SPRINGVILLE COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2025

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
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SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Officials
June 30, 2025

Name	Title	Term Expires
Board of Education		
Kate O'Brien-May	Board President	Nov. 2025
Albert Martin	Vice President	Nov. 2027
Amy Stuessel	Board Member	Nov. 2025
Amy Hosek	Board Member	Nov. 2027
Patrick Hoyt	Board Member	Nov. 2027
School Officials		
Autumn Pino	Superintendent	Indefinite
Stacey Matus	District Treasurer/Business Manager	Indefinite
Ahlers & Cooney P.C.	Attorney	Indefinite

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Muscatine, Iowa 52761
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Independent Auditor's Report

To the Board of Education of Springville Community School District:

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Springville Community School District, Springville, Iowa, as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In my 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 Springville 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

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

Emphasis of Matter

As discussed in Note 17 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 net position was restated.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Springville 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

My 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 my 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Springville 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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Springville Community School District's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 6 through 14 and 51 through 57 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. I have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Springville Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2024 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 7, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In my opinion, the supplementary information in Schedules 1 through 7 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated March 9, 2026 on my consideration of Springville Community School District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Springville Community School District's internal control over financial reporting and compliance.

Kay Chapman

Kay L. Chapman, CPA PC
March 9, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Springville Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2025. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2025 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from $6,107,136 in fiscal 2024 to $6,669,198 in fiscal 2025, and General Fund expenditures increased from $6,191,672 in fiscal 2024 to $7,042,636 in fiscal 2025. The District's General Fund balance decreased from $1,366,438 in fiscal 2024 to $1,020,012 in fiscal 2025, a decrease of 25%.
- The total 9% increase in General Fund revenue was mostly due to local, state, and federal sources such as open enrollment tuition, property taxes, federal school safety grant, and state categorical resources.
- General Fund expenditures increased $850,964 from fiscal 2024. The increase was attributed to increased salaries and benefits, purchased services, and special education costs.
- The District's governmental activities net position decreased from $8,843,735 in 2024 to $7,190,069 in 2025, a decrease of $1,653,666, or 19%.
- The District's General Fund solvency ratio (Unassigned fund balance + Assigned fund balance/General Fund revenues minus AEA Flow-through) on June 30, 2025 was 11%. The District's General Fund solvency ratio on June 30, 2024 was 19%, decreasing 8% in FY25.
- The State of Iowa approved an increase in Supplemental State Aid of 2.5% for the 2024-25 school year. This followed the 3% Supplemental State Aid growth in 23-2024.

USING THIS ANNUAL REPORT

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

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

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Springville Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental and business type activities services were financed in the short term as well as what remains for future spending. Fund financial statements report Springville Community School District's operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the District's Total OPEB Liability and Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental and nonmajor enterprise funds.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

financial resources that can be spent in the near future to finance the District's programs.

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

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

2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities but provides more detail and additional information, such as cash flows. The District currently has two Enterprise Funds, the School Nutrition Fund and Preschool Fund and one internal service fund for its partially self-funded insurance program.

   The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-1 below provides a summary of the District's net position at June 30, 2025 compared to June 30, 2024.

Figure A-1

Condensed Statement of Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2025	Restated 2024	2025	2024	2025	Restated 2024	2024-2025
Current and other assets	$ 8,918,323	$ 10,960,084	$ 46,196	$ 142,120	$ 8,964,519	$ 11,102,204	-19.25%
Capital assets	11,295,250	11,030,924	26,145	21,446	11,321,395	11,052,370	2.43%
Total assets	20,213,573	21,991,008	72,341	163,566	20,285,914	22,154,574	-8.43%
Deferred outflows of resources	480,233	560,744	20,819	23,552	501,052	584,296	-14.25%
Long-term liabilities	9,136,226	9,951,071	48,696	58,948	9,184,922	10,010,019	-8.24%
Other liabilities	1,383,485	852,225	37,750	50,601	1,421,235	902,826	57.42%
Total liabilities	10,519,711	10,803,296	86,446	109,549	10,606,157	10,912,845	-2.81%
Deferred inflows of resources	2,983,848	2,973,274	6,892	9,016	2,990,740	2,982,290	0.28%
Net position							
Net investment in capital assets	5,415,787	7,614,109	26,145	21,446	5,441,932	7,635,555	-28.73%
Restricted	2,808,890	2,027,229	-	-	2,808,890	2,027,229	38.56%
Unrestricted	(1,034,430)	(866,156)	(26,323)	47,107	(1,060,753)	(819,049)	-29.51%
Total net position	$ 7,190,247	$ 8,775,182	$ (178)	$ 68,553	$ 7,190,069	$ 8,843,735	-18.70%

The District's total net position decreased by 19%, or $1,653,666 from the prior year.

The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, buildings, equipment and intangible right-to-use leased equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased $781,661, or 39% over the prior year. The increase in net position was primarily a result of an increase in the Debt Service Fund and categorical fund balances.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased $241,704, or 30%. The decrease in unrestricted net position is mainly attributable to the decrease in the District's unassigned General Fund balance.

Figure A-2 shows the changes in net position for the year ended June 30, 2025 compared to the year ended June 30, 2024.

Figure A-2

Change in Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	Restated	Not Restated	Not Restated	Not Restated	Restated	Not Restated	
Revenues	2025	2024	2025	2024	2025	2024	2024-2025
Program revenues							
Charges for service and sales	$ 1,623,037	$ 1,489,372	$ 257,168	$ 223,022	$ 1,880,205	$ 1,712,394	9.80%
Operating grants	1,236,317	950,313	146,365	162,428	1,382,682	1,112,741	24.26%
General revenues							
Property tax	2,780,004	2,652,496	-	-	2,780,004	2,652,496	4.81%
Income surtax	36,374	40,978	-	-	36,374	40,978	-11.24%
Statewide sales, services and use tax	543,759	535,771	-	-	543,759	535,771	1.49%
Unrestricted state grants	2,322,787	2,259,357	-	-	2,322,787	2,259,357	2.81%
Contributions and donations	5,449	37,268	-	-	5,449	37,268	-85.38%
Unrestricted investment earnings	122,273	74,305	290	611	122,563	74,916	63.60%
Other	23,239	398,436	-	-	23,239	398,436	-94.17%
Total revenues	8,693,239	8,438,296	403,823	386,061	9,097,062	8,824,357	3.09%
Program expenses							
Governmental activities							
Instruction	4,679,273	4,365,410	-	-	4,679,273	4,365,410	7.19%
Support services	2,701,558	2,493,281	-	-	2,701,558	2,493,281	8.35%
Non-instructional programs	-	-	476,158	407,885	476,158	407,885	16.74%
Other expenses	2,924,355	1,183,143	-	-	2,924,355	1,183,143	147.17%
Total expenses	10,305,186	8,041,834	476,158	407,885	10,781,344	8,449,719	27.59%
Change in net position before transfers and special item	(1,611,947)	396,462	(72,335)	(21,824)	(1,684,282)	374,638	-549.58%

Special item -compensation for loss of capital assets	30,616	-	-	-	30,616	-	100.00%
Transfer	(3,604)	-	3,604	-	-	-	0.00%
Change in net position	(1,584,935)	396,462	(68,731)	(21,824)	(1,653,666)	374,638	-541.40%
Net position beginning of year, as restated	8,775,182	9,078,492	68,553	90,377	8,843,735	9,168,869	-3.55%
Net position end of year	$ 7,190,247	$ 9,474,954	$ (178)	$ 68,553	$ 7,190,069	$ 9,543,507	-24.66%

In fiscal year 2025, property tax and unrestricted state grants accounted for approximately 59% of governmental activities revenues while charges for service and sales and operating grants accounted for almost 100% of business type activities revenues. The District's total revenues were $9,097,062 of which $8,693,239 was for governmental activities and $403,823 was for business type activities.

As shown in Figure A-2, the District as a whole experienced a 3% increase in revenues and a 28% increase in expenses. The increases in revenue are largely due to increases in local sources, federal sources, and state sources. The increase in expenses is attributed to salaries and benefits, operational costs, and purchased services.

Governmental Activities

Revenues for governmental activities were $8,693,239 and expenses were $10,305,186 for the year ended June 30, 2025.

The following table presents the total and net cost of the District's major governmental activities, instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2025 compared to those expenses for the year ended June 30, 2024.

