets, being depreciation, net	$ 405,852	$ 785,968	$ -	$ 1,191,820

Depreciation was charged to the functions as follows:

Governmental activities:	
Instruction	$ 90,512
Support services	1,795,953
Unallocated	7,395,300
Total depreciation/amortization expense, governmental activities	$ 9,281,765
Business-type activities, school nutrition	$ 60,452

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, 2025, the District has right to use IT subscription cost of $1,224,698 which will amortized until fiscal year 2029.

Note 6. Long-term Debt

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

	Restated June 30, 2024	Additions	Reductions	June 30, 2025	Due Within One Year
Governmental activities:					
General obligation bonds	$ 83,750,000	$ -	$ 3,915,000	$ 79,835,000	$ 4,365,000
Premium on general obligation bonds	6,095,434	-	883,855	5,211,579	-
Revenue bonds	16,590,000	-	3,115,000	13,475,000	3,230,000
Premium on revenue bonds	425,694	-	141,626	284,068	-
Direct placements, revenue refunding bonds series 2018	2,240,000	-	420,000	1,820,000	430,000
Building lease	10,137	-	10,137	-	-
Equipment lease	113,436	-	49,473	63,963	50,978
Early retirement	128,341	219,888	128,341	219,888	219,888
Compensated absences	3,205,340	2,172,168	-	5,377,508	3,764,256
Total OPEB liability	14,886,268	993,362	-	15,879,630	731,988
Net pension liabliity	28,590,499	-	5,357,180	23,233,319	-
Total	$ 156,035,149	$ 3,385,418	$ 14,020,612	$ 145,399,955	$ 12,792,110
Business-type activities:					
Compensated absences	$ 143,203	$ 190,852	$ -	$ 334,055	$ 233,838
Total OPEB liability	674,058	22,138	-	696,196	16,313
Net pension liability	634,175	-	116,401	517,774	-
	$ 1,451,436	$ 212,990	$ 116,401	$ 1,548,025	$ 250,151

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.

Note 6. Long-term Debt (Continued)

General obligation bonds: Details of the District's June 30, 2025 general obligation bond indebtedness is as follows:

	Interest Rates	$85,330,000 Issued November 6, 2020		
Year ending June 30:	(Percents)	Principal	Interest	Total
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	4.00	6,245,000	1,338,600	7,583,600
2031-2035	2.00-3.00	38,770,000	3,488,750	42,258,750
2036	2.00	8,615,000	172,300	8,787,300
Totals		$ 73,435,000	$ 12,726,550	$ 86,161,550

	Interest Rates	$6,670,000 Issued July 27, 2023		
Year ending June 30:	(Percents)	Principal	Interest	Total
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	5.00	215,000	241,350	456,350
2031-2035	4.00-5.00	1,975,000	976,000	2,951,000
2036-2040	4.00	2,460,000	532,800	2,992,800
2041-2042	4.00	1,145,000	69,200	1,214,200
Totals		$ 6,400,000	$ 2,862,250	$ 9,262,250

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.

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 $16,411,619. During the year ended June 30, 2025, principal and interest of $4,083,813 was paid on the bonds and statewide sales, services and use tax revenues were $9,522,851.

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, 2025, the reserve account balance was $4,441,871.
- 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, 2025, the sinking fund account balance was $675,593.
- 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	Issued February 28, 2013			Issued May 28, 2015		
June 30:	Principal	Interest	Total	Principal	Interest	Total
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	$ 2,955,000	$ 202,960	$ 3,157,960	$ 2,220,000	$ 197,650	$ 2,417,650

Year ending	Issued June 15, 2016			Direct Placements Issued July 2, 2018		
June 30:	Principal	Interest	Total	Principal	Interest	Total
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	$ 8,300,000	$ 579,276	$ 8,879,276	$ 1,820,000	$ 136,733	$ 1,956,733

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, 2025, the value of the building lease liability was $0 and the value of the equipment lease was $63,963. The building lease agreement had 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, 2025, were as follows:

	Interest	Copier Printer Lease		
Year ending June 30:	Rates	Principal	Interest	Total
2026	3.00	$ 50,978	$ 1,222	$ 52,200
2027	3.00	12,985	65	13,050
Totals		$ 63,963	$ 1,287	$ 65,250

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 lessor 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, 2025, the District had obligations to 25 participants with a total liability of $219,888 which was recorded in the Management Fund. Actual early retirement expenditures for the year ended June 30, 2025, totaled $128,341. Early retirement obligations are generally liquidated by the Management Fund.

Note 6. Long-Term Debt (Continued)

As of June 30, 2025, the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	$ 6,439,226,330
Debt limit, 5% of total assessed valuation	$ 321,961,317
Amount of debt applicable to debt limit:	
General obligation bonds	79,835,000
Revenue bonds	15,295,000
Lease obligation	63,963
Excess of debt limit over debt outstanding, legal debt margin	$ 226,767,354

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.

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

The full monthly premium rates as of July 1, 2024 for each plan are as shown below:

Rate Tier	Medical	Dental	Vision
Single	$ 757	$ 34	$ 5
Family	2,169	118	9

Employees covered by benefit terms: At June 30, 2025, 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 $16,575,826 was measured as of June 30, 2024 and was determined by an actuarial valuation with a reporting date of June 30, 2024 rolled forward to June 30, 2025.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2025 roll forward 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	3.97% 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, 2025 roll forward valuation were based on the results of an actuarial experience study for the period 2010– 2020.

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

Changes in the Total OPEB Liability

		Total OPEB Liability
Balance at July 1, 2024	$	15,560,326
Changes for the year:		
Service cost		1,195,200
Interest		632,321
Changes of benefit terms		-
Differences between expected and actual experience		83,603
Changes in assumptions or other inputs		(147,323)
Benefit payments		(748,301)
Net changes		1,015,500
Balance at June 30, 2025	$	16,575,826

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
	2.97%	3.97%	4.97%
Total OPEB liability	$ 17,952,830	$ 16,575,826	$ 15,285,770

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.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	6.60%	7.60%	8.60%
Total OPEB liability	$ 14,611,230	$ 16,575,826	$ 18,921,823

For the year ended June 30, 2025, the District recognized OPEB expense of $838,645. At June 30, 2025, 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	$ 158,046	$ 3,679,525
Changes of assumptions or other inputs	545,438	3,966,819
Net difference between projected and actual investments	-	-
Contributions subsequent to measurement date	635,610	-
Total	$ 1,339,094	$ 7,646,344

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

Deferred outflows of resources of $635,610 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, 2026. 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:		
2026	$	(988,876)
2027		(988,876)
2028		(929,163)
2029		(892,520)
2030		(762,695)
Thereafter		(2,380,730)
	$	(6,942,860)

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.

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 2025, 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, 2025 were $6,102,810.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the District reported a liability of $23,751,093 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the District's proportion was 0.6522340 percent, which was an increase of .0047630 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $2,635,592. At June 30, 2025, 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	$ 1,889,895	$ 14,754
Changes of assumptions	-	333
Net difference between projected and actual earnings on pension plan investments	297,046	-
Changes in proportion and differences between District contributions and proportionate share of contributions	334,749	530,004
District contributions subsequent to the measurement date	6,102,810	-
Total	$ 8,624,500	$ 545,091

Note 8. Retirement System (Continued)

$6,102,810 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, 2026. 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,		
2026	$	(3,211,940)
2027		5,673,723
2028		209,839
2029		(723,803)
2030		28,780
Total	$	1,976,599

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2024 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, 2024 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 2024 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.

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%	3.52%
International equity	13.0%	5.18%
Global smart beta equity	5.0%	4.12%
Core plus fixed income	25.5%	3.04%
Public credit	3.0%	4.53%
Cash	1.0%	1.69%
Private equity	17.0%	8.89%
Private real assets	9.0%	4.25%
Private credit	5.5%	6.62%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability (asset)	$ 58,284,758	$ 23,751,093	$ (5,171,032)

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, 2025, 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.

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, 2025 and 2024 are as follows:

	2025	2024
Claims payable, beginning of year	$ 683,014	$ 710,334
Incurred claims (including IBNR and changes in estimates)	10,362,792	8,576,422
Claim payments	10,465,338	8,603,742
Claims payable, end of year	$ 580,468	$ 683,014

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 $2,920,819 for the year ended June 30, 2025 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Educations Agency (AEA) beginning July 1, 2024. For fiscal year 2026, 100% of the educational and media services funds generated by Districts will be received directly by the District and none will flow through to the AEAs. Also, for fiscal year 2026, Districts will flow through 90% (instead of 100%) of special education support services funds to AEAs, who will code the funds as a combination of state aid and property taxes.

