

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2024

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Table of Contents

June 30, 2024

	<u>Page</u>
Officials	1
Independent Auditor's Report	2-5
Management's Discussion and Analysis	6-14
Basic Financial Statements	<u>Exhibit</u>
Government-wide Financial Statements	
Statement of Net Position	A 16-17
Statement of Activities	B 18-19
Governmental Fund Financial Statements	
Balance Sheet	C 20-21
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	D 22
Statement of Revenues, Expenditures and Changes in Fund Balances	E 23-24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	F 25
Proprietary Fund Financial Statements	
Statement of Net Position	G 26
Statement of Revenues, Expenses and Changes in Net Position	H 27
Statement of Cash Flows	I 28
Notes to Financial Statements	29-49
Required Supplementary Information	
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Funds	51
Notes to Required Supplementary Information - Budgetary Reporting	52
Schedule of the District's Proportionate Share of the Net Pension Liability	53
Schedule of District Contributions	54
Notes to Required Supplementary Information - Pension Liability	55
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	56
Notes to Required Supplementary Information - OPEB Liability	57

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Table of Contents

June 30, 2024

Supplementary Information	<u>Schedule</u>	<u>Page</u>
Nonmajor Governmental Funds		
Combining Balance Sheet	1	59
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2	60
Nonmajor Enterprise Funds		
Combining Statement of Net Position	3	61
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	4	62
Combining Statement of Cash Flows	5	63
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	6	64-65
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	7	66
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		67-68
Schedule of Findings		69-72
Audit Staff		73

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Officials

June 30, 2024

(Before November 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Kate O'Brien-May	Board President	Nov. 2025
Albert Martin	Vice President	Nov. 2023
Amy Hosek	Board Member	Nov. 2023
Patrick Hoyt	Board Member	Nov. 2023
Leisa Breitfelder	Board Member	Nov. 2025
Amy Stuessel	Board Member	Nov. 2023

School Officials

Autumn Pino	Superintendent	Indefinite
Stacey Matus	District Treasurer/Business Manager	Indefinite
Ahlers & Cooney P.C.	Attorney	Indefinite

(After November 2023)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
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

Kay L. Chapman, CPA PC

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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, 2024, 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, 2024 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 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.

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, 2023 (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 14, 2025 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 L. Chapman, CPA PC

Kay L. Chapman, CPA PC
March 14, 2025

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, 2024. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$5,908,565 in fiscal 2023 to \$6,107,136 in fiscal 2024, and General Fund expenditures increased from \$6,155,189 in fiscal 2023 to \$6,191,672 in fiscal 2024. The District's General Fund balance decreased from \$1,426,810 in fiscal 2023 to \$1,366,438 in fiscal 2024, a decrease of 4%.
- The total 3% increase in General Fund revenue was mostly due to local and state sources such as open enrollment tuition revenue, earnings on investments and ESSER funds.
- General Fund expenditures increased \$36,483 from fiscal 2023. The increase was attributed to increased salaries and benefits.
- The District's governmental activities net position increased from \$9,078,492 in 2023 to \$9,474,954 in 2024, an increase of \$396,462, or 4%.
- The District's General Fund solvency ratio (Unassigned fund balance + Assigned fund balance/General Fund revenues minus AEA Flow-through) on June 30, 2024 was 19%. The District's General Fund solvency ratio on June 30, 2023 was 22%, decreasing 3%.
- The State of Iowa approved an increase in Supplemental State Aid of 3% for the 2023-24 school year. This followed the 2.5% Supplemental State Aid growth in 22-2023.

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, 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, 2024 compared to June 30, 2023.

Figure A-1

	Condensed Statement of Net Position						
	Governmental		Business Type		Total		Total
	Activities		Activities		District		Change
	June 30,		June 30,		June 30,		June 30,
	2024	2023	2024	2023	2024	2023	2023-2024
Current and other assets	\$ 10,960,084	\$ 7,542,121	\$ 142,120	\$ 165,512	\$ 11,102,204	\$ 7,707,633	44.04%
Capital assets	<u>11,030,924</u>	<u>11,008,195</u>	<u>21,446</u>	<u>23,103</u>	<u>11,052,370</u>	<u>11,031,298</u>	0.19%
Total assets	<u>21,991,008</u>	<u>18,550,316</u>	<u>163,566</u>	<u>188,615</u>	<u>22,154,574</u>	<u>18,738,931</u>	18.23%
Deferred outflows of resources	<u>560,744</u>	<u>315,315</u>	<u>23,552</u>	<u>13,074</u>	<u>584,296</u>	<u>328,389</u>	77.93%
Long-term liabilities	9,251,299	6,072,608	58,948	50,162	9,310,247	6,122,770	52.06%
Other liabilities	<u>852,225</u>	<u>949,474</u>	<u>50,601</u>	<u>55,092</u>	<u>902,826</u>	<u>1,004,566</u>	-10.13%
Total liabilities	<u>10,103,524</u>	<u>7,022,082</u>	<u>109,549</u>	<u>105,254</u>	<u>10,213,073</u>	<u>7,127,336</u>	43.29%
Deferred inflows of resources	<u>2,973,274</u>	<u>2,765,057</u>	<u>9,016</u>	<u>6,058</u>	<u>2,982,290</u>	<u>2,771,115</u>	7.62%
Net position							
Net investment in							
capital assets	7,614,109	6,684,796	21,446	23,103	7,635,555	6,707,899	13.83%
Restricted	2,027,229	2,514,500	-	-	2,027,229	2,514,500	-19.38%
Unrestricted	<u>(166,384)</u>	<u>(120,804)</u>	<u>47,107</u>	<u>67,274</u>	<u>(119,277)</u>	<u>(53,530)</u>	-122.82%
Total net position	<u>\$ 9,474,954</u>	<u>\$ 9,078,492</u>	<u>\$ 68,553</u>	<u>\$ 90,377</u>	<u>\$ 9,543,507</u>	<u>\$ 9,168,869</u>	4.09%

The District's total net position increased by 4%, or \$374,638 over 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 decreased \$487,271, or 19% from the prior year. The increase in net position was primarily a result of decrease fund balance in the SAVE and Debt Services funds.

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 \$65,747, or 123%. 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, 2024 compared to the year ended June 30, 2023.

Figure A-2 Change in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	2024	2023	2024	2023	2024	2023	2023-2024
Revenues							
Program revenues							
Charges for service and sales	\$ 1,489,372	\$ 1,284,763	\$ 223,022	\$ 244,205	\$ 1,712,394	\$ 1,528,968	12.00%
Operating grants	950,313	1,104,394	162,428	166,481	1,112,741	1,270,875	-12.44%
General revenues							
Property tax	2,652,496	2,566,936	-	-	2,652,496	2,566,936	3.33%
Income surtax	40,978	40,421	-	-	40,978	40,421	1.38%
Statewide sales, services and use tax	535,771	549,588	-	-	535,771	549,588	-2.51%
Unrestricted state grants	2,259,357	2,144,852	-	-	2,259,357	2,144,852	5.34%
Contributions and donations	37,268	9,889	-	-	37,268	9,889	276.86%
Unrestricted investment earnings	74,305	13,030	611	290	74,916	13,320	462.43%
Other	<u>398,436</u>	<u>62,971</u>	<u>-</u>	<u>-</u>	<u>398,436</u>	<u>62,971</u>	532.73%
Total revenues	<u>8,438,296</u>	<u>7,776,844</u>	<u>386,061</u>	<u>410,976</u>	<u>8,824,357</u>	<u>8,187,820</u>	7.77%
Program expenses							
Governmental activities							
Instruction	4,365,410	3,992,362	-	-	4,365,410	3,992,362	9.34%
Support services	2,493,281	2,267,029	-	-	2,493,281	2,267,029	9.98%
Non-instructional programs	-	-	407,885	384,421	407,885	384,421	6.10%
Other expenses	<u>1,183,143</u>	<u>602,118</u>	<u>-</u>	<u>-</u>	<u>1,183,143</u>	<u>602,118</u>	96.50%
Total expenses	<u>8,041,834</u>	<u>6,861,509</u>	<u>407,885</u>	<u>384,421</u>	<u>8,449,719</u>	<u>7,245,930</u>	16.61%
Change in net position	396,462	915,335	(21,824)	26,555	374,638	941,890	-60.22%
Net position beginning of year	<u>9,078,492</u>	<u>8,163,157</u>	<u>90,377</u>	<u>63,822</u>	<u>9,168,869</u>	<u>8,226,979</u>	11.45%
Net position end of year	<u>\$ 9,474,954</u>	<u>\$ 9,078,492</u>	<u>\$ 68,553</u>	<u>\$ 90,377</u>	<u>\$ 9,543,507</u>	<u>\$ 9,168,869</u>	4.09%