Figure A-3

Total and Net Cost of Governmental Activities

	Total Cost of Services			Net Cost of Services		
	2025	2024	Change 2024-2025	2025	2024	Change 2024-2025
Instruction	$ 4,679,273	$ 4,365,410	7.2%	$ 2,206,844	$ 2,193,287	0.6%
Support services	2,701,558	2,493,281	8.4%	2,576,779	2,415,305	6.7%
Other expenses	2,924,355	1,183,143	147.2%	2,662,209	993,557	167.9%
Total expenses	$ 10,305,186	$ 8,041,834	28.1%	$ 7,445,832	$ 5,602,149	32.9%

For the year ended June 30, 2025:

- The cost financed by users of the District's programs was $1,623,037.
- Federal and state governments subsidized certain programs with grants and contributions totaling $1,236,317.
- The net cost of governmental activities was financed with $3,360,137 of property and other taxes and $2,322,787 of unrestricted state grants.

Business Type Activities

Revenues for business type activities for the year ended June 30, 2025 were $403,823 representing a 5% increase over the prior year, while expenses totaled $476,158, a 17% increase over the prior year. The District's business type activities include the School

Nutrition Fund and Preschool Fund for 3 year olds. Revenues of these activities were comprised of charges for services, tuition, and investment income. The increase in revenue in the Preschool Fund is due to increased tuition and enrollment for the 3-year-old PK program. The decrease in revenue in the Nutrition Fund is due to decrease in Federal reimbursement revenue, Federal Supply Chain Assistance funds, state reimbursements, and meal sales. Expenditure increases were due to salary and benefits and operational costs.

INDIVIDUAL FUND ANALYSIS

As previously noted, Springville Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of $4,302,512, significantly below last year's ending fund balances of $7,027,411. The primary reason for the decrease of $2,724,899 in combined fund balances in fiscal 2025 is due to a decrease in Capital Projects Funds, Management Fund balance, and General Fund balance.

Governmental Fund Highlights

The District's General Fund received total revenues of $6,669,198 and expenditures $7,042,636; General Fund expenditures exceeded General Fund revenues by $373,438. The District ended FY25 with an unspent authorized budget of $2,422,620 and an ending cash balance of $1,020,012. The District was unable to levy cash in FY25 but anticipates being able to do so in FY26 and FY27.

- The General Fund balance decreased from $1,366,438 in 2024 to $1,020,012 in 2025. The $346,426 decrease was primarily due to an increase in General Fund expenditures and the inability to levy cash reserves.

- The Statewide Sales, Services and Use Tax Fund balance decreased from $1,102,066 in 2024 to $1,098,257 in 2025, a decrease of $3,809, due to increased expenditures for a capital project.

- The Construction Project Fund balance decreased from $3,622,144 in 2024 to $894,178 in 2025 due to expenditures related to continuation/completion of the project.

- The Debt Service Fund balance increased from $37,423 in 2024 to $425,444 in 2025 due to future principal and interest payments.

Proprietary Fund Highlights

Enterprise Fund net position decreased from $68,553 at June 30, 2024 to $(178) at June 30, 2025, a decrease of almost 100%. The decreased net position is due largely to the decrease in revenues in the School Nutrition fund.

BUDGETARY HIGHLIGHTS

The District amended its budget one time during the year ended June 30, 2025, increasing expenditures by $3,215,000 for increases in salaries and benefits and construction costs related to the issuance of sales tax revenue bonds for the high school renovation capital project.

The District's total revenues were $269,017 more than total budgeted revenues, a variance of approximately 3%. The most significant variance resulted from the District receiving increased revenue from local sources, state sources, and federal grants.

Total expenditures were $2,277,119 less than budgeted. The biggest contributor was the timing of the construction project expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the District had invested $11,321,395, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment, transportation equipment and intangible right-to-use leased assets. (See Figure A-4) This represents a net decrease of 3% from last year. More detailed information about the District's capital assets is presented in Note 5 to the financial statements. Depreciation/amortization expense for the year was $362,049 for governmental activities and $3,288 for business type activities.

The original cost of the District's capital assets was $18,586,999. Governmental funds account for $18,439,165, with the remainder of $147,834 accounted for in the Proprietary, School Nutrition Fund.

The largest percentage change was in the right-to-use leased asset category, which increased from $47,308 at June 30, 2024 to $114,351 at June 30, 2025 due to a copier lease agreement.

Figure A-4

Capital Assets, Net of Depreciation/Amortization

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2025	2024	2025	2024	2025	2024	2024-2025
Land	$ 453,369	$ 453,369	$ -	$ -	$ 453,369	$ 453,369	0.00%
Construction in process	707,562	353,781	-	-	707,562	353,781	100.00%
Buildings and improvements	9,540,869	9,680,613	-	-	9,540,869	9,680,613	-1.44%
Improvements other than buildings	205,670	199,491	-	-	205,670	199,491	3.10%
Furniture and equipment	273,429	296,362	26,145	21,446	299,574	317,808	-5.74%
Right-to-use leased equipment	114,351	47,308	-	-	114,351	47,308	141.72%
Totals	$ 11,295,250	$ 11,030,924	$ 26,145	$ 21,446	$ 11,321,395	$ 11,052,370	2.43%

Long-Term Debt

At June 30, 2025, the District had $9,184,922 in general obligation and other long-term debt outstanding. This represents a decrease of approximately 8% from last year. (See Figure A-5) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit of approximately $14.5 million.

Figure A-5

Outstanding Long-term Obligations

	Total School District June 30, 2025	Total School District June 30, Restated 2024	Total Change June 30, 2024-2025
Governmental activities			
General obligation bonds	$ 1,760,000	$ 2,210,000	-20.36%
Revenue bonds	4,760,000	4,980,000	-4.42%
Equipment purchase agreements- direct borrowings	-	36,221	-100.00%
Lease agreements	109,463	50,594	116.36%
Compensated Absences	777,524	699,772	11.11%
Net pension liability	1,182,568	1,419,062	-16.67%
Total OPEB liability	546,671	555,422	-1.58%
	9,136,226	9,951,071	-8.19%
Business type activities			
Net pension liability	48,696	58,948	-17.39%
Total	$ 9,184,922	$10,010,019	-8.24%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District's October 2026 certified enrollment was 403.53, the basis for the District's state funding for FY27, decreased by 0.42 students. The District had a net open enrollment of 4 students. Overall the District's enrollment remains stable.
- Two of the greatest economic factors affecting financial health for the District is the level of State Supplemental Aid set by the State and fluctuations of the District enrollment. The annual cost for salaries, benefits, and operational costs will be above the FY27 projected "new money" received by the State. As a result, the District's General Fund balance is expected to decrease in FY26 and FY27. To date, the proposed FY27 SSA rate has not been set by the legislature, making budget preparation more challenging.
- The District continues to take advantage of sharing positions to reduce costs and increase revenue through the operational sharing funding program. The District is sharing the following positions: Superintendent; School Business Official; Human Resource Manager; Director of Buildings and Grounds; and Transportation Director. The District also shares other staff who are not eligible for operational sharing in an effort to reduce costs.

- The District continues to contract services for technology and therefore saves General Fund dollars by paying the contracted services from the PPEL Fund.
- The District continues to see General Fund savings through partially self-funded health insurance and participation in the Iowa Local Government Risk Pool Education Energy Group Program.
- The District has developed and closely monitors a line-item budget to reduce expenditures, if needed, to increase or stabilize the District's unspent balance.
- The District began construction on facility improvements to the high school building in the summer of 2024, as a result of the issuance of $3,860,000 in Sales Tax Revenue Bonds on April 4, 2024. The majority of the project is complete to date.
- The District plans to authorize the transfer of unexpended, unobligated amounts for authorized categorical funds to the Flexibility Account, according to Iowa Code section 298A.2. This allows the District, through Board resolution and public hearing, the ability to use these funds for any General Fund purpose; to address specific needs the District may have.
- The District has levied funds in the Management Fund for Equipment Break insurance premium cost (to save General Fund resources) in the past. However, due to the rising cost of property/casualty insurance premiums the District won't be able to participate in the Equipment Break Policy in FY27; due to a declining Management Fund balance.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Stacey Matus, District Secretary/Treasurer and Business Manager, Springville Community School District, 400 Academy Street, Springville, Iowa 52336.