Note 11. Contingencies

As of June 30, 2025, 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.

Note 12. Commitments

The District has active construction projects as of June 30, 2025 relating to multi-purpose projects, including the administrative building and middle school. The construction commitments for these projects total $100,585,350 of which $99,267,031 has been paid leaving $1,318,319 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, 2025 is comprised of the following programs:

Program:	Amount
Teacher salary supplement	$ 50,990
Professional development	35,127
Empowerment	5,665
Early reader	581,509
Home school assistance	47,982
Health care trust fund	1,000
Teacher leadership	1,234,332
Teacher mentoring	132,855
School ready children	9,096
Gifted and talented	306,535
Other	3,131
	$ 2,408,222

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, 2025 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Altoona, Iowa	Urban renewal and economic development projects	$ 1,133,721
City of Bondurant, Iowa	Urban renewal and economic development projects	365

Note 14. Tax Abatements (Continued)

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, 2025, this reimbursement amounted to $380,881.

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

The District adopted the following statements during the year ended June 30, 2025:

GASB Statement No. 101, *Compensated Absences*, issued June 2022. 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. 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.

The above statements did not have a significant impact to the District except for GASB Statement No. 101 required the District to restate beginning net position of the governmental activities, business-type activities and major enterprise fund School Nutrition.

As of June 30, 2025, 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. 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.

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.

GASB Statement No. 105, *Subsequent Events*, issued December 17, 2025, will be effective for the District beginning with its fiscal year ending June 30, 2027. This Statement is intended to enhance consistency in the application of requirements for subsequent events. The Statement defines subsequent events as transactions or other events that occur after the date of the financial reporting statements but before the date the financial statements are available to be issued. The definition of subsequent events in this Statement modifies the subsequent events time frame throughout the GASB literature. Statement No. 105 also clarifies the different types of subsequent events, when note disclosures are required, and the information that should be included in those note disclosures.

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

Note 16. Restatement

The District implemented GASB Statement No. 101, *Compensated Absences*, which required the District to restate net position as of June 30, 2024, follows:

	Governmental Activities	Business-Type Activites	Major Enterprise School Nutrition Fund
Net position June 30, 2024, as previously reported	$ 125,920,149	$ 9,316,832	$ 8,651,234
Compensated absences change	3,010,028	141,233	141,233
Net position June 30, 2024, as restated	$ 122,910,121	$ 9,175,599	$ 8,510,001

Note 17. Subsequent Event

On November 4, 2025, voters approved a bond referendum to authorize the District to issue $51 million in general obligation bonds to fund projects in the District's facility plan. The bonds are expected to be issued in spring 2026.

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, 2025

	Governmental Funds - Actual	Enterprise Fund - Actual
Revenues:		
Local sources	$ 55,677,386	$ 2,907,107
State sources	69,787,999	34,486
Federal sources	3,751,727	3,231,645
Total revenues	129,217,112	6,173,238
Expenditures/expenses:		
Instruction	70,729,834	269,958
Support services	40,946,878	36,954
Noninstructional programs	10,439	4,623,648
Other expenditures	31,933,041	-
Total expenditures/expenses	143,620,192	4,930,560
Excess (deficiency) of revenues over (under) expenditures/expenses	(14,403,080)	1,242,678
Other financing sources (uses):		
Transfers in	4,272,534	-
Transfers (out)	(4,146,149)	(126,385)
Capital contributions	-	841,120
Insurance proceeds	275,876	-
Proceeds from sale of capital assets	2,510	-
Total other financing sources (uses)	404,771	714,735
Net change in fund balance	(13,998,309)	1,957,413
Balance, beginning of year, as restated	46,865,458	8,861,370
Balance, end of year	$ 32,867,149	$ 10,818,783

See Notes to Required Supplementary Information.

Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
$ 58,584,493	$ 56,643,030	$ 56,643,030	$ 1,941,463
69,822,485	69,270,341	69,270,341	552,144
6,983,372	7,425,000	7,425,000	(441,628)
135,390,350	133,338,371	133,338,371	2,051,979
70,999,792	69,238,700	71,625,000	625,208
40,983,832	38,908,500	39,840,373	(1,143,459)
4,634,087	4,551,000	4,551,000	(83,087)
31,933,041	28,158,422	29,286,139	(2,646,902)
148,550,752	140,856,622	145,302,512	(3,248,240)
(13,160,402)	(7,518,251)	(11,964,141)	(1,196,261)
4,272,534	4,223,813	4,223,813	48,721
(4,272,534)	(4,223,813)	(4,223,813)	(48,721)
841,120	-	-	841,120
275,876	-	-	275,876
2,510	410,000	410,000	(407,490)
1,119,506	410,000	410,000	709,506
(12,040,896)	(7,108,251)	(11,554,141)	(486,755)
55,726,828			
$ 43,685,932			

Southeast Polk Community School Distrcit

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

	2025	2024
Total OPEB liability		
Changes for the year:		
Service cost	$ 1,195,200	$ 1,290,020
Interest	632,321	727,308
Changes of benefit terms	-	-
Differences between expected and actual experience	83,603	(3,149,131)
Changes in assumptions or other inputs	(147,323)	(1,324,215)
Benefit payments	(748,301)	(807,768)
Net changes in total OPEB liability	1,015,500	(3,263,786)
Total OPEB liability - beginning	15,560,326	18,824,112
Total OPEB liability - ending	$ 16,575,826	$ 15,560,326
Covered employee payroll	$ 52,135,047	$ 50,206,682
Total OPEB liability as a percentage of covered employee payroll	32%	31%

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:	3.97%	3.86%

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

2023	2022	2021	2020	2019	2018
$ 1,690,054	$ 1,697,291	$ 1,418,849	$ 1,430,250	$ 1,368,235	$ 1,444,144
413,438	506,525	562,882	709,366	650,401	524,813
-	(316,569)	-	-	-	-
13,501	99,170	18,191	(2,557,098)	-	-
(2,758,959)	(416,768)	1,035,058	(559,565)	(92,299)	(935,446)
(754,153)	(653,223)	(591,545)	(656,132)	(668,472)	(653,438)
(1,396,119)	916,426	2,443,435	(1,633,179)	1,257,865	380,073
20,220,231	19,303,805	16,860,370	18,493,549	17,235,684	16,855,611
$ 18,824,112	$ 20,220,231	$ 19,303,805	$ 16,860,370	$ 18,493,549	$ 17,235,684
$ 47,367,036	$ 47,652,000	$ 46,383,000	$ 43,236,794	$ 45,038,411	$ 41,739,096
40%	42%	42%	39%	41%	41%
3.69%	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

	2025*	2024*	2023*	2022*
District's proportion of the net pension liability	0.6522340%	0.6474710%	0.6723510%	-0.2661131%
District's proportionate share of the net pension liability	$ 23,751,093	$ 29,224,674	$ 25,402,426	$ 918,694
District's covered payroll	$ 60,308,749	$ 56,881,474	$ 54,249,103	$ 53,187,513
District's proportionate share of the pension liability as a percentage of its covered payroll	39.38%	51.38%	46.83%	1.73%
Plan fiduciary net pension as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%

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

See Notes to Required Supplementary Information.

2021*	2020*	2019*	2018*	2017*	2016*
0.6486431%	0.6566642%	0.6539601%	0.6453280%	0.645991%	0.646524%
$ 45,565,462	$ 38,025,177	$ 41,384,197	$ 42,987,013	$ 40,654,278	$ 31,941,433
$ 51,548,904	$ 49,991,333	$ 49,164,773	$ 48,182,091	$ 46,392,195	$ 44,298,855
88.39%	76.06%	84.17%	89.22%	87.63%	72.10%
82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

Southeast Polk Community School District

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

	2025	2024	2023	2022
Statutorily required contribution	$ 6,103	$ 5,693	$ 5,363	$ 5,106
Contributions in relation to the statutorily required contribution	$ (6,103)	$ (5,693)	$ (5,363)	$ (5,106)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 64,843	$ 60,309	$ 56,881	$ 54,249
Contributions as a percentage of covered payroll	9.41%	9.44%	9.43%	9.41%

See Notes to Required Supplementary Information.