In fiscal year 2024, property tax and unrestricted state grants accounted for approximately 58% 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 \$8,824,357 of which \$8,438,296 was for governmental activities and \$386,061 was for business type activities.

As shown in Figure A-2, the District as a whole experienced an 8% increase in revenues and a 17% increase in expenses. The increases in revenue are largely due to increases in local sources, federal sources, and investment earnings. The increase in expenses is attributed to salaries and benefits and operational costs.

Governmental Activities

Revenues for governmental activities were \$8,438,296 and expenses were \$8,041,834 for the year ended June 30, 2024.

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, 2024 compared to those expenses for the year ended June 30, 2023.

Figure A-3

Total and Net Cost of Governmental Activities						
	Total Cost of Services			Net Cost of Services		
	2024	2023	Change 2023-2024	2024	2023	Change 2023-2024
Instruction	\$ 4,365,410	\$ 3,992,362	9.3%	\$ 2,193,287	\$ 1,929,280	13.7%
Support services	2,493,281	2,267,029	10.0%	2,415,305	2,125,669	13.6%
Other expenses	<u>1,183,143</u>	<u>602,118</u>	96.5%	<u>993,557</u>	<u>417,403</u>	138.0%
Total expenses	<u>\$ 8,041,834</u>	<u>\$ 6,861,509</u>	17.2%	<u>\$ 5,602,149</u>	<u>\$ 4,472,352</u>	25.3%

For the year ended June 30, 2024:

- The cost financed by users of the District's programs was \$1,489,372.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$950,313.
- The net cost of governmental activities was financed with \$3,229,245 of property and other taxes and \$2,259,357 of unrestricted state grants.

Business Type Activities

Revenues for business type activities for the year ended June 30, 2024 were \$386,061 representing a 6% decrease from the prior year, while expenses totaled \$407,885, a 6% 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 decrease in revenue in the Preschool Fund is due to increased tuition for the 3-year-old PK program. The decrease in revenue in the Nutrition Fund is due to decrease in Federal reimbursement revenue. 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 \$7,027,411, significantly above last year's ending fund balances of \$3,737,039. The primary reason for the increase of \$3,290,372 in combined fund balances in fiscal 2024 is due to an increase in total assets to the Capital Projects Funds.

Governmental Fund Highlights

The District's General Fund received total revenues of \$6,107,136 and expenditures \$6,191,672; General Fund expenditures exceeded General Fund revenues by \$60,372. The District ended FY24 with an unspent authorized budget of \$2,424,427 and an ending cash balance of \$1,366,437. The District was unable to levy cash in FY24 but anticipates being able to do so in FY25.

- The General Fund balance decreased from \$1,426,810 in 2023 to \$1,366,438 in 2024. The \$60,372 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 \$1,191,598 in 2023 to \$1,102,066 in 2024, a decrease of \$89,532, due to increased expenditures for a capital project.
- The Physical Plant and Equipment Levy Fund balance increased from \$300,504 in 2023 to \$372,534 in 2024 due to unexpended reserve balance.
- The Construction Project Fund balance increased from \$0 in 2023 to \$3,622,144 in 2024 due to the issuance of revenue bonds and the start of a remodel project.
- The Debt Service Fund balance decreased from \$278,635 in 2023 to \$37,423 in 2024 due to principal and interest payments.

Proprietary Fund Highlights

Enterprise Fund net position decreased from \$90,377 at June 30, 2023 to \$68,553 at June 30, 2024, a decrease of 24%. The decreased net position is due largely to the decrease in revenues from 3-year-old preschool tuition and decreased revenues in the School Nutrition fund.

BUDGETARY HIGHLIGHTS

The District amended its budget one time during the year ended June 30, 2024, increasing expenditures by \$3,325,000 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 \$391,794 more than total budgeted revenues, a variance of approximately 4%. The most significant variance resulted from the District receiving increased revenue from local and state sources, including interest earnings.

Total expenditures were \$3,112,246 less than budgeted. The biggest contributor was the timing of the construction project expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had invested \$11,052,370, 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 \$395,706 for governmental activities and \$1,657 for business type activities.

The original cost of the District's capital assets was \$18,043,890. Governmental funds account for \$17,904,043, with the remainder of \$139,847 accounted for in the Proprietary, School Nutrition Fund.

The largest percentage change was in the construction in progress asset category, which increase from \$0 at June 30, 2023 to \$353,781 at June 30, 2024 due to the start of a remodeling construction project.

Figure A-4

Capital Assets, Net of Depreciation/Amortization

	Governmental		Business Type		Total		Total
	Activities		Activities		District		Change
	June 30,		June 30,		June 30,		June 30,
	2024	2023	2024	2023	2024	2023	2023-2024
Land	\$ 453,369	\$ 453,369	\$ -	\$ -	\$ 453,369	\$ 453,369	0.00%
Construction in process	353,781	-	-	-	353,781	-	100.00%
Buildings and improvements	9,680,613	9,911,777	-	-	9,680,613	9,911,777	-2.33%
Improvements other than buildings	199,491	204,331	-	-	199,491	204,331	-2.37%
Furniture and equipment	296,362	356,316	21,446	23,103	317,808	379,419	-16.24%
Right-to-use leased equipment	47,308	82,402	-	-	47,308	82,402	-42.59%
Totals	<u>\$ 11,030,924</u>	<u>\$ 11,008,195</u>	<u>\$ 21,446</u>	<u>\$ 23,103</u>	<u>\$ 11,052,370</u>	<u>\$ 11,031,298</u>	0.19%

Long-Term Debt

At June 30, 2024, the District had \$9,310,247 in general obligation and other long-term debt outstanding. This represents an increase of approximately 52% over 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 District issued \$3,860,000 of revenue bonds in April 2024 to finance a building remodel project at the high school building.