Basic Financial Statements

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Exhibit A

Statement of Net Position

June 30, 2025

	Governmental Activities	Business Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	$ 5,102,332	$ 45,759	$ 5,148,091
Receivables			
Property tax			
Delinquent	21,192	-	21,192
Succeeding year	2,824,853	-	2,824,853
Accounts receivable	8,683	400	9,083
Income surtax	37,377	-	37,377
Due from other governments	917,490	-	917,490
Internal balances	6,396	(6,396)	-
Inventories	-	6,433	6,433
Capital assets not being depreciated	1,160,931	-	1,160,931
Capital assets net of accumulated depreciation/amortization	10,134,319	26,145	10,160,464
Total assets	20,213,573	72,341	20,285,914
Deferred Outflows of Resources			
Pension related deferred outflows	480,233	20,819	501,052
Liabilities			
Accounts payable	331,467	336	331,803
Salaries and benefits payable	581,639	31,465	613,104
Due to other governments	466,835	-	466,835
Accrued interest payable	3,544	-	3,544
Unearned revenue	-	5,949	5,949
Long-term liabilities			
Portion due within one year			
General obligation bonds payable	300,000	-	300,000
Lease agreements	35,422	-	35,422
Revenue bonds payable	225,000	-	225,000
Total OPEB liability	12,915	-	12,915
Portion due after one year			
General obligation bonds payable	1,460,000	-	1,460,000
Revenue bonds payable	4,535,000	-	4,535,000
Lease agreements	74,041	-	74,041
Compensated absences	777,524	-	777,524
Net pension liability	1,182,568	48,696	1,231,264
Total OPEB liability	533,756	-	533,756
Total liabilities	10,519,711	86,446	10,606,157

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2025

Exhibit A

	Governmental Activities	Business Type Activities	Total
Deferred Inflows of Resources			
Unavailable property tax revenue	$ 2,824,853	$ -	$ 2,824,853
Pension related deferred inflows	158,995	6,892	165,887
Total deferred inflows of resources	2,983,848	6,892	2,990,740
Net position			
Net investment in capital assets	5,415,787	26,145	5,441,932
Restricted for			
Categorical funding	279,934	-	279,934
Management levy purposes	294,912	-	294,912
Physical plant and equipment	405,880	-	405,880
Student activities	163,829	-	163,829
School infrastructure	1,242,435	-	1,242,435
Debt service	421,900	-	421,900
Unrestricted	(1,034,430)	(26,323)	(1,060,753)
Total net position	$ 7,190,247	$ (178)	$ 7,190,069

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2025

Exhibit B

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Governmental activities							
Instruction							
Regular instruction	$ 3,098,252	$ 1,033,545	$ 969,826	$ -	$(1,094,881)	$ -	$ (1,094,881)
Special instruction	770,294	187,153	-	-	(583,141)	-	(583,141)
Other instruction	810,727	281,905	-	-	(528,822)	-	(528,822)
	4,679,273	1,502,603	969,826	-	(2,206,844)	-	(2,206,844)
Support services							
Student	213,747	25,493	-	-	(188,254)	-	(188,254)
Instructional staff	491,852	-	-	-	(491,852)	-	(491,852)
Administration	978,210	94,941	-	-	(883,269)	-	(883,269)
Operation and maintenance of plant	760,836	-	-	-	(760,836)	-	(760,836)
Transportation	256,913	-	4,345	-	(252,568)	-	(252,568)
	2,701,558	120,434	4,345	-	(2,576,779)	-	(2,576,779)
Other expenses							
Facilities acquisition	2,257,694	-	99,858	-	(2,157,836)	-	(2,157,836)
Long-term debt interest	249,395	-	-	-	(249,395)	-	(249,395)
AEA flowthrough	162,288	-	162,288	-	-	-	-
Depreciation/amortization (unallocated) *	254,978	-	-	-	(254,978)	-	(254,978)
	2,924,355	-	262,146	-	(2,662,209)	-	(2,662,209)
Total governmental activities	10,305,186	1,623,037	1,236,317	-	(7,445,832)	-	(7,445,832)

* This amount excludes the depreciation/amortization included in the direct expenses of the various programs.

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2025

Exhibit B

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs (continued)	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Business type activities							
Non-instructional programs							
Food service operations	$ 355,207	$ 148,989	$ 146,365	$ -	$ -	$ (59,853)	$ (59,853)
Preschool program	120,951	108,179	-	-	-	(12,772)	(12,772)
Total business type activities	476,158	257,168	146,365	-	-	(72,625)	(72,625)
Total	$ 10,781,344	$ 1,880,205	$ 1,382,682	$ -	(7,445,832)	(72,625)	(7,518,457)
General Revenues							
Property tax levied for							
General purposes					1,965,997	-	1,965,997
Debt service					502,394	-	502,394
Capital outlay					311,613	-	311,613
Income surtax					36,374	-	36,374
Statewide sales, services and use tax					543,759	-	543,759
Unrestricted state grants					2,322,787	-	2,322,787
Contributions and donations					5,449	-	5,449
Unrestricted investment earnings					122,273	290	122,563
Other					23,239	-	23,239
Total general revenues					5,833,885	290	5,834,175
Change in net position before special item and transfers					(1,611,947)	(72,335)	(1,684,282)
Special item - compensation for loss of capital asset					30,616	-	30,616
Transfers in (out)					(3,604)	3,604	-
Change in net position					(1,584,935)	(68,731)	(1,653,666)
Net position beginning of year, as restated					8,775,182	68,553	8,843,735
Net position end of year					$ 7,190,247	$ (178)	$ 7,190,069

See notes to financial statements.

Exhibit C

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2025

	General	Capital Projects: Statewide Sales, Services and Use Tax	Capital Projects: Construction Project	Debt Service	Nonmajor Governmental Funds	Total
Assets						
Cash, cash equivalents and pooled investments	$ 1,234,023	$ 1,047,387	$ 1,147,974	$ 423,608	$ 875,700	$ 4,728,692
Receivables						
Property tax						
Delinquent	12,896	-	-	3,818	4,478	21,192
Succeeding year	1,800,057	-	-	447,800	576,996	2,824,853
Accounts receivable	7,592	-	-	-	1,091	8,683
Income surtax	37,377	-	-	-	-	37,377
Due from other governments	860,321	57,022	-	68	79	917,490
Due from other funds	10,000	-	-	-	-	10,000
Total assets	$ 3,962,266	$ 1,104,409	$ 1,147,974	$ 875,294	$ 1,458,344	$ 8,548,287
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	$ 52,742	$ 6,152	$ 162,119	$ 2,050	$ 16,727	$ 239,790
Salaries and benefits payable	581,639	-	-	-	-	581,639
Construction contracts payable	-	-	91,677	-	-	91,677
Due to other funds	3,604	-	-	-	-	3,604
Due to other governments	466,835	-	-	-	-	466,835
Total liabilities	1,104,820	6,152	253,796	2,050	16,727	1,383,545

See notes to financial statements.

Exhibit C

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2025

	General	Capital Projects: Statewide Sales, Services and Use Tax	Capital Projects: Construction Project	Debt Service	Nonmajor Governmental Funds	Total
Deferred inflows of resources						
Unavailable revenue						
Succeeding year property tax	1,800,057	-	-	447,800	576,996	2,824,853
Income surtax	37,377	-	-	-	-	37,377
Total deferred inflows of resources	1,837,434	-	-	447,800	576,996	2,862,230
Fund balances						
Restricted for						
Categorical funding	279,934	-	-	-	-	279,934
School infrastructure	-	1,098,257	894,178	-	-	1,992,435
Student activities	-	-	-	-	163,829	163,829
Management levy purposes	-	-	-	-	294,912	294,912
Physical plant and equipment	-	-	-	-	405,880	405,880
Debt service	-	-	-	425,444	-	425,444
Unassigned	740,078	-	-	-	-	740,078
Total fund balances	1,020,012	1,098,257	894,178	425,444	864,621	4,302,512
Total liabilities, deferred inflows of resources and fund balances	$ 3,962,266	$ 1,104,409	$ 1,147,974	$ 875,294	$ 1,458,344	$ 8,548,287

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2025

Exhibit D

Total fund balances of governmental funds		$4,302,512
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		11,295,250
Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds.		37,377
The Internal Service Fund is used by the District to charge the costs of the partially self-funded insurance plan to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Statement of Net Position.		373,640
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.		(3,544)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	$ 480,233	
Deferred inflows of resources	(158,995)	321,238
Long-term liabilities, including lease agreements payable, bonds payable, compensated absences payable, other postemployment benefits payable and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		(9,136,226)
Net position of governmental activities		$7,190,247

See notes to financial statements.

Exhibit E

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

		Capital Projects				
	General	Statewide Sales, Services and Use Tax	Construction Project	Debt Service	Nonmajor Governmental Funds	Total
Revenues						
Local sources						
Local tax	$1,715,871	$ -	$ -	$ 498,355	$ 584,478	$2,798,704
Tuition	1,134,266	-	-	-	-	1,134,266
Other	246,346	5,780	102,407	636	284,564	639,733
State sources	3,366,743	543,759	-	4,039	4,737	3,919,278
Federal sources	205,972	-	-	-	-	205,972
Total revenues	6,669,198	549,539	102,407	503,030	873,779	8,697,953
Expenditures						
Current						
Instruction						
Regular	3,208,503	-	-	-	-	3,208,503
Special	794,816	-	-	-	-	794,816
Other	564,869	-	-	-	271,804	836,673
	4,568,188	-	-	-	271,804	4,839,992
Support services						
Student	222,203	-	-	-	-	222,203
Instructional staff	310,345	-	-	-	188,090	498,435
Administration	927,527	-	-	-	73,740	1,001,267
Operation and maintenance	656,654	-	-	-	232,610	889,264
Transportation	195,431	-	-	-	23,301	218,732
	2,312,160	-	-	-	517,741	2,829,901

See notes to financial statements.