2021	2020	2019	2018	2017	2016
$ 5,021	$ 4,866	$ 4,719	$ 4,390	$ 4,303	$ 4,140
$ (5,021)	$ (4,866)	$ (4,719)	$ (4,390)	$ (4,303)	$ (4,140)
$ -	$ -	$ -	$ -	$ -	$ -
$ 53,188	$ 51,549	$ 49,991	$ 49,165	$ 48,182	$ 46,392
9.44%	9.44%	9.44%	8.93%	8.93%	8.92%

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Note 1. Budgets and Budgetary Information

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, noninstructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

The District had one amendment which increased total expenditures/expenses by $4,445,890. The District exceeded the amended budget in the support services, noninstructional programs, and other functions by $1,143,459, $83,087 and $2,646,902 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.

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, 2025

	Special Revenue		
	Management	Student Activity	Total
Assets			
Cash, cash equivalents and investments	$ 2,138,376	$ 1,073,276	$ 3,211,652
Receivables:			
Property taxes	4,515,141	-	4,515,141
Other	1,411	2,041	3,452
Prepaid items	-	6,875	6,875
Total assets	$ 6,654,928	$ 1,082,192	$ 7,737,120
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	$ -	$ 5,411	$ 5,411
Salaries and benefits payable	30,585	34,029	64,614
Early retirement	219,888	-	219,888
Total liabilities	250,473	39,440	289,913
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	4,500,011	-	4,500,011
Grants	2,520	-	2,520
Total deferred infflows of resources	4,502,531	-	4,502,531
Fund balances:			
Nonspendable	-	6,875	6,875
Restricted	1,901,924	1,035,877	2,937,801
Total fund balances	1,901,924	1,042,752	2,944,676
Total liabilities, deferred inflows of resources and fund balances	$ 6,654,928	$ 1,082,192	$ 7,737,120

Southeast Polk Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue		
	Management	Student Activity	Total
Revenues:			
Property taxes and other local sources:			
Property tax	$ 4,162,984	$ -	$ 4,162,984
Utility excise tax	221,372	-	221,372
Other taxes	2,789	-	2,789
Student activities	-	1,064,843	1,064,843
Investment earnings	19,889	36,874	56,763
State sources, other	37,963	-	37,963
Total revenues	4,444,997	1,101,717	5,546,714
Expenditures:			
Current:			
Instruction	944,086	913,473	1,857,559
Support services:			
Student support	18,193	-	18,193
Instructional support	9,595	2,035	11,630
General administration	-	8,656	8,656
School administration	105,559	-	105,559
Business and central administration	945,083	12,052	957,135
Plant operation and maintenance	1,729,894	-	1,729,894
Student transportation	9,235	24,923	34,158
Noninstructional programs	8,776	1,663	10,439
Total expenditures	3,770,421	962,802	4,733,223
Change in fund balances	674,576	138,915	813,491
Fund balances, beginning of year	1,227,348	903,837	2,131,185
Fund balances, end of year	$ 1,901,924	$ 1,042,752	$ 2,944,676

Southeast Polk Community School District

Schedule of Combining Balance Sheet-
Capital Projects Fund, By Account
June 30, 2025

	Capital Projects Fund Accounts			
	Physical Plant and Equipment	Statewide Sales and Services Tax	Other Capital Projects	Total
Assets				
Cash, cash equivalents and investments	$ 5,260,265	$ 6,750,091	$ 87,369	$ 12,097,725
Restricted cash and investments	-	586,486	-	586,486
Receivables:				
Property taxes	5,426,280	-	-	5,426,280
Accounts	8,789	7,955	37,089	53,833
Due from other funds	27,114	-	-	27,114
Due from other governments	-	998,634	-	998,634
Total assets	$ 10,722,448	$ 8,343,166	$ 124,458	$ 19,190,072
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ 144,824	$ 1,703,343	$ 113,754	$ 1,961,921
Due to other funds	10,000	-	-	10,000
Total liabilities	154,824	1,703,343	113,754	1,971,921
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	5,407,414	-	-	5,407,414
Total deferred inflows of resources	5,407,414	-	-	5,407,414
Fund balances:				
Restricted for:				
Physical plant and equipment	5,160,210	-	-	5,160,210
Debt service	-	586,486	-	586,486
School infrastructure	-	6,053,337	10,704	6,064,041
Total fund balances	5,160,210	6,639,823	10,704	11,810,737
Total liabilities, deferred inflows of resources and fund balances	$ 10,722,448	$ 8,343,166	$ 124,458	$ 19,190,072

Southeast Polk Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance-Capital Projects Fund, By Account
Year Ended June 30, 2025

	Capital Projects Fund Accounts			
	Physical Plant and Equipment	Statewide Sales and Services Tax	Other Capital Projects	Total
Revenues:				
Property taxes and other local sources:				
Property taxes	$ 4,945,661	$ -	$ -	$ 4,945,661
Utility excise tax	217,370	-	-	217,370
Other taxes	2,738	-	-	2,738
Investment earnings	143,182	539,737	44,149	727,068
Other	157,117	7,955	77,089	242,161
State sources:				
Sales and services tax	-	9,522,851	-	9,522,851
Other	37,265	-	-	37,265
Total revenues	5,503,333	10,070,543	121,238	15,695,114
Expenditures:				
Current:				
Instruction	302,789	-	-	302,789
Support services:				
Instruction	9,988	-	-	9,988
Business and central administration	2,162,296	540	-	2,162,836
Plant operation and maintenance	57,400	-	-	57,400
Student transportation	1,070,781	-	-	1,070,781
Capital outlay	1,364,790	16,732,622	110,645	18,208,057
Total expenditures	4,968,044	16,733,162	110,645	21,811,851
Excess (deficiency) of revenues over (under) expenditures	535,289	(6,662,619)	10,593	(6,116,737)
Other financing (uses):				
Transfers (out)	(10,200)	(4,083,749)	-	(4,093,949)
Total other financing (uses)	(10,200)	(4,083,749)	-	(4,093,949)
Net change in fund balance	525,089	(10,746,368)	10,593	(10,210,686)
Fund balance, beginning of year	4,635,121	17,386,191	111	22,021,423
Fund balance, end of year	$ 5,160,210	$ 6,639,823	$ 10,704	$ 11,810,737

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INTERNAL SERVICE FUNDS

Southeast Polk Community School District

Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Self-Funded Health Insurance	Flex Benefit	Self-Funded Dental Insurance	Total
Assets				
Current assets:				
Cash, cash equivalents and investments	$ 9,803,915	$ 116,671	$ 460,510	$ 10,381,096
Prepaid expense	195,000	-	-	195,000
Total assets	9,998,915	116,671	460,510	10,576,096
Liabilities				
Current liabilities:				
Accounts payable	900,074	-	36,746	936,820
Claims payable	560,468	-	20,000	580,468
Due to other funds	573	-	-	573
Total liabilities	1,461,115	-	56,746	1,517,861
Net Position				
Unrestricted	$ 8,537,800	$ 116,671	$ 403,764	$ 9,058,235

Southeast Polk Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2025

	Self-Funded Health Insurance	Flex Benefit	Self-Funded Dental Insurance	Total
Operating revenues:				
Charges for services	$ 11,967,814	$ 456,509	$ 597,631	$ 13,021,954
Operating expenses:				
Claims and administration	11,823,590	-	524,704	12,348,294
Purchased services	-	439,783	-	439,783
Total operating expenses	11,823,590	439,783	524,704	12,788,077
Operating income	144,224	16,726	72,927	233,877
Nonoperating revenues:				
Interest	345,362	3,290	12,806	361,458
Changes in net position	489,586	20,016	85,733	595,335
Net position, beginning	8,048,214	96,655	318,031	8,462,900
Net position, end of year	$ 8,537,800	$ 116,671	$ 403,764	$ 9,058,235

Southeast Polk Community School District

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2025

	Self-Funded Health Insurance	Flex Benefit	Self-Funded Dental Insurance	Total
Cash flows from operating Activities:				
Receipts from customers and users	$ 11,967,814	$ 456,509	$ 597,631	$ 13,021,954
Payments to suppliers	(11,658,680)	(439,783)	(526,891)	(12,625,354)
Net cash provided by operating activities	309,134	16,726	70,740	396,600
Cash flows from noncapital financial activities, payments to other funds	(179,078)	-	-	(179,078)
Cash flows from investing activities, interest received	345,362	3,290	12,806	361,458
Net increase in cash and cash equivalents	475,418	20,016	83,546	578,980
Cash and Cash Equivalents:				
Beginning of year	9,328,497	96,655	376,964	9,802,116
End of year	$ 9,803,915	$ 116,671	$ 460,510	$ 10,381,096
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	$ 144,224	$ 16,726	$ 72,927	$ 233,877
Adjustments to reconcile operating income to net cash provided by operating activities:				
Change in assets and liabilities:				
Prepaid expense	(70,097)	-	-	(70,097)
Accounts payable	342,553	-	(7,187)	335,366
Claims payable	(107,546)	-	5,000	(102,546)
Net cash provided by operating activities	$ 309,134	$ 16,726	$ 70,740	$ 396,600

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.