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		Total Change
	June 30,		June 30,
	<u>2024</u>	<u>2023</u>	<u>2023-2024</u>
Governmental activities			
General obligation bonds	\$ 2,210,000	\$ 2,860,000	-22.73%
Revenue bonds	4,980,000	1,330,000	274.44%
Equipment purchase agreements- direct borrowings	36,221	71,677	-49.47%
Lease agreements	50,594	61,722	-18.03%
Net pension liability	1,419,062	1,209,877	17.29%
Total OPEB liability	<u>555,422</u>	<u>539,332</u>	2.98%
	9,251,299	6,072,608	52.34%
Business type activities			
Net pension liability	<u>58,948</u>	<u>50,162</u>	17.52%
Total	<u>\$ 9,310,247</u>	<u>\$ 6,122,770</u>	52.06%

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 2024 certified enrollment, the basis for the District's state funding for FY26, decreased by 7 students, resulting in the District to be on the Budget Guarantee Adjustment for FY26. The District had a net open enrollment of 5 students; however, it is important to note that open enrollment tuition is considered miscellaneous income. It is not good practice to fund a district's ongoing expenditures with sources from miscellaneous income.
- 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 FY26 projected "new money" received by the State. As a result, the District's General Fund balance is expected to decrease in FY25 and FY26. To date, the proposed FY26 SSA rate has not been set by the legislature, making financial planning difficult.
- 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 save 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, participation in equipment breakdown 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. Much of the project is complete to date.
- The District's voters passed the voter-approved PPEL levy on March 7, 2023 for 10 years for the \$1.34 levy rate. These funds will continue to support repairs and renovations, technology, and equipment for the District.
- The Springville Board of Education approved the resolution to continue participation in the Instructional Support Program for a period of five years on July 17, 2024.

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
Statement of Net Position
June 30, 2024

Exhibit A

	Governmental Activities	Business Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 7,694,304	\$ 136,783	\$ 7,831,087
Receivables			
Property tax			
Delinquent	14,613	-	14,613
Succeeding year	2,758,610	-	2,758,610
Accounts receivable	749	327	1,076
Income surtax	42,091	-	42,091
Due from other governments	450,050	-	450,050
Internal balances	(333)	333	-
Inventories	-	4,677	4,677
Capital assets not being depreciated	807,150	-	807,150
Capital assets net of accumulated depreciation/amortization	10,223,774	21,446	10,245,220
Total assets	<u>21,991,008</u>	<u>163,566</u>	<u>22,154,574</u>
Deferred Outflows of Resources			
Pension related deferred outflows	<u>560,744</u>	<u>23,552</u>	<u>584,296</u>
Liabilities			
Accounts payable	44,544	-	44,544
Salaries and benefits payable	500,642	23,437	524,079
Due to other governments	302,014	20,578	322,592
Accrued interest payable	5,025	-	5,025
Unearned revenue	-	6,586	6,586
Long-term liabilities			
Portion due within one year			
Lease agreements	33,426	-	33,426
Equipment purchase agreements	36,221	-	36,221
Total OPEB liability	15,891	-	15,891
Portion due after one year			
General obligation bonds payable	2,210,000	-	2,210,000
Revenue bonds payable	4,980,000	-	4,980,000
Lease agreements	17,168	-	17,168
Net pension liability	1,419,062	58,948	1,478,010
Total OPEB liability	539,531	-	539,531
Total liabilities	<u>10,103,524</u>	<u>109,549</u>	<u>10,213,073</u>

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

Exhibit A

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Deferred Inflows of Resources			
Unavailable property tax revenue	\$ 2,758,610	\$ -	\$ 2,758,610
Pension related deferred inflows	<u>214,664</u>	<u>9,016</u>	<u>223,680</u>
Total deferred inflows of resources	<u>2,973,274</u>	<u>9,016</u>	<u>2,982,290</u>
Net position			
Net investment in capital assets	7,614,109	21,446	7,635,555
Restricted for			
Categorical funding	231,281	-	231,281
Management levy purposes	372,225	-	372,225
Physical plant and equipment	372,534	-	372,534
Student activities	154,581	-	154,581
School infrastructure	864,210	-	864,210
Debt service	32,398	-	32,398
Unrestricted	<u>(166,384)</u>	<u>47,107</u>	<u>(119,277)</u>
Total net position	<u>\$ 9,474,954</u>	<u>\$ 68,553</u>	<u>\$ 9,543,507</u>

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

Exhibit B

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities
<u>Functions/Programs</u>						
Governmental activities						
Instruction						
Regular instruction	\$ 2,850,532	\$ 976,625	\$ 756,468	\$ -	\$ (1,117,439)	\$ -
Special instruction	677,307	203,040	-	-	(474,267)	-
Other instruction	837,571	235,990	-	-	(601,581)	-
	4,365,410	1,415,655	756,468	-	(2,193,287)	-
Support services						
Student	209,620	49,739	-	-	(159,881)	-
Instructional staff	235,278	-	-	-	(235,278)	-
Administration	866,586	23,978	-	-	(842,608)	-
Operation and maintenance of plant	906,554	-	-	-	(906,554)	-
Transportation	275,243	-	4,259	-	(270,984)	-
	2,493,281	73,717	4,259	-	(2,415,305)	-
Other expenses						
Facilities acquisition	484,035	-	-	-	(484,035)	-
Long-term debt interest	248,233	-	-	-	(248,233)	-
AEA flowthrough	189,586	-	189,586	-	-	-
Depreciation/amortization (unallocated) *	261,289	-	-	-	(261,289)	-
	1,183,143	-	189,586	-	(993,557)	-
Total governmental activities	8,041,834	1,489,372	950,313	-	(5,602,149)	-

* 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, 2024

Exhibit B

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Operating Grants, Contributions and Restricted		Capital Grants, Contributions and Restricted		Governmental Activities	Business Type Activities	Total
	Expenses	Charges for Services	Interest	Interest			
<u>Functions/Programs (continued)</u>							
Business type activities							
Non-instructional programs							
Food service operations	\$ 337,135	\$ 147,234	\$ 162,428	\$ -	\$ -	\$ (27,473)	\$ (27,473)
Preschool program	70,750	75,788	-	-	-	5,038	5,038
Total business type activities	407,885	223,022	162,428	-	-	(22,435)	(22,435)
Total	\$ 8,449,719	\$ 1,712,394	\$ 1,112,741	\$ -	(5,602,149)	(22,435)	(5,624,584)
<u>General Revenues</u>							
Property tax levied for							
General purposes					1,886,203	-	1,886,203
Debt service					472,923	-	472,923
Capital outlay					293,370	-	293,370
Income surtax					40,978	-	40,978
Statewide sales, services and use tax					535,771	-	535,771
Unrestricted state grants					2,259,357	-	2,259,357
Contributions and donations					37,268	-	37,268
Unrestricted investment earnings					74,305	611	74,916
Other					129,630	-	129,630
Premium on bonds					268,806	-	268,806
Total general revenues					5,998,611	611	5,999,222
Change in net position					396,462	(21,824)	374,638
Net position beginning of year					9,078,492	90,377	9,168,869
Net position end of year					\$ 9,474,954	\$ 68,553	\$ 9,543,507

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2024

Exhibit C

	Capital Projects					
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Construction Project	Debt Service	Nonmajor Governmental Funds	Total
Assets						
Cash, cash equivalents and pooled investments	\$ 1,789,382	\$ 1,056,940	\$ 370,914	\$ 35,311	\$ 534,841	\$ 7,409,532
Receivables						
Property tax						
Delinquent	8,706	-	1,620	-	1,675	14,613
Succeeding year	1,677,233	-	308,692	2,612	275,000	2,758,610
Accounts receivable	164	-	-	497,685	585	749
Income surtax	42,091	-	-	-	-	42,091
Due from other governments	400,751	-	-	-	-	450,050
Total assets	<u>\$ 3,918,327</u>	<u>\$ 1,106,239</u>	<u>\$ 681,226</u>	<u>\$ 535,608</u>	<u>\$ 812,101</u>	<u>\$ 10,675,645</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 29,576	\$ 4,173	\$ -	\$ 500	\$ 10,295	\$ 44,544
Salaries and benefits payable	500,642	-	-	-	-	500,642
Due to other funds	333	-	-	-	-	333
Due to other governments	302,014	-	-	-	-	302,014
Total liabilities	<u>832,565</u>	<u>4,173</u>	<u>-</u>	<u>500</u>	<u>10,295</u>	<u>847,533</u>