Exhibit E

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2025

	General	Capital Projects: Statewide Sales, Services and Use Tax	Capital Projects: Construction Project	Debt Service	Nonmajor Governmental Funds	Total
Expenditures (continued)						
Other expenditures						
Facilities acquisition	$ -	$ 135,038	$2,444,373	$ -	$ 46,457	$ 2,625,868
Long-term debt						
Principal	-	-	-	740,939	-	740,939
Interest and fiscal charges	-	-	-	250,876	-	250,876
AEA flowthrough	162,288	-	-	-	-	162,288
	162,288	135,038	2,444,373	991,815	46,457	3,779,971
Total expenditures	7,042,636	135,038	2,444,373	991,815	836,002	11,449,864
Excess (deficiency) of revenues over (under) expenditures	(373,438)	414,501	(2,341,966)	(488,785)	37,777	(2,751,911)
Other financing sources (uses)						
Compensation for loss of capital assets	30,616	-	-	-	-	30,616
Transfers in	-	-	-	876,806	-	876,806
Transfers (out)	(3,604)	(418,310)	(386,000)	-	(72,496)	(880,410)
Total other financing sources (uses)	27,012	(418,310)	(386,000)	876,806	(72,496)	27,012
Change in fund balances	(346,426)	(3,809)	(2,727,966)	388,021	(34,719)	(2,724,899)
Fund balance, beginning of year	1,366,438	1,102,066	3,622,144	37,423	899,340	7,027,411
Fund balance, end of year	$1,020,012	$ 1,098,257	$ 894,178	$ 425,444	$ 864,621	$ 4,302,512

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025

Exhibit F

Change in fund balances - total governmental funds		$(2,724,899)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciation/amortization expense in the Statement of Activities. Capital outlay expenditures and depreciation/amortization expense in the current year are as follows:		
Expenditures for capital assets	$ 653,342	
Gain on disposal of capital assets	(26,967)	
Depreciation/amortization expense	(362,049)	264,326
Because some revenues will not be collected for several months after the year end, they are not considered available revenue and are recognized as deferred inflows of resources in the governmental funds.		(4,714)
The Internal Service Fund is used by the District to charge the costs of the partially self-funded insurance plan to individual funds. The change in net position of the Internal Service Fund is reported with governmental activities.		88,868
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances and repayments are as follows:		
Issued	(123,060)	
Repaid	770,412	647,352
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Compensated absences	(77,752)	
Pension expense	(124,618)	
Other postemployment benefits	8,751	(193,619)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		1,481
The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.		336,270
Change in net position of governmental activities		$(1,584,935)

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Exhibit G

Statement of Net Position

Proprietary Funds

June 30, 2025

	Nonmajor Enterprise	Governmental Activity Internal Service
Assets		
Current assets		
Cash and cash equivalents	$ 45,759	$373,640
Accounts receivable	400	-
Due from other fund	3,604	-
Inventories	6,433	-
Total current assets	56,196	373,640
Noncurrent assets		
Capital assets, net of accumulated depreciation	26,145	-
Total assets	82,341	373,640
Deferred Outflows of Resources		
Pension related deferred outflows	20,819	-
Liabilities		
Current liabilities		
Accounts payable	336	-
Salaries and benefits payable	31,465	-
Due to other funds	10,000	-
Unearned revenue	5,949	-
Total current liabilities	47,750	-
Noncurrent liabilities		
Net pension liability	48,696	-
Total liabilities	96,446	-
Deferred Inflows of Resources		
Pension related deferred inflows	6,892	-
Net Position		
Investment in capital assets	26,145	-
Unrestricted	(26,323)	373,640
Total net position	$ (178)	$373,640

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Exhibit H

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2025

	Nonmajor Enterprise	Governmental Activity Internal Service
Operating revenue		
Local sources		
Charges for service	$257,168	$147,998
Operating expenses		
Support services		
Administration	-	59,130
Non-instructional programs		
Food service operations	355,207	-
Preschool operations	120,951	-
Total operating expenses	476,158	59,130
Operating income (loss)	(218,990)	88,868
Non-operating revenues		
Interest income	290	-
State sources	2,059	-
Federal sources	144,306	-
Total non-operating revenues	146,655	-
Net income before transfers	(72,335)	-
Transfers in	3,604	-
Change in net position	(68,731)	88,868
Net position beginning of year	68,553	284,772
Net position end of year	$ (178)	$373,640

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Exhibit I

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2025

	Nonmajor Enterprise	Governmental Activity Internal Service
Cash flows from operating activities		
Cash received from sale of services	$ 260,061	$ 147,998
Cash payments to employees for services	(218,932)	(59,130)
Cash payments to suppliers for goods and services	(256,826)	-
Net cash provided by (used in) operating activities	(215,697)	88,868
Cash flows from non-capital financing activities		
Operating transfers in	3,604	-
State grants received	2,059	-
Federal grants received	126,707	-
Net cash provided by non-capital financing activities	132,370	-
Cash flows from capital and related financing activities		
Acquisition of capital assets	(7,987)	-
Cash flows from investing activities		
Interest on investments	290	-
Net increase (decrease) in cash and cash equivalents	(91,024)	88,868
Cash and cash equivalents, beginning of year	136,783	284,772
Cash and cash equivalents, end of year	$ 45,759	$ 373,640
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	$ (218,990)	$ 88,868
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	3,288	-
Commodities used	17,599	-
Change in assets and liabilities:		
Accounts receivable	(73)	-
Inventories	(1,756)	-
Due from other fund	(3,272)	-
Deferred outflows of resources	2,733	-
Due to other fund	10,000	-
Due to other governments	(20,578)	-
Net pension liability	(10,252)	-
Deferred inflows of resources	(2,124)	-
Accounts payable	336	-
Unearned revenue	(637)	-
Accrued salaries and benefits	8,028	-
Net cash provided by (used in) operating activities	$ (215,698)	$ 88,868

Non-cash investing, capital and related financing activities.

During the year ended June 30, 2025, the District received $17,599 of federal commodities.

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

Springville Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. The geographic area served includes the City of Springville, Iowa, and the predominate agricultural territory in Linn County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Springville Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. The Springville Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization - The District participates in a jointly governed organization that provides services to the District but 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 County Assessor's Conference Board.

B. Basis of Presentation

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

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

Net Investment in capital assets consists of capital assets, net of accumulated depreciation/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 results when constraints placed on net position use are either externally imposed or are imposed by law through constitutional provisions or enabling legislation.

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

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

Fund Financial Statements - Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for nonmajor governmental and nonmajor enterprise funds.

The District reports the following major governmental funds:

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

The Capital Projects Statewide Sales, Services and Use Tax Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets from the revenue of the Statewide Sales, Services and Use Tax.

The Capital Projects Construction Project Fund is used to account for all resources used in the construction project of the District.

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

The District reports no major proprietary funds. However, it reports two non-major Enterprise Funds, the School Nutrition Fund and Preschool Fund, which are used to account for the school nutrition and preschool operations, respectively of the District. The District also reports an Internal Service Fund for its partially self-funded insurance program.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

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

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

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

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

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

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

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

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

The Iowa Schools Joint Investment Trust is a common law trust established under Iowa law and is administered by an appointed investment management company. The fair value of the position in the trust is the same as the value of the shares.

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

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2024.

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

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

Capital Assets - Capital assets are tangible and intangible assets, which include property, furniture, equipment and intangible right-to-use leased assets, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under "Leases" below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	$ 2,500
Buildings	$ 2,500
Improvements other than buildings	$ 2,500
Right-to-use leased assets	$ 5,000
Furniture and equipment:	
School Nutrition Fund equipment	$ 500
Other furniture and equipment	$ 2,500

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and the right-to-use leased assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Life
Buildings & Improvements	50 years
Improvements other than buildings	20-50 years
Right-to-use leased assets	2-15 years
Furniture and equipment	5-15 years

The District's collection of library books and other similar materials 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 - Springville Community School District is the lessee for three noncancellable leases of equipment. The District has recognized a lease liability and intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of $5,000 or more.

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

Key estimates and judgments related to leases include how Springville Community School District determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

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

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option 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.