Contents — Page

Schedule 1
Southeast Polk Community School District

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

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	$ 59,014,853	$ 66,780,379	$ 73,928,586	$ 79,535,244
Restricted	9,101,745	10,051,620	11,738,778	16,979,543
Unrestricted	(17,005,758)	(14,792,803)	(22,621,368)	(27,568,609)
Total governmental activities net position	$ 51,110,840	$ 62,039,196	$ 63,045,996	$ 68,946,178
Business type activities:				
Net investment in capital assets	$ 680,706	$ 531,215	$ 410,080	$ 325,775
Restricted	-	-	-	-
Unrestricted	907,902	1,430,667	1,618,293	2,141,607
Total business type activities net position	$ 1,588,608	$ 1,961,882	$ 2,028,373	$ 2,467,382
Primary government:				
Net investment in capital assets	$ 59,695,559	$ 67,311,594	$ 74,338,666	$ 79,861,019
Restricted	9,101,745	10,051,620	11,738,778	16,979,543
Unrestricted	(16,097,856)	(13,362,136)	(21,003,075)	(25,427,002)
Total primary government net position	$ 52,699,448	$ 64,001,078	$ 65,074,369	$ 71,413,560

Source: School District financial records.

	Fiscal Year					
	2020	2021	2022	2023	2024	**2025**
	$ 83,271,611	$ 83,202,211	$ 89,292,967	$ 101,536,967	$ 107,117,733	**$ 129,489,300**
	22,904,144	29,369,804	29,766,701	26,085,302	34,815,838	**20,988,695**
	(33,952,847)	(36,371,672)	(25,693,678)	(18,438,578)	(16,013,422)	**(21,407,843)**
	$ 72,222,908	$ 76,200,343	$ 93,365,990	$ 109,183,691	$ 125,920,149	**$ 129,070,152**
	$ 277,144	$ 171,793	$ 293,596	$ 412,627	$ 405,852	**$ 1,191,820**
	-	-	-	-	-	**-**
	2,754,095	3,722,884	5,989,788	7,527,089	8,910,980	**9,956,393**
	$ 3,031,239	$ 3,894,677	$ 6,283,384	$ 7,939,716	$ 9,316,832	**$ 11,148,213**
	$ 83,548,755	$ 83,374,004	$ 89,586,563	$ 101,949,594	$ 107,523,585	**$ 130,681,120**
	22,904,144	29,369,804	29,766,701	26,085,302	34,815,838	**20,988,695**
	(31,198,752)	(32,648,788)	(19,703,890)	(10,911,489)	(7,102,442)	**(11,451,450)**
	$ 75,254,147	$ 80,095,020	$ 99,649,374	$ 117,123,407	$ 135,236,981	**$ 140,218,365**

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			
	2016	2017	2018	2019
Expenses:				
Governmental activities:				
Instruction	$ 48,158,191	$ 50,763,104	$ 52,602,425	$ 53,969,537
Support services	25,326,960	26,173,501	25,785,228	29,042,605
Non-instructional programs	-	11,238	20,462	20,493
Interest on long-term debt	2,749,350	2,717,208	2,930,059	1,369,246
Other	3,661,535	2,863,461	5,113,155	2,994,193
Depreciation (unallocated)	2,953,836	3,817,740	2,464,589	4,073,778
Total governmental activities expenses	82,849,872	86,346,252	88,915,918	91,469,852
Business type activities:				
Nutrition services	3,810,411	3,841,949	3,746,338	3,789,197
Community service services	110	-	-	-
School store services	281,461	269,444	279,307	246,828
Total business type activities expenses	4,091,982	4,111,393	4,025,645	4,036,025
Total primary government expenses	$ 86,941,854	$ 90,457,645	$ 92,941,563	$ 95,505,877
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	$ 5,903,985	$ 6,239,183	$ 6,322,008	$ 4,828,288
Support services	270,679	55,321	54,275	532,075
Operating grants and contributions	13,778,687	13,195,579	13,589,134	14,825,906
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	19,953,351	19,490,083	19,965,417	20,186,269

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

Fiscal Year					
2020	2021	2022	2023	2024	**2025**
$ 55,972,136	$ 55,807,010	$ 52,431,826	$ 57,483,962	$ 64,422,616	**$ 69,992,649**
30,448,735	34,457,492	30,589,079	34,147,096	36,418,365	**41,521,076**
23,934	23,893	19,957	9,054	8,543	**10,439**
1,168,600	4,168,733	3,330,533	3,480,553	3,681,235	**2,920,819**
3,110,584	3,263,821	4,594,842	2,667,779	4,729,336	**7,395,300**
4,199,806	4,298,216	2,727,473	4,731,808	2,537,086	**2,225,968**
94,923,795	102,019,165	93,693,710	102,520,252	111,797,181	**124,066,251**
3,862,190	3,520,597	4,043,244	4,001,742	4,319,011	**4,580,078**
-	-	-	-	-	**-**
114,668	93,112	235,519	281,949	320,324	**335,281**
3,976,858	3,613,709	4,278,763	4,283,691	4,639,335	**4,915,359**
$ 98,900,653	$ 105,632,874	$ 97,972,473	$ 106,803,943	$ 116,436,516	**$ 128,981,610**
$ 4,419,029	$ 4,637,323	$ 4,074,269	$ 4,194,035	$ 6,545,237	**$ 7,523,147**
436,805	750,184	3,209,682	3,049,017	1,151,430	**1,322,165**
14,892,125	18,093,152	18,098,233	17,756,750	19,567,742	**17,234,886**
-	-	-	167,560	324,615	**148,165**
19,747,959	23,480,659	25,382,184	25,167,362	27,589,024	**26,228,363**

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			
	2016	2017	2018	2019
Business type activities:				
Charges for services:				
Nutrition	2,396,754	2,429,705	2,481,290	2,362,022
Community service	-	-	-	-
School store	297,035	269,085	262,606	228,039
Operating grants and contributions	1,700,264	1,790,006	1,804,773	1,948,650
Capital grants and contributions	-	-	-	-
Total business type program revenues	4,394,053	4,488,796	4,548,669	4,538,711
Total primary government program revenues	$ 24,347,404	$ 24,454,213	$ 24,514,086	$ 4,538,711
Net (expense) revenue:				
Governmental activities	$ (62,896,521)	$ (68,950,501)	$ (68,950,501)	$ -
Business type activities	302,071	463,151	523,024	4,538,711
Total primary government net expense	$ (62,594,450)	$ (68,487,350)	$ (68,427,477)	$ 4,538,711

Source: School District financial records.

Fiscal Year					
2020	2021	2022	2023	2024	**2025**
1,790,487	251,964	405,065	2,231,763	2,182,579	**2,177,862**
-	-	-	-	-	**-**
142,852	81,872	238,435	252,872	298,109	**294,492**
2,663,358	4,172,592	6,092,948	3,355,898	3,114,394	**3,266,131**
-	-	-	-	-	**841,120**
4,596,697	4,506,428	6,736,448	5,840,533	5,595,082	**6,579,605**
$ 24,344,656	$ 4,506,428	$ 6,736,448	$ 31,007,895	$ 33,184,106	**$ 32,807,968**
$ (75,175,836)	$ -	$ -	$ (77,352,890)	$ (84,208,157)	**$ (97,837,888)**
619,839	4,506,428	6,736,448	1,556,842	955,747	**1,664,246**
$ (74,555,997)	$ 4,506,428	$ 6,736,448	$ (75,796,048)	$ (83,252,410)	**$ (96,173,642)**