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

Exhibit C

	Capital Projects						
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Construction Project	Debt Service	Nonmajor Governmental Funds	Total	
Deferred inflows of resources							
Unavailable revenue							
Succeeding year property tax Income surtax	1,677,233	-	-	497,685	275,000	2,758,610	
	42,091	-	-	-	-	42,091	
Total deferred inflows of resources	<u>1,719,324</u>	<u>308,692</u>	<u>-</u>	<u>497,685</u>	<u>275,000</u>	<u>2,800,701</u>	
Fund balances							
Restricted for							
Categorical funding	231,281	-	-	-	-	231,281	
School infrastructure	-	-	3,622,144	-	-	4,724,210	
Student activities	-	-	-	-	154,581	154,581	
Management levy purposes	-	-	-	-	372,225	372,225	
Physical plant and equipment	-	372,534	-	-	-	372,534	
Debt service	-	-	-	37,423	-	37,423	
Unassigned	1,135,157	-	-	-	-	1,135,157	
Total fund balances	<u>1,366,438</u>	<u>372,534</u>	<u>3,622,144</u>	<u>37,423</u>	<u>526,806</u>	<u>7,027,411</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,918,327</u>	<u>\$ 681,226</u>	<u>\$ 3,622,144</u>	<u>\$ 535,608</u>	<u>\$ 812,101</u>	<u>\$ 10,675,645</u>	

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
June 30, 2024

Exhibit D

Total fund balances of governmental funds	\$7,027,411
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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.	11,030,924
--	------------

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.	42,091
--	--------

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.	284,772
--	---------

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.	(5,025)
--	---------

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	\$ 560,744	
Deferred inflows of resources	<u>(214,664)</u>	346,080

Long-term liabilities, including lease agreements payable, bonds payable, equipment purchase agreements 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.	<u>(9,251,299)</u>
--	--------------------

Net position of governmental activities	<u><u>\$9,474,954</u></u>
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SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Exhibit E

For the Year Ended June 30, 2024

	Capital Projects						Nonmajor Governmental Funds	Debt Service	Construction Project	Physical Plant and Equipment Levy	Statewide Sales, Services and Use Tax	General
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Construction Project	Debt Service	Nonmajor Governmental Funds	Total						
Revenues												
Local sources												
Local tax	\$	\$290,969	\$	\$ 469,053	\$ 300,542	\$2,664,661						
Tuition	-	-	-	-	-	1,051,645						
Other	6,152	92,248	47,827	6,607	273,108	654,765						
State sources	535,771	2,401	-	3,871	2,481	3,626,486						
Federal sources	-	-	-	-	-	140,609						
Total revenues	541,923	385,618	47,827	479,531	576,131	8,138,166						
Expenditures												
Current												
Instruction												
Regular	-	6,747	-	-	-	2,829,142						
Special	-	-	-	-	-	671,954						
Other	-	-	-	-	281,605	830,538						
	-	6,747	-	-	281,605	4,331,634						
Support services												
Student	-	-	-	-	-	207,307						
Instructional staff	-	45,000	-	-	-	233,669						
Administration	-	35,794	-	-	33,552	837,908						
Operation and maintenance	-	14,317	-	-	252,173	906,402						
Transportation	-	83,813	-	-	21,487	259,654						
	-	178,924	-	-	307,212	2,444,940						

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Exhibit E

For the Year Ended June 30, 2024

	Capital Projects						Nonmajor Governmental Funds	Debt Service	Total
	General	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Construction Project					
Expenditures (continued)									
Other expenditures									
Facilities acquisition	\$ -	\$ 349,861	\$ 89,126	\$ 432,670	\$ -	\$ -	\$ -	\$ 871,657	
Long-term debt									
Principal	-	-	-	-	-	-	-	-	897,037
Interest and fiscal charges	-	118,475	-	-	-	-	-	-	265,910
AEA flowthrough	189,586	-	-	-	-	-	-	-	189,586
Total expenditures	189,586	468,336	89,126	432,670	1,044,472	1,044,472	-	2,224,190	
Excess (deficiency) of revenues over (under) expenditures	6,191,672	468,336	274,797	432,670	1,044,472	1,044,472	588,817	9,000,764	
Other financing sources (uses)	(84,536)	73,587	110,821	(384,843)	(564,941)	(564,941)	(12,686)	(862,598)	
Compensation for loss of capital assets	24,164	-	-	-	-	-	-	24,164	
Revenue bonds issued	-	3,860,000	-	-	-	-	-	3,860,000	
Premium on bonds issued	-	268,806	-	-	-	-	-	268,806	
Transfers in	-	-	-	4,006,987	323,729	323,729	-	4,330,716	
Transfers (out)	-	(4,291,925)	(38,791)	-	-	-	-	(4,330,716)	
Total other financing sources (uses)	24,164	(163,119)	(38,791)	4,006,987	323,729	323,729	-	4,152,970	
Change in fund balances	(60,372)	(89,532)	72,030	3,622,144	(241,212)	(241,212)	(12,686)	3,290,372	
Fund balance, beginning of year	1,426,810	1,191,598	300,504	-	278,635	278,635	539,492	3,737,039	
Fund balance, end of year	\$1,366,438	\$ 1,102,066	\$372,534	\$3,622,144	\$ 37,423	\$ 37,423	\$ 526,806	\$7,027,411	

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, 2024

Exhibit F

Change in fund balances - total governmental funds \$ 3,290,372

**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	\$ 418,435	
Depreciation/amortization expense	<u>(395,706)</u>	22,729

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.

7,159

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.

60,335

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	(3,882,190)	
Repaid	<u>928,774</u>	(2,953,416)

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:

Pension expense	(326,689)	
Other postemployment benefits	<u>(16,090)</u>	(342,779)

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.

17,677

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.

294,385

Change in net position of governmental activities

\$ 396,462

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2024

Exhibit G

	Nonmajor Enterprise	Governmental Activity <u>Internal Service</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 136,783	\$284,772
Accounts receivable	327	-
Due from other fund	333	-
Inventories	<u>4,677</u>	<u>-</u>
Total current assets	142,120	284,772
Noncurrent assets		
Capital assets, net of accumulated depreciation	<u>21,446</u>	<u>-</u>
Total assets	<u>163,566</u>	<u>284,772</u>
 Deferred Outflows of Resources		
Pension related deferred outflows	<u>23,552</u>	<u>-</u>
 Liabilities		
Current liabilities		
Salaries and benefits payable	23,437	-
Due to other governments	20,578	-
Unearned revenue	<u>6,586</u>	<u>-</u>
Total current liabilities	50,601	-
Noncurrent liabilities		
Net pension liability	<u>58,948</u>	<u>-</u>
Total liabilities	<u>109,549</u>	<u>-</u>
 Deferred Inflows of Resources		
Pension related deferred inflows	<u>9,016</u>	<u>-</u>
 Net Position		
Investment in capital assets	21,446	-
Unrestricted	<u>47,107</u>	<u>284,772</u>
Total net position	<u><u>\$ 68,553</u></u>	<u><u>\$284,772</u></u>