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

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

Unearned Revenue - Unearned revenues are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches.

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. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental and business type activities will be paid primarily by the General Fund, Enterprise, School Nutrition Fund and Enterprise, Preschool Fund.

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

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

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

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

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

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

Unassigned - All amounts not included in the preceding classification.

Net Position - In the district-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Net position restricted through enabling legislation includes $294,912 for management levy purposes, $405,880 for physical plant and equipment, $163,829 for student activities and $1,242,435 for school infrastructure.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

F. 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. Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at 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 ensure there will be no loss of public funds.

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

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Note 3. Due From and Due to Other Funds

Details of interfund receivables and payables at June 30, 2025 are as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor Enterprise	Major Governmental	
School Nutrition	General	$ 3,604
Major Governmental	Nonmajor Enterprise	
General	School Nutrition	10,000
		$ 13,604

The General Fund owes the School Nutrition Fund for indirect costs and the School Nutrition Fund owes the General Fund for salaries and benefits. These amounts are expected to be repaid during the year ending June 30, 2026.

Note 4. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2025 is as follows:

Transfer To	Transfer From	Amount
Major Governmental	Major Capital Projects	
Debt Service	Statewide Sales, Services and Use Tax	$ 418,310
Major Capital Projects	Nonmajor Capital Projects	
Debt Service	Physical Plant and Equipment Levy	72,496
Major Governmental	Major Capital Projects	
Debt Service	Construction Project	386,000
Nonmajor Enterprise	Major Governmental	
School Nutrition	General	3,604
		$ 880,410

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expand the resources. The transfers from the Statewide Sales, Services and Use Tax Fund, the Physical Plant and Equipment Levy Fund and the Construction Project Fund to the Debt Service Fund were for future payments of principal and interest on long-term debt. The transfer from General Fund to the School Nutrition Fund was for indirect costs.

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2025 was as follows:

Governmental activities	Balance, Beginning of Year	Increases	Decreases	Balance, End of Year
Capital assets not being depreciated/amortized:				
Land	$ 453,369	$ -	$ -	$ 453,369
Construction in progress	353,781	353,781	-	707,562
Total capital assets, not being depreciated	807,150	353,781	-	1,160,931
Capital assets being depreciated/amortized:				
Buildings & improvements	14,297,941	105,175	-	14,403,116
Site improvements	241,953	11,243	-	253,196
Furniture and equipment	2,416,588	60,083	-	2,476,671
Right-to-use leased equipment	140,411	123,060	(118,220)	145,251
Total capital assets being depreciated/amortized	17,096,893	299,561	(118,220)	17,278,234

Less accumulated depreciation/amortization for:				
Buildings and improvements	4,617,328	244,919	-	4,862,247
Site improvements	42,462	5,064	-	47,526
Furniture and equipment	2,120,226	83,016	-	2,203,242
Right-to-use leased equipment	93,103	29,050	(91,253)	30,900
Total accumulated depreciation/amortization	6,873,119	362,049	(91,253)	7,143,915
Total capital assets being depreciated/amortized, net	10,223,774	(62,488)	(26,967)	10,134,319
Governmental activities capital assets, net	$ 11,030,924	$ 291,293	$ (26,967)	$ 11,295,250
Business type activities				
Furniture and equipment				
Less accumulated depreciation	$ 139,847	$ 7,987	$ -	$ 147,834
Business type activities capital assets, net	118,401	3,288	-	121,689
	$ 21,446	$ 4,699	$ -	$ 26,145

Depreciation/amortization expense was charged to the following functions:

Governmental activities	
Instruction	
Regular	$ 33,408
Other	4,175
Support services	
Instructional staff	3,839
Administration	4,655
Operation and maintenance of plant	17,155
Transportation	43,839
	107,071
Unallocated	254,978
Total governmental activities depreciation/amortization expense	$ 362,049
Business type activities	
Food services	$ 3,288

Note 6. Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2025 are summarized as follows:

	Restated Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental activities					
Lease agreements	$ 50,594	$ 123,060	$ 64,191	$ 109,463	$ 35,422
General obligation bonds	2,210,000	-	450,000	1,760,000	300,000
Revenue bonds	4,980,000	-	220,000	4,760,000	225,000
Equipment purchase agreements					
- direct borrowings	36,221	-	36,221	-	-
Compensated absences *	699,772	77,752	-	777,524	-
Net pension liability	1,419,062	-	236,494	1,182,568	-
Total OPEB liability	555,422	-	8,751	546,671	12,915
Totals	$ 9,951,071	$ 200,812	$ 1,015,657	$ 9,136,226	$ 573,337
Business type activities					
Net pension liability	$ 58,948	$ -	$ 10,252	$ 48,696	$ -

* The change in compensated absences liability is presented as a net change.

Interest costs incurred and charged to expense on all long-term debt was $249,395 for the year ended June 30, 2025. During the year ended June 30, 2025, the District made principal payments on total long-term debt of $770,412.

Lease Agreements

On April 21, 2024, the District entered into a lease agreement for copiers. An initial lease liability was recorded in the amount of $22,190. The agreement requires monthly payments of $366 over 60 months with an implied interest rate of 4.3% and final payment due February 21, 2029. During the year ended June 30, 2025, principal and interest paid were $1,152 and $312, respectively.

Year Ending June 30,	Copier Lease April 2024 Interest Rates	Interest	Principal	Total
2026	4.30%	$ 647	$ 4,657	$ 5,304
2027	4.30%	443	4,861	5,304
2028	4.30%	231	4,769	5,000
2029	4.30%	47	2,881	2,928
Totals		$1,368	$17,168	$18,536

On July 1, 2025, the District entered into a lease agreement for student computers. An initial lease liability was recorded in the amount of $123,060. The agreement requires four annual payments of $30,765 beginning July 5, 2024 with final payment due July 5 2027. The agreement bears interest at 0%. During the year ended June 30, 2025, principal of $30,765 was paid.

Year Ending June 30,	Interest Rates	Computer Lease July 2024 Interest	Principal	Total
2026	0.00%	$ -	$ 30,765	$30,765
2027	0.00%	-	30,765	30,765
2028	0.00%	-	30,765	30,765
Totals		$ -	$ 92,295	$92,295

Revenue Bonds

Details of the District's June 30, 2025 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Ending June 30,	Interest Rates	Interest	Principal	Total
2026	2.55%	$ 11,539	$ -	$ 11,539
2027	2.55%	20,273	220,000	240,273
2028	2.55%	14,662	220,000	234,662
2029	2.55%	8,925	230,000	238,925
2030	2.55%	2,996	235,000	237,996
		-	-	-
		-	-	-
Totals		$ 58,395	$ 905,000	$ 963,395

Ending June 30,	Interest Rates	Interest	Principal	Total
2026	5.00%	$ 84,750	$ -	$ 84,750
2027	5.00%	169,375	5,000	174,375
2028	5.00%	168,875	15,000	183,875
2029	5.00%	168,250	10,000	178,250
2030	5.00%	167,750	10,000	177,750
2031-2035	5.00%	692,000	1,210,000	1,902,000
2036-2040	5.0-4.0%	374,400	1,530,000	1,904,400
2041-2043	4.00%	65,500	1,075,000	1,140,500
Totals		$ 1,890,900	$ 3,855,000	$ 5,745,900

Year Ending June 30,		Total	
2026	$ 96,289	$ -	$ 96,289
2027	189,648	225,000	414,648
2028	183,537	235,000	418,537
2029	177,175	240,000	417,175
2030	170,746	245,000	415,746
2031-2035	692,000	1,210,000	1,902,000
2036-2040	374,400	1,530,000	1,904,400
2041-2043	65,500	1,075,000	1,140,500
Totals	$ 1,949,295	$ 4,760,000	$ 6,709,295

The District has pledged future statewide sales, services and use tax revenues to repay the $2,820,000 of bonds issued in September 2015. The bonds were issued to refund the bond issue from June 2009. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030. The District has also pledged future statewide sales, services and use tax revenues to repay the $3,860,000 of bonds issued in April 2024. The bonds were issued to finance a building remodel project. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2030 and 2043, respectively. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 77% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is $7,144,561. For the current year, $220,000 of principal and $198,310 of interest was paid on the bonds and statewide sales, services and use tax revenues were $543,759.