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			
	2016	2017	2018	2019
Net (expense) revenue:				
Governmental activities	$ (62,896,521)	$ (66,856,169)	$ (68,950,501)	$ (771,283,583)
Business type activities	302,071	377,403	523,024	502,686
Total primary government net expense	(62,594,450)	(66,478,766)	(68,427,477)	(70,780,897)
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property taxes levied for general purposes	20,023,898	20,899,173	20,845,556	17,833,712
Property taxes levied for specific purposes	10,265,123	10,845,982	11,229,021	11,627,761
Income surtax	1,882,917	2,279,360	2,402,966	2,476,238
Sales tax	6,325,132	6,391,561	6,521,298	7,036,501
Unrestricted grants and contributions	33,976,146	35,940,865	35,627,912	35,017,999
Revenue in lieu of taxes	-	965,007	965,007	765,985
Other	-	116,674	-	1,484,770
Investment earnings	113,904	330,903	494,852	821,520
Transfers	199,614	15,000	138,813	119,279
Gain on sale of capital assets	-	-	-	-
Total governmental activities	72,786,734	77,784,525	78,225,425	77,183,765
Business type activities:				
Investment earnings	6,149	10,871	22,830	55,602
Gain on sale of capital assets	-	-	-	-
Transfers	(199,614)	(15,000)	(138,813)	(119,279)
Total business type activities	(193,465)	(4,129)	(115,983)	(63,677)
Total primary government	72,593,269	77,780,396	78,109,442	77,120,088
Change in net position:				
Governmental activities	9,890,213	10,928,356	9,274,924	77,183,765
Business type activities	108,606	373,274	407,041	(63,677)
Total primary government	$ 9,998,819	$ 11,301,630	$ 9,681,965	$ 77,120,088

Fiscal Year					
2020	2021	2022	2023	2024	**2025**
$ (75,175,836)	$ (78,538,506)	$ (68,311,526)	$ (77,352,890)	$ (84,208,157)	**$ (97,837,888)**
619,839	892,719	2,457,685	1,556,842	955,747	**1,664,246**
(74,555,997)	(77,645,787)	(65,853,841)	(75,796,048)	(83,252,410)	**(96,173,642)**
17,698,429	20,042,352	21,613,949	21,457,618	21,874,311	**24,451,520**
10,495,138	10,556,896	10,399,392	12,650,233	13,511,608	**15,468,558**
2,628,941	2,787,244	2,672,524	4,010,721	3,552,331	**3,059,017**
7,004,627	7,772,095	8,490,311	8,435,198	9,499,495	**9,522,851**
36,593,168	38,286,917	39,175,393	42,059,123	44,472,332	**46,508,895**
722,038	731,073	740,685	-	321,064	**338,971**
2,442,683	2,069,597	2,263,289	1,967,904	4,173,236	**2,277,470**
760,073	197,930	46,072	2,451,538	3,435,478	**2,244,252**
107,469	39,392	73,026	138,256	104,760	**126,385**
-	32,445	24,113	-	-	**-**
78,452,566	82,515,941	85,498,754	93,170,591	100,944,615	**103,997,919**
51,487	10,111	2,471	228,916	526,129	**434,753**
-	-	1,577	8,830	-	**-**
(107,469)	(39,392)	(73,026)	(138,256)	(104,760)	**(126,385)**
(55,982)	(29,281)	(68,978)	99,490	421,369	**308,368**
78,396,584	82,486,660	85,429,776	93,270,081	101,365,984	**104,306,287**
3,276,730	3,977,435	17,187,228	15,817,701	16,736,458	**6,160,031**
563,857	863,438	2,388,707	1,656,332	1,377,116	**1,972,614**
$ 3,840,587	$ 4,840,873	$ 19,575,935	$ 17,474,033	$ 18,113,574	**$ 8,132,645**

Schedule 4
Southeast Polk Community School District

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

	2016	2017	2018	2019
General Fund:				
Nonspendable	$ 37,496	$ 909	$ 1,205	$ 3,115
Restricted	1,313,669	1,292,406	1,150,367	1,339,627
Assigned	297,355	565,482	1,113,921	1,230,843
Committed	-	-	-	-
Unassigned	9,658,140	13,724,658	15,534,247	13,096,684
Total General Fund	$ 11,306,660	$ 15,583,455	$ 17,799,740	$ 15,670,269
All other governmental funds:				
Nonspendable				
Special revenue funds	$ 747,538	$ 121	$ 3,937	$ 124
Capital projects funds	-	-	-	-
Debt service fund	-	78,500	-	-
Restricted				
Debt service funds	26,680,808	26,787,002	6,705,677	10,092,956
Capital projects funds	5,685,228	4,933,399	5,050,726	6,498,694
Special revenue funds	1,509,128	2,643,288	2,958,955	3,157,103
Total all other governmental funds	$ 34,622,702	$ 34,442,310	$ 14,719,295	$ 19,748,877

Source: School District financial records.

Fiscal Year					
2020	2021	2022	2023	2024	**2025**
$ 17,037	$ -	$ 296	$ 10,343	$ 128,351	**$ 16,699**
2,169,246	2,958,815	3,272,457	2,552,814	3,032,695	**2,408,222**
1,664,778	1,572,161	1,706,747	1,863,398	2,040,752	**2,085,747**
-	-	-	-	1,028,800	**-**
10,514,980	11,070,924	13,233,663	14,381,968	10,542,047	**7,283,937**
$ 14,366,041	$ 15,601,900	$ 18,213,163	$ 18,808,523	$ 16,772,645	**$ 11,794,605**
$ -	$ 2,940	$ 101	$ 600	$ 6,694	**$ 6,875**
-	-	-	-	-	**-**
-	-	-	-	-	**-**
14,678,956	15,895,226	13,450,458	5,738,790	5,940,205	**6,317,131**
6,988,687	98,985,531	77,188,475	39,865,177	22,021,423	**11,810,737**
3,313,936	2,295,906	733,003	1,068,037	2,124,491	**2,937,801**
$ 24,981,579	$ 117,179,603	$ 91,372,037	$ 46,672,604	$ 30,092,813	**$ 21,072,544**

Schedule 5
Southeast Polk Community School District

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

	Fiscal Year			
	2016	2017	2018	2019
Federal sources:				
Federal sources	$ 2,526,681	$ 2,546,771	$ 2,716,985	$ 2,830,239
Total federal sources	2,526,681	2,546,771	2,716,985	2,830,239
State sources:				
State sources	$ 51,561,019	$ 54,187,709	$ 53,795,838	$ 53,842,025
Total state sources	51,561,019	54,187,709	53,795,838	53,842,025
Local sources:				
Local taxes	$ 32,248,857	$ 33,827,878	$ 34,343,125	$ 34,841,792
Tuition	3,676,839	3,636,975	3,563,257	3,611,424
Other revenues	2,368,230	2,853,621	3,191,952	1,697,959
Total local sources	38,293,926	40,318,474	41,098,334	40,151,175
Total revenues	$ 92,381,626	$ 97,052,954	$ 97,611,157	$ 96,823,439

Source: School District financial records.

Fiscal Year					
2020	2021	2022	2023	2024	**2025**
$ 2,503,471	$ 5,675,002	$ 5,922,475	$ 4,899,268	$ 5,423,816	**$ 3,751,727**
2,503,471	5,675,002	5,922,475	4,899,268	5,423,816	**3,751,727**
$ 55,802,258	$ 57,857,108	$ 60,339,362	$ 64,632,647	$ 67,932,468	**$ 69,787,999**
55,802,258	57,857,108	60,339,362	64,632,647	67,932,468	**69,787,999**
$ 34,967,919	$ 36,585,593	$ 36,992,675	$ 39,920,622	$ 42,581,241	**$ 44,801,115**
3,394,384	3,664,977	4,368,674	4,673,802	5,122,489	**6,014,927**
1,457,546	638,092	2,958,838	5,008,339	5,986,682	**4,861,344**
39,819,849	40,888,662	44,320,187	49,602,763	53,690,412	**55,677,386**
$ 98,125,578	$ 104,420,772	$ 110,582,024	$ 119,134,678	$ 127,046,696	**$ 129,217,112**

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			
	2016	2017	2018	2019*
Instruction	$ 48,104,936	$ 49,458,741	$ 50,910,837	$ 51,542,654
Student services	2,835,083	2,971,365	3,043,379	3,078,802
Instructional staff services	3,450,150	3,568,936	3,533,494	3,734,436
Administration services	8,971,511	8,992,574	8,999,077	10,184,829
Operation and maintenance of plant	6,341,985	5,886,695	6,497,539	6,656,093
Pupil transportation services	3,643,517	3,901,085	3,758,835	4,458,074
Non-instructional programs	19,845	11,238	20,462	20,493
AEA Flowthrough	2,749,350	2,863,461	2,930,059	2,994,193
Capital outlay:				
Facilities acquisition/construction	5,395,881	3,129,114	2,684,816	1,610,854
Debt service:				
Principal	8,041,744	8,362,733	8,528,500	12,448,500
Interest	4,284,510	4,038,590	3,705,539	2,358,679
Total expenditures	$ 93,838,512	$ 93,184,532	$ 94,612,537	$ 99,087,607
Debt service as a percentage of noncapital expenditures	14.03%	13.86%	13.31%	15.32%

Source: School District financial records.