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

Exhibit H

	Nonmajor <u>Enterprise</u>	Governmental <u>Activity</u> <u>Internal</u> <u>Service</u>
Operating revenue		
Local sources		
Charges for service	<u>\$223,022</u>	<u>\$146,324</u>
Operating expenses		
Support services		
Administration	<u>-</u>	<u>85,989</u>
Non-instructional programs		
Food service operations	337,135	-
Preschool operations	<u>70,750</u>	<u>-</u>
Total operating expenses	<u>407,885</u>	<u>85,989</u>
Operating income (loss)	<u>(184,863)</u>	<u>60,335</u>
Non-operating revenues		
Interest income	611	-
State sources	2,010	-
Federal sources	<u>160,418</u>	<u>-</u>
Total non-operating revenues	<u>163,039</u>	<u>-</u>
Change in net position	(21,824)	60,335
Net position beginning of year	<u>90,377</u>	<u>224,437</u>
Net position end of year	<u>\$ 68,553</u>	<u>\$284,772</u>

See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

Exhibit I

	Nonmajor Enterprise	Governmental Activity Internal Service
Cash flows from operating activities		
Cash received from sale of services	\$ 223,050	\$ 146,324
Cash payments to employees for services	(155,781)	(85,989)
Cash payments to suppliers for goods and services	(219,729)	-
Net cash provided by (used in) operating activities	(152,460)	60,335
Cash flows from non-capital financing activities		
State grants received	2,010	-
Federal grants received	126,208	-
Net cash provided by non-capital financing activities	128,218	-
Cash flows from capital and related financing activities	-	-
Cash flows from investing activities		
Interest on investments	611	-
Net increase (decrease) in cash and cash equivalents	(23,631)	60,335
Cash and cash equivalents, beginning of year	160,414	224,437
Cash and cash equivalents, end of year	\$ 136,783	\$ 284,772
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ (184,863)	\$ 60,335
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	1,657	-
Commodities used	18,451	-
Change in assets and liabilities:		
Accounts receivable	1	-
Inventories	(240)	-
Deferred outflows of resources	(10,478)	-
Due to other governments	10,849	-
Net pension liability	8,786	-
Deferred inflows of resources	2,958	-
Accounts payable	(1,260)	-
Unearned revenue	27	-
Accrued salaries and benefits	1,652	-
Net cash provided by (used in) operating activities	\$ (152,460)	\$ 60,335

Non-cash investing, capital and related financing activities.

During the year ended June 30, 2024, the District received \$18,451 of federal commodities.
See notes to financial statements.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2024

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 U.S. generally accepted accounting principles 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 - Physical Plant and Equipment Levy Fund is used to account for all resources from the regular and voter-approved levy used for major expenditures related to real property and equipment.

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, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2023.

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.

<u>Asset Class</u>	<u>Amount</u>
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:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
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.

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 \$231,281 for management levy purposes, \$372,225 for physical plant and equipment, \$154,581 for student activities and \$864,210 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, 2024 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to 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, 2024 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Enterprise	Major Governmental	
School Nutrition	General Fund	\$ 333

The General Fund owes the School Nutrition Fund for indirect costs, which is shown on the financial statements as a Due From and Due to Other Funds. The situation is expected to be resolved during the year ending June 30, 2025.

Note 4. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2024 is as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
Major Governmental	Major Capital Projects	
Debt service	Statewide Sales, Services and Use Tax	\$ 323,729
Major Capital Projects	Major Capital Projects	
Construction Project	Physical Plant and Equipment Levy	38,791
Major Capital Projects	Major Capital Projects	
Construction Project	Statewide Sales, Services and Use Tax	<u>3,968,196</u>
		<u>\$ 4,330,716</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expand the resources. The transfer from the Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was for future payment of principal and interest on long-term debt. The transfers from the Statewide Sales, Services and Use Tax Fund and the Physical Plant and Equipment Levy Fund to the Construction Project Fund were to move proceeds from issuance of bonds and lease to the fund where the expenditures will be made.

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Balance, Beginning of Year	Increases	Decreases	Balance, End of Year
<u>Governmental activities</u>				
Capital assets not being depreciated/amortized:				
Land	\$ 453,369	\$ -	\$ -	\$ 453,369
Construction in progress	-	353,781	-	353,781
Total capital assets, not being depreciated	453,369	353,781	-	807,150
Capital assets being depreciated/amortized:				
Buildings & improvements	14,286,289	11,652	-	14,297,941
Site improvements	241,953	-	-	241,953
Furniture and equipment	2,385,776	30,812	-	2,416,588
Right-to-use leased equipment	192,256	22,190	(74,035)	140,411
Total capital assets being depreciated/amortized	17,106,274	64,654	(74,035)	17,096,893
Less accumulated depreciation/amortization for:				
Buildings and improvements	4,374,512	242,816	-	4,617,328
Site improvements	37,622	4,840	-	42,462
Furniture and equipment	2,029,460	90,766	-	2,120,226
Right-to-use leased equipment	109,854	57,284	(74,035)	93,103
Total accumulated depreciation/amortization	6,551,448	395,706	(74,035)	6,873,119
Total capital assets being depreciated/amortized, net	10,554,826	(331,052)	-	10,223,774
Governmental activities capital assets, net	\$ 11,008,195	\$ 22,729	\$ -	\$ 11,030,924
<u>Business type activities</u>				
Furniture and equipment				
Less accumulated depreciation	\$ 139,847	\$ -	\$ -	\$ 139,847
Business type activities capital assets, net	116,744	1,657	-	118,401
	\$ 23,103	\$ (1,657)	\$ -	\$ 21,446

Depreciation/amortization expense was charged to the following functions:

Governmental activities

Instruction	
Regular	\$ 72,119
Other	6,454
Support services	
Operation and maintenance of plant	9,525
Transportation	<u>46,319</u>
	134,417
Unallocated	<u>261,289</u>
Total governmental activities depreciation/amortization expense	<u>\$ 395,706</u>

Business type activities

Food services	<u>\$ 1,657</u>
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Note 6. Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2024 are summarized as follows:

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental activities					
Lease agreements	\$ 61,722	\$ 22,190	\$ 33,318	\$ 50,594	\$ 33,426
General obligation bonds	2,860,000	-	650,000	2,210,000	-
Revenue bonds	1,330,000	3,860,000	210,000	4,980,000	-
Equipment purchase agreements					
- direct borrowings	71,677	-	35,456	36,221	36,221
Net pension liability	1,209,877	209,185	-	1,419,062	-
Total OPEB liability	<u>539,332</u>	<u>16,090</u>	<u>-</u>	<u>555,422</u>	<u>15,891</u>
Totals	<u>\$ 6,072,608</u>	<u>\$ 4,107,465</u>	<u>\$ 928,774</u>	<u>\$ 9,251,299</u>	<u>\$ 85,538</u>
Business type activities					
Net pension liability	<u>\$ 50,162</u>	<u>\$ 8,786</u>	<u>\$ -</u>	<u>\$ 58,948</u>	<u>\$ -</u>

Interest costs incurred and charged to expense on all long-term debt was \$248,233 for the year ended June 30, 2024. During the year ended June 30, 2024, the District made principal payments on total long-term debt of \$928,774.

Lease Agreements

On July 15, 2021, the District entered into a lease agreement for computers. The agreement requires annual payments of \$29,555 over 4 years with an interest rate of 0% and final payment

due July 15, 2024. During the year ended June 30, 2024, principal and interest paid were \$29,555 and \$0, respectively.