General Obligation Bonds Payable

On July 1, 2016, the District issued $4,725,000 of general obligation bonds with interest rates ranging from 2.0% to 2.7%. The proceeds of the bonds were used for construction of an elementary building. Details of the District's June 30, 2025 general obligation indebtedness are as follows:

Year Ending June 30,	Bond Issue of July 2016 Interest Rates	Interest	Principal	Total
2026	2.00%	$ 37,800	$ 300,000	$ 337,800
2027	2.00%	31,800	250,000	281,800
2028	2.00%	26,800	175,000	201,800
2029	2.00%	23,300	180,000	203,300
2030	2.10%	19,700	185,000	204,700
2031-2034	2.2-2.5%	37,435	670,000	707,435
Totals		$ 176,835	$ 1,760,000	$ 1,936,835

Note 7. Pension Plan

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

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 if it is greater than the highest five-year average salary.

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

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

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

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

In fiscal year 2025, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2025 totaled $336,270.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the District reported a liability of $1,231,264 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the District's proportion was 0.033342%, which was an increase of 0.00131% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $211,652. 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	$ 97,973	$ 765
Changes of assumptions	-	17
Net difference between projected and actual earnings on IPERS' investments	15,399	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	51,410	165,105
District contributions subsequent to the measurement date	336,270	-
Total	$ 501,052	$ 165,887

$336,270 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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 Ending June 30,	Amount
2026	$(194,706)
2027	265,218
2028	(25,232)
2029	(49,933)
2030	3,548
Total	$ (1,105)

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.

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

Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of a quadrennial experience study that covered the period 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 IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-term Expected Real Rate of Return
Domestic equity	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	100.0 %	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$3,021,499	$1,231,264	$(268,068)

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

Payables to IPERS - At June 30, 2025, the District reported no payables to IPERS for legally required District contributions or for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 8. Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	64
Total	65

Total OPEB Liability - The District's total OPEB liability of $546,671 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2025)	2.50% per annum.
Rates of salary increase (effective June 30, 2025)	3.25% per annum.
Discount rate (effective June 30, 2025)	5.20% per annum.

Healthcare cost trend rate (effective June 30, 2025)	7.6% initial rate FY24 decreasing annually to an ultimate rate of 3.9% in FY76 and later.

Discount Rate - The discount rate used to measure the total OPEB liability was 5.20% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the Pub-2010 general mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	$ 555,422
Changes for the year:	
Service cost	51,644
Interest	23,844
Differences between expected and actual experiences	-
Changes in assumptions	(71,324)
Demographic changes	-
Recognition of deferred inflows/outflows	-
Benefit payments	(12,915)
Net changes	(8,751)
Total OPEB liability end of year	$ 546,671

Changes of assumptions reflect a change in the discount rate from 3.97% in fiscal year 2024 to 5.20% in fiscal year 2025.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.20%) or 1% higher (6.20%) than the current discount rate.

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$603,977	$546,671	$495,095

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District as what the District's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (6.6%) or 1% higher (8.6%) than the current healthcare cost trend rates.

	1% Decrease (6.4%)	Healthcare Cost Trend Rate (7.4%)	1% Increase (8.4%)
Total OPEB liability	$467,841	$546,671	$643,566

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2025, the District recognized OPEB benefit of $8,751. At June 30, 2025 the District reported no deferred outflows or inflows of resources related to OPEB.

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; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled $162,288 for the year ended June 30, 2025 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 11. Contingencies

Grant Funding - The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If expenditures are disallowed by the grantor government due to non-compliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2025, significant amounts of grant expenditures have not been audited by granting authorities but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Note 12. Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2025.

Program	Amount
At-risk	$ 63
Gifted and Talented	11,727
Teacher leadership	71,567
Statewide voluntary preschool	61,443
Beginning teacher mentoring and induction program	48,322
Career and technical education aid	752
Educator quality, professional development	86,060
	$ 279,934

Note 13. Deficit Net Position

The District's had a negative unrestricted net position in the governmental activities, business-type activities and total activities of $1,034,430, $26,323 and $1,060,753, respectively, at June 30, 2025. Also At June 30, 2025, the District's School Nutrition Fund had negative unrestricted net position and total net position of $49,569 and $23,424, respectively. The District's business type activities and total enterprise funds also had negative total net position of $178 at June 30, 2025.

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 otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

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

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2025 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Marion	Urban Renewal	$ 95

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 $54.

Note 15. Change in Area Education Agency Funding

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 16. Construction Commitment

The District entered into contracts totaling $2,815,390 for remodeling of the high school building. As of June 30, 2025, costs of $2,626,665 had been incurred against the contracts. The balance of $188,725 remaining at June 30, 2025 will be paid as work on the projects progresses.

Note 17. Restatement

During the year ended June 30, 2025 the District implemented GASB Statement No. 101, *Compensated Absences,* which required the District to restate net position as of June 30, 2024 as follows:

	Governmental Activities
Balances June 30, 2024, as previously reported	$ 9,474,954
Changes to implement GASB Statement No. 101	(699,772)
Balances June 30, 2024, as restated	$ 8,775,182

Note 18. Subsequent Events

The District has evaluated subsequent events through March 9, 2026 which is the date that the financial statements were available to be issued.

Required Supplementary Information

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual

All Governmental Funds and Proprietary Funds

Required Supplementary Information

For the Year Ended June 30, 2025

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original	Budgeted Amounts Final	Final to Actual Variance
Revenues						
Local sources	$ 4,572,703	$ 257,458	$ 4,830,161	$ 4,699,401	$ 4,699,401	$ 130,760
State sources	3,919,278	2,059	3,921,337	3,718,358	3,718,358	202,979
Federal sources	205,972	144,306	350,278	415,000	415,000	(64,722)
Total revenues	8,697,953	403,823	9,101,776	8,832,759	8,832,759	269,017
Expenditures/Expenses						
Instruction	4,839,992	-	4,839,992	4,990,000	5,215,000	375,008
Support services	2,829,901	-	2,829,901	3,071,500	3,071,500	241,599
Non-instructional programs	-	476,158	476,158	490,000	490,000	13,842
Other expenditures	3,779,971	-	3,779,971	2,436,641	5,426,641	1,646,670
Total expenditures/expenses	11,449,864	476,158	11,926,022	10,988,141	14,203,141	2,277,119
(Deficiency) of revenues (under) expenditures/expenses	(2,751,911)	(72,335)	(2,824,246)	(2,155,382)	(5,370,382)	2,546,136
Net other financing sources	27,012	3,604	30,616	20,000	20,000	10,616
Change in fund balance	(2,724,899)	(68,731)	(2,793,630)	(2,135,382)	(5,350,382)	2,556,752
Balance, beginning of year	7,027,411	68,553	7,095,964	3,787,261	3,787,261	3,308,703
Balance, end of year	$ 4,302,512	$ (178)	$ 4,302,334	$ 1,651,879	$ (1,563,121)	$ 5,865,455

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Budgetary Reporting
For the Year Ended June 30, 2025

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 Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. The District amended its budget one time during the year ended June 30, 2025, increasing expenditures by $3,215,000.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Ten Years*
Required Supplementary Information

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.033342%	0.032032%	0.031746%	0.031626%	0.031075%	0.031497%	0.029710%	0.029307%	0.029018%	0.030125%
District's proportionate share of the net pension liability	$1,231,264	$1,478,010	$ 1,260,039	$ 44,337	$ 2,167,679	$ 1,836,125	$ 1,879,508	$ 1,934,739	$ 1,809,614	$ 1,497,628
District's covered payroll	$3,118,485	$2,875,687	$ 2,675,857	$ 2,566,861	$ 2,452,682	$ 2,418,258	$ 2,233,005	$ 2,177,525	$ 2,078,153	$ 2,082,631
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.48%	51.40%	47.09%	1.73%	88.38%	75.93%	84.17%	88.85%	87.08%	71.91%
IPERS' net position as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

*In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Schedule of District Contributions
Iowa Public Employees' Retirement System
For the Last Ten Years
Required Supplementary Information

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 336,270	$ 294,385	$ 271,465	$ 252,601	$ 242,386	$ 231,533	$ 228,284	$ 199,407	$ 194,453	$ 185,579
Contributions in relation to the statutorily required contribution	(336,270)	(294,385)	(271,465)	(252,601)	(242,386)	(231,533)	(228,284)	(199,407)	(194,453)	(185,579)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$3,562,186	$3,118,485	$2,875,687	$2,675,857	$2,566,861	$2,452,682	$2,418,258	$2,233,005	$2,177,525	$2,078,153
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%

See accompanying Independent Auditor's Report.

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.

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%.