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

Fiscal Year					
2020	2021	2022	2023	2024	**2025**
$ 52,663,256	$ 53,958,699	$ 58,124,592	$ 61,563,450	$ 67,010,889	**$ 70,729,834**
3,095,373	3,300,985	3,192,214	3,364,228	3,457,027	**3,565,175**
3,703,528	3,913,623	3,719,129	3,905,643	4,004,779	**5,086,034**
10,584,780	13,576,764	12,560,949	12,099,379	13,024,765	**14,255,813**
7,401,452	8,992,090	8,193,354	9,295,298	10,853,890	**11,758,661**
4,289,706	4,266,680	5,679,253	5,610,045	6,048,933	**6,281,195**
23,934	23,893	19,957	9,054	8,543	**10,439**
3,110,584	3,263,821	3,330,533	3,480,553	3,681,235	**2,920,819**
2,072,710	3,876,237	26,929,701	46,019,103	34,306,036	**18,208,057**
5,390,000	5,600,000	8,007,650	14,052,493	6,992,094	**7,509,610**
1,969,250	4,404,851	4,362,093	3,998,375	3,670,602	**3,294,555**
$ 94,304,573	$ 105,177,643	$ 134,119,425	$ 163,397,621	$ 153,058,793	**$ 143,620,192**
8.04%	10.03%	11.60%	15.43%	9.05%	**8.69%**

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			
	2016	2017	2018	2019
Excess of revenues over (under) expenditures	$ (2,528,947)	$ 3,868,422	$ 2,998,620	$ (2,264,168)
Other financing sources (uses):				
Issuance of general obligation bonds	-	-	-	-
Issuance of revenue bonds	6,515,000	-	-	5,045,000
Issuance of lease	-	-	-	-
Refunding debt issued	35,205,000	-	-	-
Payment to refunding escrow agent	(29,255,000)	-	(20,660,000)	-
Premium on bonds/notes	5,648,200	-	-	-
Proceeds from sale of capital assets	275,558	212,981	15,837	-
Issuance of loans	70,373	-	-	-
Insurance proceeds	-	-	-	-
Transfers in	4,653,042	4,696,613	4,623,994	9,475,183
Transfers out	(4,653,042)	(4,681,613)	(4,485,181)	(9,355,904)
Total other financing sources (uses)	18,459,131	227,981	(20,505,350)	5,164,279
Net change in fund balances	$ 15,930,184	$ 4,096,403	$ (17,506,730)	$ 2,900,111

Source: School District financial records.

		Fiscal Year			
2020	2021	2022	2023	2024	**2025**
$ 3,821,005	$ (756,871)	$ (23,537,401)	$ (44,262,943)	$ (26,012,097)	**$ (14,403,080)**
-	85,330,000	-	-	6,670,000	**-**
-	-	-	-	-	**-**
-	-	242,692	-	-	**-**
-	-	-	-	-	**-**
-	-	-	-	-	**-**
-	8,777,565	-	-	283,702	**-**
-	43,797	25,380	20,614	18,482	**2,510**
-	-	-	-	-	**-**
-	-	-	-	319,484	**275,876**
4,286,919	4,804,635	4,263,552	4,299,368	4,291,050	**4,272,534**
(4,179,450)	(4,765,243)	(4,190,526)	(4,161,112)	(4,186,290)	**(4,146,149)**
107,469	94,190,754	341,098	158,870	7,396,428	**404,771**
$ 3,928,474	$ 93,433,883	$ (23,196,303)	$ (44,104,073)	$ (18,615,669)	**$ (13,998,309)**

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
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%
2024-2025	**9,369,684**	**100,940,342**	**9.28%**

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)

	Actual Value					Total
Fiscal Year	Residential Property	Commercial Property	Other Property	Less Exemptions	Total Taxable Value	Total Direct Rate (a)
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
2025	**4,203,013,842**	**946,053,912**	**237,152,758**	**5,380,111**	**5,395,518,503**	**15.44253**

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					
	General Purposes	Capital Purposes	Debt Service	Management	Total	Polk County
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
2025	**9.92373**	**1.67000**	**2.14752**	**1.70128**	**15.44253**	**11.20753**

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 Runnells
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
9.49487	**9.48292**	**0.75916**	**10.75369**	**9.99522**	**11.50000**	**11.98139**

Schedule 11
Southeast Polk Community School District

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

	2025			2016		
Taxpayer	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Polk County	$ 161,544,867	1	5.21%			
Mid American Energy	129,713,789	2	4.19%	$ 91,712,310	2	3.59%
Prairie Meadows (a)				106,818,949	1	4.18%
Magellan Pipeline Co	93,182,067	3	3.01%	60,839,806	3	2.38%
Ned Altoona LLC	32,516,147	4	1.05%			
PW Fund B LP	25,856,148	5	0.83%			
Oneck North System LLC	25,426,113	6	0.82%	19,509,828	5	0.76%
Ziegler Realty LLC	25,372,174	7	0.82%	13,399,070	6	0.50%
Lineage Master RE 6 LLC	25,046,147	8	0.81%			
Festival Fun Parks LLC	24,649,734	9	0.80%			
Adventureland/America				22,876,410	4	2.29%
Emory Apartments LC	21,154,493	10	0.68%			
Wal-Mart				11,100,870	7	0.43%
Menards,Inc.				9,288,630	8	0.36%
Iowa Cold Storage LLC				8,352,000	9	0.33%
lowe's Home Centers Inc				7,614,000	10	0.30%
Total	$ 564,461,679		18.22%	$ 351,511,873		15.12%

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: Amount	Collected Within the Fiscal Year of the Levy: Percentage of Levy	Collections In Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
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%
2025	**41,889,094**	**41,921,510**	**100.00%**	**160**	**41,921,670**	**100.00%**

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)
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
2025	**85,046,579**	**-**	**6,317,131**	**78,729,448**	**1.22%**	**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)

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Revenue Bans/Bonds	Capital Loan Note	Leases	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
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	3,061
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	2,637
2025	**85,046,579**	**15,579,068**	**-**	**63,963**	**100,689,610**	5.80%	2,380

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, 2025

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
Polk County	$ 474,828,188	8.42%	$ 39,980,533
Jasper County	15,865,000	0.31%	49,182
Marion County	16,965,000	0.27%	45,806
Des Moines Area Community College	66,060,000	4.52%	2,985,912
City of Bondurant	29,485,000	0.01%	2,949
City of Des Moines	557,140,000	1.66%	9,248,524
City of Mitchellville	2,430,000	97.25%	2,363,175
City of Altoona	107,010,000	75.14%	80,407,314
City of Pleasant Hill	22,350,000	79.23%	17,707,905
City of Runnells	3,081,498	100.00%	3,081,498
Subtotal, overlapping debt			$ 152,791,300
District direct debt			100,689,610
Total direct and overlapping debt			$ 253,480,910

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)

	2016	2017	2018	2019
Debt limit	$ 148,949,299	$ 159,702,420	$ 164,359,253	$ 181,087,602
Total Debt applicable to limit	102,151,199	92,490,621	57,778,500	53,801,061
Legal debt margin	$ 46,798,100	$ 67,211,799	$ 106,580,753	$ 127,286,541
Total debt applicable to the limit as a percentage of debt limit	68.58%	57.91%	35.15%	29.71%

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 2025

Actual assessed value (a)	$ 6,439,226,330
Debt limit (5% of assessed value) (b)	$ 321,961,317
Debt applicable to limit *	95,193,963
Legal debt margin	$ 226,767,354

2020	2021	2022	2023	2024	**2025**
$ 188,538,292	$ 208,515,940	$ 216,334,333	$ 236,144,097	$ 255,113,657	**$ 321,961,317**
47,604,591	135,006,792	125,759,420	110,403,452	102,703,573	**95,193,963**
$ 140,933,701	$ 73,509,148	$ 90,574,913	$ 125,740,645	$ 152,410,084	**$ 226,767,354**
25.25%	64.75%	58.13%	46.75%	40.26%	**29.57%**

Schedule 17
Southeast Polk Community School District

Pledged-Revenue Coverage
Last Ten Fiscal Years

(Unaudited)

	Sales Tax Revenue Bans/Bonds			
		Debt Service		
Fiscal Year	Revenue	Principal	Interest	Coverage
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
2025	**9,522,851**	**3,115,000**	**548,813**	**2.60**

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)
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%
2025	42,309	1,737,098,805	18,674	41,057	3.7%