Year Ending June 30,	2021 Computer Lease			
	Interest Rates	Interest	Principal	Total
2025	0.00%	\$ -	\$ 29,556	\$ 29,556

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, 2024, principal and interest paid were \$1,152 and \$312, respectively.

Year Ending June 30,	Copier Lease April 2024			
	Interest Rates	Interest	Principal	Total
2025	4.30%	\$ 833	\$ 3,870	\$ 4,703
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		<u>\$ 2,201</u>	<u>\$ 21,038</u>	<u>\$ 23,239</u>

Revenue Bonds

Details of the District's June 30, 2024 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond issue of September 2015				Year Ending June 30,	Bond issue of April 2024			
	Interest Rates	Interest	Principal	Total		Interest Rates	Interest	Principal	Total
2025	2.55%	\$ 31,237	\$ -	\$ 31,237	2025	5.00%	\$ 84,875	\$ -	\$ 84,875
2026	2.55%	25,819	215,000	240,819	2026	5.00%	169,625	5,000	174,625
2027	2.55%	20,272	220,000	240,272	2027	5.00%	169,375	5,000	174,375
2028	2.55%	14,662	220,000	234,662	2028	5.00%	168,875	15,000	183,875
2029	2.55%	8,925	230,000	238,925	2029	5.00%	168,250	10,000	178,250
2030	2.55%	2,996	235,000	237,996	2030-2034	5.00%	746,125	955,000	1,701,125
		-	-	-	2035-2039	5.0-4.0%	438,425	1,465,000	1,903,425
		-	-	-	2040-2043	4.04%	115,100	1,405,000	1,520,100
Totals		<u>\$ 103,911</u>	<u>\$ 1,120,000</u>	<u>\$ 1,223,911</u>	Totals		<u>\$ 2,060,650</u>	<u>\$ 3,860,000</u>	<u>\$ 5,920,650</u>

Year Ending June 30,	Total		
2025	\$ 116,112	\$ -	\$ 116,112
2026	195,444	220,000	415,444
2027	189,647	225,000	414,647
2028	183,537	235,000	418,537
2029	177,175	240,000	417,175
2030-2034	749,121	1,190,000	1,939,121
2035-2039	438,425	1,465,000	1,903,425
2040-2043	<u>115,100</u>	<u>1,405,000</u>	<u>1,520,100</u>
Totals	<u>\$ 2,164,561</u>	<u>\$ 4,980,000</u>	<u>\$ 7,144,561</u>

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, \$210,000 of principal and \$74,938 of interest was paid on the bonds and statewide sales, services and use tax revenues were \$535,771.

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, 2024 general obligation indebtedness are as follows:

Year Ending June 30,	Bond Issue of July 2016			
	Interest Rates	Interest	Principal	Total
2025	2.00%	\$ 57,405	\$ -	\$ 57,405
2026	2.00%	51,505	235,000	286,505
2027	2.00%	45,505	250,000	295,505
2028	2.00%	40,505	175,000	215,505
2029	2.00%	37,005	180,000	217,005
2030-2034	2.1-2.5%	125,660	955,000	1,080,660
2035-2036	2.70%	<u>16,875</u>	<u>415,000</u>	<u>431,875</u>
Totals		<u>\$ 374,460</u>	<u>\$ 2,210,000</u>	<u>\$ 2,584,460</u>

Equipment Purchase Agreements – Direct Borrowings

During the year ended June 30, 2023, the District issued school equipment notes to provide funds for the purchase of a bus. The notes bear interest at 2% per annum. Details of the District's note indebtedness at June 30, 2024 are as follows:

Year Ending	Bus Loan			
	Interest			
<u>June 30,</u>	<u>Rates</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2025	2.00%	\$ 696	\$ 36,221	\$ 36,917

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 2024, 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, 2024 totaled \$294,385.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the District reported a liability of \$1,478,010 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the District's proportion was 0.032032%, which was an increase of 0.000286% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$32,305. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 125,042	\$ 6,075
Changes of assumptions	-	23
Net difference between projected and actual earnings on IPERS' investments	136,882	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	27,847	217,582
District contributions subsequent to the measurement date	<u>294,525</u>	<u>-</u>
Total	<u>\$ 584,296</u>	<u>\$ 223,680</u>

\$294,525 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2025	\$(71,924)
2026	(151,601)
2027	290,183
2028	11,026
2029	<u>(11,593)</u>
Total	<u>\$ 66,091</u>

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

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, 2023 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 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on 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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	21.0 %	4.56 %
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	<u>4.5</u>	4.60
Total	<u>100.0 %</u>	

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$3,142,578	\$1,478,010	\$83,074

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, 2024, 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, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	<u>64</u>
Total	<u>65</u>

Total OPEB Liability - The District's total OPEB liability of \$555,422 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2024 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, 2024)	2.50% per annum.
Rates of salary increase (effective June 30, 2024)	3.25% per annum.
Discount rate (effective June 30, 2024)	3.97% per annum.
Healthcare cost trend rate (effective June 30, 2024)	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 3.97% 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	<u>\$ 539,332</u>
Changes for the year:	
Service cost	48,403
Interest	22,380
Differences between expected and actual experiences	(67,778)
Changes in assumptions	28,976
Demographic changes	-
Recognition of deferred inflows/outflows	-
Benefit payments	<u>(15,891)</u>
Net changes	<u>16,090</u>
Total OPEB liability end of year	<u>\$ 555,422</u>

Changes of assumptions reflect a change in the discount rate from 3.86% in fiscal year 2023 to 3.97% in fiscal year 2024.

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 (2.97%) or 1% higher (4.97%) than the current discount rate.

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$613,929	\$555,422	\$502,385

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 if 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 (6.6%)	Healthcare Cost Trend Rate (7.6%)	1% Increase (8.6%)
Total OPEB liability	\$475,888	\$555,422	\$653,244

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2024, the District recognized OPEB expense of \$16,090. At June 30, 2024 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 \$189,586 for the year ended June 30, 2024 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, 2024, 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, 2024.

<u>Program</u>	<u>Amount</u>
Gifted and Talented	8,914
Teacher leadership	87,751
Statewide voluntary preschool	46,429
Beginning teacher mentoring and induction program	12,605
Career and technical education aid	874
Early literacy	758
Educator quality, professional development	<u>73,950</u>
	<u>\$ 231,281</u>

Note 13. Deficit Net Position

The District's had a negative unrestricted net position in the governmental activities and total activities of \$166,384 and \$119,277, respectively, at June 30, 2024.

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, 2024 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Marion	Urban Renewal	\$ 121

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2024, this reimbursement amounted to \$68.

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 Education Agency (AEA) beginning July 1, 2024. For fiscal year 2025, 40% of the educational and media services funds generated by District will continue to flow through to each AEA, while 60% of the funding will be retained by the District that generated the funds.

Note 16. Construction Commitment

The District entered into contracts totaling \$2,671,978 for remodeling of the high school building. As of June 30, 2024, costs of \$353,781 had been incurred against the contracts. The balance of \$2,318,197 remaining at June 30, 2024 will be paid as work on the projects progresses.