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

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 51,644	$ 48,403	$ 48,420	$ 65,332	$ 54,795	$ 53,452	$ 52,148	$ 87,275
Interest cost	23,844	22,380	19,811	12,597	13,745	20,664	17,536	16,575
Difference between expected and actual experiences	-	(67,778)	-	(23,444)	-	(144,430)	-	-
Changes in assumptions	(71,324)	28,976	(9,837)	(142,267)	32,945	(23,231)	30,262	(1,482)
Benefit payments	(12,915)	(15,891)	(15,029)	(14,012)	(19,858)	(50,520)	-	-
Net change in total OPEB liability	(8,751)	16,090	43,365	(101,794)	81,627	(144,065)	99,946	102,368
Total OPEB liability beginning of year	555,422	539,332	495,967	597,761	516,134	660,199	560,253	457,885
Total OPEB liability end of year	$ 546,671	$ 555,422	$ 539,332	$ 495,967	$ 597,761	$ 516,134	$ 660,199	$ 560,253
Covered-employee payroll	$ 3,525,236	$ 3,072,399	$ 2,627,545	$ 2,733,435	$ 2,537,588	$ 2,316,524	$ 2,053,923	$ 1,677,184
Total OPEB liability as a percentage of covered-employee payroll	15.51%	18.08%	20.53%	18.14%	23.56%	22.28%	32.14%	33.40%

See accompanying Independent Auditor's Report.

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

There were no significant changes in assumptions.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2025	5.20%
Year ended June 30, 2024	3.97%
Year ended June 30, 2023	3.86%
Year ended June 30, 2022	3.69%
Year ended June 30, 2021	1.92%
Year ended June 30, 2020	2.45%
Year ended June 30, 2019	3.13%
Year ended June 30, 2018	3.62%
Year ended June 30, 2017	3.56%

Note: GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Supplementary Information

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Schedule 1

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue		Capital Projects	
	Student Activity	Management Levy	Physical Plant and Equipment Levy	Total
Assets				
Cash, cash equivalents and pooled investments	$ 165,465	$ 292,765	$ 417,470	$ 875,700
Receivables				
Property tax				
Delinquent	-	2,110	2,368	4,478
Succeeding year	-	260,000	316,996	576,996
Accounts receivable	1,091	-	-	1,091
Due from other governments	-	37	42	79
Total assets	$ 166,556	$ 554,912	$ 736,876	$ 1,458,344
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 2,727	$ -	$ 14,000	$ 16,727
Deferred inflows of resources				
Unavailable revenue				
Succeeding year property tax	-	260,000	316,996	576,996
Fund balances				
Restricted for				
Student activities	163,829	-	-	163,829
Management levy purposes	-	294,912	-	294,912
Physical plant and equipment	-	-	405,880	405,880
Total fund balances	163,829	294,912	405,880	864,621
Total liabilities, deferred inflows of resources and fund balances	$ 166,556	$ 554,912	$ 736,876	$ 1,458,344

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Schedule 2

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2025

	Special Revenue		Capital Projects	
	Student Activity	Management Levy	Physical Plant and Equipment Levy	Total
Revenues				
Local sources				
Local taxes	$ -	$275,371	$309,107	$584,478
Other	281,052	1,667	1,845	284,564
State sources	-	2,232	2,505	4,737
Total revenues	281,052	279,270	313,457	873,779
Expenditures				
Current				
Instruction				
Other	271,804	-	-	271,804
Support services				
Instructional staff	-	115,041	73,049	188,090
Administration	-	50,040	23,700	73,740
Operation and maintenance of plant	-	168,201	64,409	232,610
Transportation	-	23,301	-	23,301
Total support services	-	356,583	161,158	517,741
Other expenditures				
Facilities acquisition	-	-	46,457	46,457
Total expenditures	271,804	356,583	207,615	836,002
Excess (deficiency) of revenues over (under) expenditures	9,248	(77,313)	105,842	37,777
Other financing (uses)				
Transfers (out)	-	-	(72,496)	(72,496)
Change in fund balances	9,248	(77,313)	33,346	(34,719)
Fund balances, beginning of year	154,581	372,225	372,534	899,340
Fund balances, end of year	$163,829	$294,912	$405,880	$864,621

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Schedule 3

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2025

	School Nutrition	Preschool	Total
Assets			
Current assets			
Cash and cash equivalents	$ -	$ 49,811	$ 49,811
Accounts receivable	400	-	400
Due from other fund	3,604	-	3,604
Inventories	6,433	-	6,433
Total current assets	10,437	49,811	60,248
Noncurrent assets			
Capital assets, net of accumulated depreciation	26,145	-	26,145
Total assets	36,582	49,811	86,393
Deferred Outflows of Resources			
Pension related deferred outflows	11,906	8,913	20,819
Liabilities			
Current liabilities			
Accounts payable	336	-	336
Salaries and benefits payable	16,527	14,938	31,465
Warrants issued in excess of bank balance	4,052	-	4,052
Due to other funds	10,000	-	10,000
Unearned revenue	5,949	-	5,949
Total current liabilities	36,864	14,938	51,802
Noncurrent liabilities			
Net pension liability	31,107	17,589	48,696
Total liabilities	67,971	32,527	100,498
Deferred Inflows of Resources			
Pension related deferred inflows	3,941	2,951	6,892
Net Position			
Investment in capital assets	26,145	-	26,145
Unrestricted	(49,569)	23,246	(26,323)
Total net position	$ (23,424)	$ 23,246	$ (178)

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Schedule 4

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	School Nutrition	Preschool	Total
Operating revenue			
Local sources			
Charges for service	$ 148,989	$ 108,179	$ 257,168
Operating expenses			
Non-instructional programs			
Salaries	90,945	86,173	177,118
Benefits	10,092	33,233	43,325
Purchased services	46,329	-	46,329
Supplies	204,006	1,222	205,228
Miscellaneous	547	323	870
Depreciation	3,288	-	3,288
Total operating expenses	355,207	120,951	476,158
Operating (loss)	(206,218)	(12,772)	(218,990)
Non-operating revenue			
Interest income	290	-	290
State sources	2,059	-	2,059
Federal sources	144,306	-	144,306
Total non-operating revenue	146,655	-	146,655
Net income before transfers	(59,563)	(12,772)	(72,335)
Transfers in	3,604	-	3,604
Change in net position	(55,959)	(12,772)	(68,731)
Net position beginning of year	32,535	36,018	68,553
Net position end of year	$ (23,424)	$ 23,246	$ (178)

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Schedule 5

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	School Nutrition	Preschool	Total
Cash flows from operating activities			
Cash received from sale of services	$ 151,882	$ 108,179	$ 260,061
Cash payments to employees for services	(95,533)	(119,347)	(214,880)
Cash payments to suppliers for goods and services	(255,281)	(1,545)	(256,826)
Net cash (used in) operating activities	(198,932)	(12,713)	(211,645)
Cash flows from non-capital financing activities			
Operating transfers in	3,604	-	3,604
State grants received	2,059	-	2,059
Federal grants received	126,707	-	126,707
Net cash provided by non-capital financing activities	132,370	-	132,370
Cash flows from capital and related financing activities			
Acquisition of capital assets	(7,987)	-	(7,987)
Cash flows from investing activities			
Interest on investments	290	-	290
Net (decrease) in cash and cash equivalents	(74,259)	(12,713)	(86,972)
Cash and cash equivalents, beginning of year	74,259	62,524	136,783
Cash and cash equivalents, end of year	$ -	$ 49,811	$ 49,811
Reconciliation of operating (loss) to net cash (used in) operating activities			
Operating (loss)	$ (206,218)	$ (12,772)	$ (218,990)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities			
Depreciation	3,288	-	3,288
Commodities used	17,599	-	17,599
Change in assets and liabilities:			
Accounts receivable	(73)	-	(73)
Inventories	(1,756)	-	(1,756)
Due from other fund	(3,272)	-	(3,272)
Deferred outflows of resources	2,181	552	2,733
Due to other fund	14,053	-	14,053
Due to other governments	(20,578)	-	(20,578)
Net pension liability	(5,863)	(4,389)	(10,252)
Deferred inflows of resources	(1,452)	(672)	(2,124)
Accounts payable	336	-	336
Unearned revenue	(637)	-	(637)
Accrued salaries and benefits	3,460	4,568	8,028
Net cash (used in) operating activities	$ (198,932)	$ (12,713)	$ (211,645)

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2025, the District received $17,599 of federal commodities.

See accompanying Independent Auditor's Report.