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)

	2025			2016		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Hy-Vee, Inc	11,686	1	*	6,400	5	*
Casey's General Store	11,000	2		*	*	*
Wells Fargo & Company (a)	11,000	2	*	14,000	1	*
State of Iowa (b)	*	*	*	7,700	2	*
MercyOne	5,641	3	*	7,055	3	*
Principal	5,575	4	*	6,066	6	*
Unity Point Health	5,512	5	*	6,435	4	*
Des Moines Public Schools (c)	4,810	6	*	5,003	7	*
Nationwide/Allied Insurance	3,000	11	*	4,269	8	
Amazon	4,100	7	*	*	*	*
Vermeer Corporation	3,600	8	*	2,500	10	*
John Deer (d)	3,374	9	*	*	*	*
Care Initiatives	3,300	10	*	*	*	*
DuPont Pioneer	*	*	*	2,800	9	*
Total	72,598	*	*	62,228	*	*

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)

	2016	2017	2018	2019
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	7.0	7.0	7.0	7.0
Total supervisory	24.0	24.0	24.0	24.0
Instruction:				
Regular program teachers	372.6	373.1	368.9	379.3
Special Education teachers	64.0	65.0	64.5	66.5
Instructional Coaches/PD Leads	29.0	29.0	27.0	27.0
Total instruction	465.6	467.1	460.4	472.8
Student services:				
Guidance counselors	16.0	16.0	16.0	16.0
Nurses/Nurse aides	13.5	14.5	16.9	16.0
Media Specialists/Media Clerks	7.7	7.7	7.7	7.7
Total student services	37.2	38.2	40.6	39.7
Support and administration:				
Clerical/secretarial/teacher aide/ other support staff	184.5	189.0	198.8	209.0
Custodial and Maintenance	53.4	50.7	52.5	52.7
Food Service	39.4	37.6	38.6	37.8
Bus Drivers/Bus Aides/ Crossing Guard	50.7	49.9	48.7	50.0
Total support and administration	328.0	327.2	338.6	349.5
Total	854.6	856.4	863.5	885.9

Source: District records.

2020	2021	2022	2023	2024	**2025**	Percentage Change 2016-2025
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	**6.0**	50.0%
7.0	7.0	7.0	8.0	11.0	**11.0**	57.1%
24.0	24.0	24.0	25.0	25.0	**30.0**	25.0%
378.9	377.6	384.2	393.3	402.6	**423.2**	13.6%
69.5	69.5	76.8	78.0	75.4	**82.0**	28.1%
27.0	27.0	27.0	27.0	27.0	**29.8**	2.8%
475.4	474.1	488.0	498.3	505.0	**535.0**	14.9%
16.0	16.0	16.0	16.0	16.0	**20.0**	25.0%
17.1	19.5	19.5	19.5	19.5	**19.5**	44.3%
7.7	7.7	7.7	7.7	7.7	**8.9**	15.6%
40.8	43.2	43.2	43.2	43.2	**48.4**	30.1%
234.4	248.9	255.2	267.1	271.4	**307.6**	66.7%
52.4	52.0	47.9	52.2	53.2	**65.7**	23.0%
38.8	39.9	37.4	35.5	34.8	**36.6**	-7.1%
51.0	47.0	43.3	42.7	53.3	**53.5**	5.5%
376.6	387.8	383.8	397.5	412.7	**463.4**	41.3%
916.7	929.1	939.0	964.0	988.9	**1076.8**	26.0%

Schedule 21
Southeast Polk Community School District

Operating Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Enrollment (1)	Operating Expenditures (2)	Cost Per Pupil	Percentage Change	Expenditures (3)
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
2025	**7,289**	**106,270,953**	**14,580**	**3.66%**	**114,607,970**

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.
(3) Expenditures are total governmental fund expenditures less debt service and capital outlay expenditures of all governmental funds.

Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
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	39.21%
15,723	**4.74%**	**535.00**	**13.62**	**40.07%**

Schedule 22
Southeast Polk Community School District

School Building Information
Last Ten Fiscal Years
(Unaudited)

School	2016	2017	2018	2019
Elementary:				
Altoona (1939)				
Square feet	64,104	64,104	64,104	64,104
Capacity*	630	630	630	630
Enrollment	381	396	372	371
Centennial (1968)				
Square feet	61,017	61,017	61,017	61,017
Capacity	630	630	630	630
Enrollment	422	398	392	401
Clay (2006)				
Square feet	79,738	79,738	79,738	79,738
Capacity	840	840	840	840
Enrollment	585	562	579	571
Delaware (1951)				
Square feet	65,641	65,641	65,641	65,641
Capacity	630	630	630	630
Enrollment	418	395	373	378
Four Mile (1966)				
Square feet	63,204	63,204	63,204	63,204
Capacity	630	630	630	630
Enrollment	451	441	441	421
Mitchellville (1925)				
Square feet	50,799	50,799	50,799	50,799
Capacity	540	540	540	540
Enrollment	195	217	217	211
Runnells (2002)				
Square feet**	43,007	43,007	43,007	43,007
Capacity	400	400	400	400
Enrollment	286	288	288	273
Willowbrook (1991)				
Square feet	56,546	56,546	56,546	56,546
Capacity	630	630	630	630
Enrollment	510	511	510	497
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	456	483	577	588

2020	2021	2022	2023	2024	**2025**
64,104	64,104	64,104	64,104	64,104	**64,104**
630	630	630	630	630	**630**
381	381	381	385	385	**397**
61,017	61,017	61,017	61,017	61,017	**61,017**
630	630	630	630	630	**630**
391	391	391	361	361	**379**
79,738	79,738	79,738	79,738	79,738	**79,738**
840	840	840	840	840	**840**
560	560	560	581	581	**621**
65,641	65,641	65,641	65,641	65,641	**65,641**
630	630	630	630	630	**630**
362	362	362	361	361	**397**
63,204	63,204	63,204	63,204	63,204	**63,204**
630	630	630	630	630	**630**
439	439	439	441	441	**448**
50,799	50,799	50,799	50,799	50,799	**50,799**
540	540	540	540	540	**540**
212	212	212	217	217	**218**
43,007	43,007	43,007	43,007	43,007	**43,007**
400	400	400	400	400	**400**
267	267	267	269	269	**252**
56,546	56,546	56,546	56,546	56,546	**56,546**
630	630	630	630	630	**630**
476	476	476	462	462	**501**
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	**80**
577	612	612	578	578	**40-60**

Schedule 22
Southeast Polk Community School District

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

School	2016	2017	2018	2019
Middle School:				
Southeast Polk Middle School (2025)				
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
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	1,055	1,033	1,072	1,193
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	2,089	2,041	2,114	2,092
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	661,318

Source: District records

2020	2021	2022	2023	2024	**2025**
N/A	N/A	N/A	N/A	N/A	**206,379**
N/A	N/A	N/A	N/A	N/A	**1,250**
N/A	N/A	N/A	N/A	N/A	**1,047**
206,674	206,674	206,674	206,674	206,674	**206,674**
1,800	1,800	1,800	1,800	1,800	**1,800**
1,190	1,190	1,190	1,129	1,129	**1,104**
430,227	430,227	430,227	430,227	430,227	**430,227**
2,000	2,000	2,000	2,000	2,000	**2,000**
2,153	2,153	2,153	2,331	2,331	**1,792**
16,384	16,384	16,384	16,384	16,384	**16,384**
8,033	8,033	8,033	-	-	**-**
1,235,044	1,235,044	1,235,044	1,235,044	1,235,044	**1,433,390**

Schedule 23
Southeast Polk Community School District

Certified Staff Salaries
Last Ten Fiscal Years
(Unaudited)

School Year	Minimum	Maximum	Average
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
2024-2025	**50,385**	**82,277**	**70,864**