Note 17. Subsequent Events

The District has evaluated subsequent events through March 14, 2025 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, 2024

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original	Final	Final to Actual Variance
Revenues						
Local sources	\$ 4,371,071	\$ 223,633	\$ 4,594,704	\$ 4,278,588	\$ 4,278,588	\$ 316,116
State sources	3,626,486	2,010	3,628,496	3,583,845	3,583,845	44,651
Federal sources	140,609	160,418	301,027	270,000	270,000	31,027
Total revenues	<u>8,138,166</u>	<u>386,061</u>	<u>8,524,227</u>	<u>8,132,433</u>	<u>8,132,433</u>	<u>391,794</u>
Expenditures/Expenses						
Instruction	4,331,634	-	4,331,634	4,575,000	4,725,000	393,366
Support services	2,444,940	-	2,444,940	2,857,000	2,857,000	412,060
Non-instructional programs	-	407,885	407,885	305,000	480,000	72,115
Other expenditures	2,224,190	-	2,224,190	1,458,895	4,458,895	2,234,705
Total expenditures/expenses	<u>9,000,764</u>	<u>407,885</u>	<u>9,408,649</u>	<u>9,195,895</u>	<u>12,520,895</u>	<u>3,112,246</u>
(Deficiency) of revenues (under) expenditures/expenses	(862,598)	(21,824)	(884,422)	(1,063,462)	(4,388,462)	3,504,040
Net other financing sources	<u>4,152,970</u>	<u>-</u>	<u>4,152,970</u>	<u>-</u>	<u>-</u>	<u>4,152,970</u>
Change in fund balance	3,290,372	(21,824)	3,268,548	(1,063,462)	(4,388,462)	7,657,010
Balance, beginning of year	3,737,039	90,377	3,827,416	2,559,138	2,559,138	1,268,278
Balance, end of year	<u>\$ 7,027,411</u>	<u>\$ 68,553</u>	<u>\$ 7,095,964</u>	<u>\$ 1,495,676</u>	<u>\$ (1,829,324)</u>	<u>\$ 8,925,288</u>

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Budgetary Reporting
For the Year Ended June 30, 2024

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, 2024, increasing expenditures by \$3,325,000.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.032032%	0.031746%	0.031626%	0.031075%	0.031497%	0.029710%	0.029307%	0.029018%	0.030125%	0.033334%
District's proportionate share of the net pension liability	\$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	\$1,357,157
District's covered payroll	\$2,875,687	\$ 2,675,857	\$ 2,566,861	\$ 2,566,861	\$ 2,418,258	\$ 2,233,005	\$ 2,177,525	\$ 2,078,153	\$ 2,082,631	\$2,239,250
District's proportionate share of the net pension liability as a percentage of its covered payroll	51.40%	47.09%	1.73%	84.45%	75.93%	84.17%	88.85%	87.08%	71.91%	60.61%
IPERS' net position as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 294,385	\$ 271,465	\$ 252,601	\$ 242,386	\$ 231,533	\$ 228,284	\$ 199,407	\$ 194,453	\$ 185,579	\$ 185,979
Contributions in relation to the statutorily required contribution	<u>(294,385)</u>	<u>(271,465)</u>	<u>(252,601)</u>	<u>(242,386)</u>	<u>(231,533)</u>	<u>(228,284)</u>	<u>(199,407)</u>	<u>(194,453)</u>	<u>(185,579)</u>	<u>(185,979)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
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
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2024

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 Seven Years
Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 48,403	\$ 48,420	\$ 65,332	\$ 54,795	\$ 53,452	\$ 52,148	\$ 87,275
Interest cost	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	28,976	(9,837)	(142,267)	32,945	(23,231)	30,262	(1,482)
Benefit payments	(15,891)	(15,029)	(14,012)	(19,858)	(50,520)	-	-
Net change in total OPEB liability	16,090	43,365	(101,794)	81,627	(144,065)	99,946	102,368
Total OPEB liability beginning of year	539,332	495,967	597,761	516,134	660,199	560,253	457,885
Total OPEB liability end of year	<u>\$ 555,422</u>	<u>\$ 539,332</u>	<u>\$ 495,967</u>	<u>\$ 597,761</u>	<u>\$ 516,134</u>	<u>\$ 660,199</u>	<u>\$ 560,253</u>
Covered-employee payroll	\$ 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	18.08%	20.53%	18.14%	23.56%	22.28%	32.14%	33.40%

Springville Community School District
Notes to Required Supplementary Information - OPEB Liability
Year Ended June 30, 2024

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, 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
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Schedule 1

	Special Revenue		
	Student	Management	
	Activity	Levy	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 164,291	\$ 370,550	\$ 534,841
Receivables			
Property tax			
Delinquent	-	1,675	1,675
Succeeding year	-	275,000	275,000
Accounts receivable	585	-	585
Total assets	<u>\$ 164,876</u>	<u>\$ 647,225</u>	<u>\$ 812,101</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	<u>\$ 10,295</u>	<u>\$ -</u>	<u>\$ 10,295</u>
Deferred inflows of resources			
Unavailable revenue			
Succeeding year property tax	<u>-</u>	<u>275,000</u>	<u>275,000</u>
Fund balances			
Restricted for			
Student activities	154,581	-	154,581
Management levy purposes	-	372,225	372,225
Total fund balances	<u>154,581</u>	<u>372,225</u>	<u>526,806</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 164,876</u>	<u>\$ 647,225</u>	<u>\$ 812,101</u>

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Schedule 2

	Special Revenue		
	Student	Management	
	Activity	Levy	Total
Revenues			
Local sources			
Local taxes	\$ -	\$300,542	\$300,542
Other	271,174	1,934	273,108
State sources	-	2,481	2,481
Total revenues	<u>271,174</u>	<u>304,957</u>	<u>576,131</u>
Expenditures			
Current			
Instruction			
Other	<u>281,605</u>	<u>-</u>	<u>281,605</u>
Support services			
Administration	-	33,552	33,552
Operation and maintenance of plant	-	252,173	252,173
Transportation	-	21,487	21,487
Total support services	-	<u>307,212</u>	<u>307,212</u>
Total expenditures	<u>281,605</u>	<u>307,212</u>	<u>588,817</u>
Change in fund balances	(10,431)	(2,255)	(12,686)
Fund balances, beginning of year	<u>165,012</u>	<u>374,480</u>	<u>539,492</u>
Fund balances, end of year	<u>\$154,581</u>	<u>\$372,225</u>	<u>\$526,806</u>

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024

Schedule 3

	<u>School Nutrition</u>	<u>Preschool</u>	<u>Total</u>
Assets			
Current assets			
Cash and cash equivalents	\$74,259	\$ 62,524	\$136,783
Accounts receivable	327	-	327
Due from other fund	333	-	333
Inventories	4,677	-	4,677
Total current assets	<u>79,596</u>	<u>62,524</u>	<u>142,120</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	<u>21,446</u>	-	<u>21,446</u>
Total assets	<u>101,042</u>	<u>62,524</u>	<u>163,566</u>
Deferred Outflows of Resources			
Pension related deferred outflows	<u>14,087</u>	<u>9,465</u>	<u>23,552</u>
Liabilities			
Current liabilities			
Salaries and benefits payable	13,067	10,370	23,437
Due to other governments	20,578	-	20,578
Unearned revenue	6,586	-	6,586
Total current liabilities	<u>40,231</u>	<u>10,370</u>	<u>50,601</u>
Noncurrent liabilities			
Net pension liability	<u>36,970</u>	<u>21,978</u>	<u>58,948</u>
Total liabilities	<u>77,201</u>	<u>32,348</u>	<u>109,549</u>
Deferred Inflows of Resources			
Pension related deferred inflows	<u>5,393</u>	<u>3,623</u>	<u>9,016</u>
Net Position			
Investment in capital assets	21,446	-	21,446
Unrestricted	<u>11,089</u>	<u>36,018</u>	<u>47,107</u>
Total net position	<u>\$32,535</u>	<u>\$ 36,018</u>	<u>\$ 68,553</u>