Springville Community School District
Schedule of Changes in Special Revenue Fund, Student Accounts
For the Year Ended June 30, 2025

Schedule 6

Account	Balance, Beginning of Year	Revenues	Expenditures	Balance, End of Year
Drama	$ 1,677	$ 2,876	$ 1,692	$ 2,861
HS Musical	2,788	-	2,663	125
Cross Country	495	1,063	100	1,458
Boys Basketball	6,749	9,239	4,660	11,328
Football	3,393	26,488	16,702	13,179
Boys Basketball	5,937	4,570	7,405	3,102
Boys Track	523	315	701	137
Golf	46	1,632	1,632	46
Wrestling	4,460	8,601	10,163	2,898
Girls Basketball	6,896	13,903	12,954	7,845
Girls Volleyball	11,099	14,014	8,936	16,177
Girls Softball	3,549	2,329	4,386	1,492
Girls Track	864	-	607	257
JH Track	265	13	28	250
Gate Money	10,714	54,782	63,790	1,706
Weightroom	42	6,977	2,792	4,227
Art Club	5,421	388	-	5,809
Pictures	5,464	1,150	1,737	4,877
Yearbook	1,656	1,436	2,677	415
Colorguard	118	125	157	86
Vocal Resale	5,838	416	-	6,254
HS Instrumental	326	177	503	-
Intstrument Repair	150	-	-	150
Supply Store	420	-	-	420
Elem Instrument Resale	2,949	44	-	2,993
Book Fair	4,696	4,362	4,468	4,590
Student Senate MS	2,597	320	319	2,598
Student Senate HS	643	984	775	852
Student Senate Elem	1,367	4,684	6,034	17
Class of 2025	2,006	4,708	6,714	-
Class of 2026	2,183	11,602	6,126	7,659
Class of 2027	688	5	120	573
Class of 2028	1	-	-	1
Class of 2029	194	1,250	1,140	304
Cheerleading	1,745	2,743	2,985	1,503
Dance	717	8,485	9,096	106

See accompanying Independent Auditor's Report.

Springville Community School District

Schedule of Changes in Special Revenue Fund, Student Accounts

For the Year Ended June 30, 2025

Schedule 6

	Balance, Beginning of Year	Revenues	Expenditures	Balance, End of Year
Account (continued)				
TADA	$ 166	$ -	$ -	$ 166
Mindset Program	-	5,186	5,186	-
Fine Arts Reg/Awards	92	-	92	-
Mfg Enterprise	125	-	-	125
MS Science Club	749	9	-	758
Strength/Agility	285	-	-	285
Archery Program	46,206	48,416	42,254	52,368
BPA	(329)	13,528	13,557	(358)
FFA	8,611	24,232	28,653	4,190
Totals	$ 154,581	$ 281,052	$ 271,804	$ 163,829

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Ten Years

	Modified Accrual Basis									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Local sources										
Local tax	$ 2,798,704	$ 2,664,661	$ 2,604,748	$ 2,475,748	$ 2,601,752	$ 2,520,411	$ 2,445,333	$ 2,392,410	$ 2,292,378	$ 1,746,418
Tuition	1,134,266	1,051,645	844,334	638,723	612,688	615,167	583,114	538,160	528,356	469,444
Other	639,733	654,765	517,322	522,930	390,648	390,431	465,018	320,695	391,582	291,860
State sources	3,919,278	3,626,486	3,484,346	3,361,512	3,052,660	2,997,190	3,039,550	2,740,246	2,625,225	2,652,089
Federal sources	205,972	140,609	314,488	285,276	245,897	98,649	108,372	93,388	128,290	88,900
Total revenues	$ 8,697,953	$ 8,138,166	$ 7,765,238	$ 7,284,189	$ 6,903,645	$ 6,621,848	$ 6,641,387	$ 6,084,899	$ 5,965,831	$ 5,248,711
Expenditures										
Current										
Instruction										
Regular	$ 3,208,503	$ 2,829,142	$ 2,712,622	$ 2,605,747	$ 2,474,118	$ 2,197,700	$ 2,223,980	$ 2,087,090	$ 2,138,789	$ 2,016,242
Special	794,816	671,954	609,630	523,735	504,995	546,304	572,475	473,977	519,098	406,920
Other	836,673	830,538	798,818	771,157	630,338	544,387	607,259	666,866	534,380	471,764
Support services										
Student	222,203	207,307	187,411	186,554	178,263	169,623	159,401	147,585	142,273	138,714
Instructional staff	498,435	233,669	325,532	255,175	227,840	173,464	189,972	188,798	167,015	150,720
Administration	1,001,267	837,908	836,054	814,852	755,149	708,880	690,454	673,441	646,408	780,873
Operation and maintenance of plant	889,264	906,402	965,571	804,360	558,121	505,355	595,068	582,138	498,246	394,878
Transportation	218,732	259,654	249,068	338,153	173,667	180,003	196,311	153,405	165,081	208,964
Other expenditures										
Facilities acquisition	2,625,868	871,657	117,287	968,627	904,989	194,732	149,877	1,140,119	3,978,041	267,813
Long-term debt										
Principal	740,939	897,037	490,000	475,000	460,000	630,000	435,000	425,000	440,000	3,222,936
Interest and other charges	250,876	265,910	113,097	123,197	133,943	170,208	152,481	161,930	247,822	104,552
AEA flowthrough	162,288	189,586	184,715	183,332	170,553	166,477	166,354	162,657	157,192	160,905
Total expenditures	$11,449,864	$ 9,000,764	$ 7,589,805	$ 8,049,889	$ 7,171,976	$ 6,187,133	$ 6,138,632	$ 6,863,006	$ 9,634,345	$ 8,325,281

See accompanying Independent Auditor's Report.

Kay L. Chapman, CPA PC

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

To the Board of Education of Springville Community School District:

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Springville Community School District as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated March 9, 2026.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of the 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.

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that are not detected.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Springville Community School District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters which are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of non-compliance or other matters which are described in Part II of the accompanying Schedule of Findings.

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 my audit of the financial statements of the District. Since my 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.

Springville Community School District's Responses to the Findings

Government Auditing Standards require the auditor to perform limited procedure on Springville Community School District's responses to the findings identified in my audit and described in the accompanying Schedule of Findings. Springville Community School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of Springville Community School District during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.

Kay Chapman

Kay L. Chapman, CPA PC
March 9, 2026

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2025

Part I. Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCY

No matters were noted.

INSTANCES OF NON-COMPLIANCE

No matters were noted.

Part II. Other Findings Related to Required Statutory Reporting:

1. Certified Budget - Expenditures for the year ended June 30, 2025 did not exceed the amounts budgeted.

2. Questionable Expenditures - No expenditures I believe may not meet the requirements of public purpose as defined in an Attorney General's opinions dated April 25, 1979 were noted.

3. 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.

4. Business Transactions - No business transactions between the District and District officials or employees were noted.

5. 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.

6. 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 that the coverage is adequate for current operations.

7. Board Minutes - I noted no transactions requiring Board approval which had not been approved by the Board.

8. Certified Enrollment - Variances in the basic enrollment data certified to the Iowa Department of Education were noted. The resident students reported to the Iowa Department of Education was overstated by 1 student who was were inadvertently included in the student count reported.

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

Response - We have contacted the Iowa Department of Education and the Iowa Department of Management, as recommended.

Conclusion - Response accepted.

9. Supplementary Weighting - Variances regarding the supplementary weighting certified to the Iowa Department of Education were noted. Weighted enrollment was overstated by 0.174 due to the District including concurrent classes that were not allowable for supplementary weighting.

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

   Response - We have contacted the Iowa Department of Management and the Iowa Department of Education, as recommended.

   Conclusion - Response accepted.

10. Deposits and Investments - I noted no instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.

11. Certified Annual Reports - The Certified Annual Report was certified timely to the Iowa Department of Education.

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

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

    Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2025, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		$ 1,102,066
Revenues		
Statewide sales and services tax revenue	$ 543,759	
Interest earned	5,780	549,539
Expenditures/transfers out		
School infrastructure		
School infrastructure construction	$ 15,413	
Equipment	119,625	
Transfers to other fund		
Debt service fund	418,310	553,348
Ending balance		$ 1,098,257

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

14. Deficit Net Position - At June 30, 2025, the District had negative unrestricted net position in the Governmental Activities, Business-type Activities and Total Activities of $1,034,430, $26,323 and $1,060,753, respectively. Also at June 30, 2025, the District's School Nutrition Fund had negative unrestricted net position and total net position of $49,569 and $23,424, respectively. The District's Business-type Activities and total Enterprise funds also had negative total net position of $178 at June 30, 2025

Recommendation - The District should continue to monitor these activities and investigate alternatives to eliminate these deficits in order to return the activities to sound financial condition.

Response - These negatives were a result of implementing GASB 68 to account for pension related expenses during the year ended June 30, 2017 and implementing GASB 101 to report compensated absences liability during the year ended June 30, 2025. The negative net positions in the School Nutrition Fund are a result of the District overspending available revenues during the year ended June 30, 2025. We are aware of the situation and are working on resolving the issue.

Conclusion - Response accepted.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Audit Staff
June 30, 2025

This audit was performed by

Kay Chapman, CPA
Terri Slater, staff accountant