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, 2025

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	FY25 4552	$ -	$ 565,140	
National School Lunch Program	10.555	FY25 4553	-	2,055,120	
Child Nutrition Program- Supply Chain Assistance	10.555	FY25 4014	-	46,132	
Commodities -DOD (Noncash)	10.555	FY25	-	182,752	
Commodities (Noncash)	10.555	FY25	-	289,010	
			-	2,573,014	
Special Milk Program	10.556	FY25 4555	-	6,673	
Summer Food Service Program for Children	10.559	FY25 4556	-	38,721	
Fresh Fruits and Vegetables Program	10.582	FY25 4557	-	46,141	
Total Child Nutrition Cluster Program			-	3,229,689	
Pass-Through Iowa Department of Agriculture:					
Local Food for Schools Program	10.185	FY25 4911	-	1,981	
Total U.S. Department of Agriculture			-	3,231,670	
U.S. Department of Treasury					
Pass-Through Iowa Department of Homeland Security and Emergency Management:					
COVID-19 Coronavirus State and Local Fiscal Recovery Fund- School Safety Improvement Fund	21.027	FY25 4034	-	85,250	
U.S. Department of Education					
Pass-Through Iowa Department of Education:					
Title 1 Grants to Local Educational Agencies	84.010	FY25 4501	-	705,370	
Title 1 Grants to Local Educational Agencies	84.010	FY25 4508	-	48,273	
			-	753,643	
Special Education Cluster Program:					
High Cost Claims- Special Education Grants to States (IDEA, Part B)	84.027	FY25 4525	-	34,025	(1)
Career and Technical Education- Basic Grants to States	84.048	FY25 4531	-	52,855	
Supporting Effective Instruction State Grants	84.367	FY25 4643	-	126,754	
Student Support and Academic Enrichment Program	84.424	FY25 4669	-	62,149	

(Continued)

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2025

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	FY25 4053	$ -	$ 85,389	
COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants	84.425B	FY25 4026	-	115,196	
			-	200,585	
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY25 4043	-	31,333	
Total Education Stabilization Fund			-	231,918	
Pass-Through Heartland Area Education Agency:					
Special Education Cluster Program:					
Special Education - Grants to States IDEA, Part B	84.027	FY25 4521	-	339,203	(1)
Total U.S. Department of Education			-	1,600,547	
Total Expenditures of Federal Awards			$ -	$ 4,917,467	

(1) Total Federal Assistance Listing Number 84.027 $373,228, Special Education Cluster.

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

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, 2025. 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

Southeast Polk Community School District

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

	Findings	Status	Reason For Recurrence and Corrective Action Plan or Other Explanation
Material Weaknesses:			
2024-001	The District did not reconcile ending cash and investments as of and during the fiscal year ended June 30, 2024.	Not corrected.	District has not fully implemented processes. See response and corrective action plan at 2025-001.
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.	Not corrected.	District has not fully implemented processes. See response and corrective action plan at 2025-002.
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.	Not corrected.	District has not fully implemented processes. See response and corrective action plan at 2025-003.
Other Findings Related to Required Statutory Reporting:			
IV-A-24	The District overexpended the instruction, 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-25.
IV-H-24	The District identified variances in certified enrollment certified to the state in October 2023	Not corrected.	Student data changes are not timely communicated. See response and corrective action plan at IV-H-25.
IV-I-24	The District identified variances in supplementary weighting submitted to the state in October 2023.	Not corrected.	District has not fully implemented processes. See response and corrective action plan at IV-I-25.
IV-J-24	The District exceeded the maximum depository resolution as of June 30, 2023.	Not corrected.	District has not fully implemented processes. See response and corrective action plan at IV-J-25.
IV-N-24	The District did not prepare a 1099 form for all required vendors.	Corrected.	

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Bohnsack & Frommelt LLP
Certified Public Accountants
575 12th Avenue
East Moline, Illinois 61244

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, 2025, 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 20, 2026.

Our report includes an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 101.

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 items 2025-001 and 2025-002 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 2025-003.

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, 2025 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

East Moline, Illinois
March 20, 2026

Bohnsack & Frommelt LLP
Certified Public Accountants
575 12th Avenue
East Moline, Illinois 61244

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, 2025. 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, 2025.

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

East Moline, Illinois
March 20, 2026

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Southeast Polk Community School District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

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?	[X] Yes	[ ] No
● Significant deficiency identified?	[ ] Yes	[X] None Reported
● Noncompliance material to financial statements noted?	[X] Yes	[ ] No

Federal Awards

Internal control over major programs:		
● Material weakness(es) identified?	[ ] Yes	[X] No
● Significant deficiency identified?	[ ] Yes	[X] 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	[X] No

Identification of major programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
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 [X] No

(Continued)

Part II: Findings Related to the Basic Financial Statements

Internal control deficiencies:

Material Weaknesses:

2025-001

Finding: The District did not timely reconcile ending cash and investments as of and during the fiscal year ended June 30, 2025.

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

Condition: The June 30, 2025 bank reconciliation of the District's main operating account was not completed until December 2025. As of the audit fieldwork in January 2026, the District's main operating account was reconciled through July 2025. There were approximately $45,000 of unreconciled differences in the June 30, 2025, bank reconciliation not yet resolved provided for the audit. After providing the trial balance for audit, the District identified several additional reconciling items pertaining to June 30, 2025 at the end of February 2026.

Cause: The District is learning to reconcile the District's bank accounts in the District's financial software. This is a change from reconciling accounts manually causing a delay as system inefficiencies and limitations are identified.

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. Journal entry reconciling items should be timely posted and cleared.

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

2025-002

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 cash, accounts receivable, unearned revenue, deferred revenue, and capital assets.

(Continued)

Cause: The District did not properly reconcile balance sheet accounts on a timely basis. Entries to fiscal year 2025 were not identified until January through March 2026.

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.

Instance of noncompliance:

2025-003

Finding: The District did not complete the June 30, 2024 single audit within 9 months of the June 30, 2025 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, 2024 year-end was March 31, 2025. The June 30, 2024 data collection form was not submitted and accepted by the federal government until April 22, 2025.

Cause: The June 30, 2024 year-end audit was significantly delayed due to the District's inability to reconcile the June 30, 2024 trial balances including cash and investments.

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 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-25 - Certified Budget:

Finding: Expenditures for the year ended June 30, 2025 exceeded the amended certified budget for the support service, noninstructional programs and other 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-25 - 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-25 - 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-25 - Business Transactions: No business transactions between the District and District officials or District employees were noted.

IV-E-25- Restricted Donor Activity: No transactions were noted between the District, District officials, or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

IV-F-25 - 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-25 - Board Minutes: No transactions requiring Board approval which had not been approved by the Board were noted.

IV-H-25 - Certified Enrollment:

Finding: The District identified variances in certified enrollment submitted to the state in October 2024.

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

(Continued)

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

Conclusion: Response accepted.

IV-I-25 - Supplementary Weighting:

Finding: The District identified variances in supplementary weighting submitted to the state in October 2024.

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-25 - Deposits and Investments:

Finding: The District exceeded the maximum depository resolution as of June 30, 2025.

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-25 - Certified Annual Report: The certified annual report was certified timely to the Iowa Department of Education.

IV-L-25 - Categorical Funding: No instances of categorical funding being used to supplant rather than supplement other funds were noted.

(Continued)

IV-M-25 - 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, 2025, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		$ 17,386,191
Revenues/transfers in:		
Statewide sales and services tax revenue	9,522,851	
Other	7,955	
Investment earnings	539,737	10,070,543
Expenditures/transfers out:		
Administration	540	
School infrastructure	16,732,622	
Transfers out	4,083,749	20,816,911
Ending balance		$ 6,639,823

For the year ended June 30, 2025, the District did not reduce tax levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

Southeast Polk Community School District

Corrective Action Plan
Year Ended June 30, 2025

	Findings	Corrective Action Plan	Anticipated Date of Completion
Findings Related to Basic Financial Statements:			
Material Weaknesses:			
2025-001	The District did not reconcile ending cash and investments as of and during the fiscal year ended June 30, 2025.	See response and corrective action plan at 2025-001.	Fiscal Year 2026 Kevin Baccam
2025-002	The District did not properly identify and adjust 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 2025-002.	Fiscal Year 2026 Kevin Baccam
Instance of noncompliance:			
2025-003	The District did not complete the June 30, 2024 single audit within 9 months of the June 30, 2024 year end.	See response and corrective action plan at 2025-003.	Fiscal Year 2026 Kevin Baccam
Other Findings Related to Required Statutory Reporting:			
IV-A-25	The District overexpended the support services and noninstructional programs, and other functions.	See response and corrective action plan at IV-A-25	Fiscal Year 2026 Kevin Baccam
IV-H-25	The District identified variances in certified enrollment certified to the state in October 2024	See response and corrective action plan at IV-H-25	Fiscal Year 2026 Kevin Baccam
IV-I-25	The District identified variances in supplementary weighting submitted to the state in October 2024.	See response and corrective action plan at IV-I-25	Fiscal Year 2026 Kevin Baccam
IV-J-25	The District exceeded the maximum depository resolution as of June 30, 2025.	See response and corrective action plan at IV-J-25	Fiscal Year 2026 Kevin Baccam

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