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

Schedule 4

	School <u>Nutrition</u>	<u>Preschool</u>	<u>Total</u>
Operating revenue			
Local sources			
Charges for service	\$ 147,234	\$ 75,788	\$ 223,022
Operating expenses			
Non-instructional programs			
Salaries	76,285	47,577	123,862
Benefits	13,912	20,925	34,837
Purchased services	40,079	-	40,079
Supplies	203,954	1,438	205,392
Miscellaneous	1,248	810	2,058
Depreciation	1,657	-	1,657
Total operating expenses	<u>337,135</u>	<u>70,750</u>	<u>407,885</u>
Operating income (loss)	<u>(189,901)</u>	<u>5,038</u>	<u>(184,863)</u>
Non-operating revenue			
Interest income	611	-	611
State sources	2,010	-	2,010
Federal sources	160,418	-	160,418
Total non-operating revenue	<u>163,039</u>	<u>-</u>	<u>163,039</u>
Change in net position	(26,862)	5,038	(21,824)
Net position beginning of year	59,397	30,980	90,377
Net position end of year	<u>\$ 32,535</u>	<u>\$ 36,018</u>	<u>\$ 68,553</u>

See accompanying Independent Auditor's Report.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

Schedule 5

	School <u>Nutrition</u>	<u>Preschool</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from sale of services	\$ 147,212	\$ 75,838	\$ 223,050
Cash payments to employees for services	(89,486)	(66,295)	(155,781)
Cash payments to suppliers for goods and services	(217,481)	(2,248)	(219,729)
Net cash provided by (used in) operating activities	<u>(159,755)</u>	<u>7,295</u>	<u>(152,460)</u>
Cash flows from non-capital financing activities			
State grants received	2,010	-	2,010
Federal grants received	126,208	-	126,208
Net cash provided by non-capital financing activities	<u>128,218</u>	<u>-</u>	<u>128,218</u>
Cash flows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest on investments	611	-	611
Net increase (decrease) in cash and cash equivalents	(30,926)	7,295	(23,631)
Cash and cash equivalents, beginning of year	105,185	55,229	160,414
Cash and cash equivalents, end of year	<u>\$ 74,259</u>	<u>\$ 62,524</u>	<u>\$ 136,783</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (189,901)	\$ 5,038	\$ (184,863)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation	1,657	-	1,657
Commodities used	18,451	-	18,451
Change in assets and liabilities:			
Accounts receivable	(49)	50	1
Inventories	(240)	-	(240)
Due from other fund	-	-	-
Deferred outflows of resources	(5,821)	(4,657)	(10,478)
Due to other governments	10,849	-	10,849
Net pension liability	5,255	3,531	8,786
Deferred inflows of resources	1,563	1,395	2,958
Accounts payable	(1,260)	-	(1,260)
Unearned revenue	27	-	27
Accrued salaries and benefits	(286)	1,938	1,652
Net cash provided by (used in) operating activities	<u>\$ (159,755)</u>	<u>\$ 7,295</u>	<u>\$ (152,460)</u>

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2024, the District received \$18,451 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, 2024

Schedule 6

Account	Balance, Beginning of Year	Revenues	Expenditures	Balance, End of Year
Drama	\$ 931	\$ 2,647	\$ 1,900	\$ 1,678
HS Musical	2,135	895	243	2,787
Cross Country	487	6,378	6,370	495
Boys Basketball	4,601	10,052	7,904	6,749
Football	6,065	15,310	17,982	3,393
Boys Basketball	5,954	3,338	3,356	5,936
Boys Track	488	403	369	522
Golf	71	78	103	46
Wrestling	18,519	8,233	22,291	4,461
Girls Basketball	5,725	11,640	10,469	6,896
Girls Volleyball	8,152	15,430	12,483	11,099
Girls Softball	3,818	3,002	3,271	3,549
Girls Track	814	50	-	864
JH Track	258	1,454	1,447	265
Gate Money	6,400	60,059	55,745	10,714
Weightroom	41	1	-	42
Art Club	4,552	869	-	5,421
Pictures	6,463	931	1,930	5,464
Yearbook	2,859	1,420	2,623	1,656
Colorguard	1,708	3,614	5,204	118
Vocal Resale	5,621	544	327	5,838
HS Instrumental	190	1,091	955	326
Intstrument Repair	147	3	-	150
Supply Store	413	7	-	420
Elem Instrument Resale	2,912	37	-	2,949
Book Fair	4,560	4,321	4,185	4,696
Student Senate MS	2,019	603	25	2,597
Student Senate HS	1,469	129	954	644
Student Senate Elem	1,756	4,131	4,520	1,367
Class of 2022	534	-	534	-
Class of 2023	3,627	-	3,627	-
Class of 2024	3,378	3,331	6,709	-
Class of 2025	-	9,367	7,361	2,006
Class of 2026	50	2,877	744	2,183

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, 2024

Schedule 6

Account (continued)	Balance, Beginning of Year	Revenues	Expenditures	Balance, End of Year
Class of 2027	\$ 691	\$ 162	\$ 165	\$ 688
Class of 2028	50	1,688	1,738	-
Class of 2029	-	194	-	194
Cheerleading	597	2,449	1,301	1,745
Dance	1,480	6,116	6,879	717
TADA	166	-	-	166
Fine Arts Reg/Awards	480	485	874	91
Mfg Enterprise	125	-	-	125
MS Science Club	738	11	-	749
Strength/Agility	-	7,085	6,800	285
Archery Program	45,229	46,747	45,768	46,208
BPA	1,010	3,573	4,912	(329)
FFA	7,729	30,419	29,537	8,611
Totals	<u>\$ 165,012</u>	<u>\$ 271,174</u>	<u>\$ 281,605</u>	<u>\$ 154,581</u>

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									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues										
Local sources										
Local tax	\$ 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	\$ 1,615,947
Tuition	1,051,645	844,334	638,723	612,688	615,167	583,114	538,160	528,356	469,444	403,462
Other	654,765	517,322	522,930	390,648	390,431	465,018	320,695	391,582	291,860	254,517
State sources	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	2,507,496
Federal sources	140,609	314,488	285,276	245,897	98,649	108,372	93,388	128,290	88,900	81,442
Total revenues	<u>\$ 8,138,166</u>	<u>\$ 7,765,238</u>	<u>\$ 7,284,189</u>	<u>\$ 6,903,645</u>	<u>\$ 6,621,848</u>	<u>\$ 6,641,387</u>	<u>\$ 6,084,899</u>	<u>\$ 5,965,831</u>	<u>\$ 5,248,711</u>	<u>\$ 4,862,864</u>
Expenditures										
Current										
Instruction										
Regular	\$ 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	\$ 1,973,049
Special	671,954	609,630	523,735	504,995	546,304	572,475	473,977	519,098	406,920	426,288
Other	830,538	798,818	771,157	630,338	544,387	607,259	666,866	534,380	471,764	436,067
Support services										
Student	207,307	187,411	186,554	178,263	169,623	159,401	147,585	142,273	138,714	144,907
Instructional staff	233,669	325,532	255,175	227,840	173,464	189,972	188,798	167,015	150,720	124,252
Administration	837,908	836,054	814,852	755,149	708,880	690,454	673,441	646,408	780,873	547,316
Operation and maintenance of plant	906,402	965,571	804,360	558,121	505,355	595,068	582,138	498,246	394,878	345,552
Transportation	259,654	249,068	338,153	173,667	180,003	196,311	153,405	165,081	208,964	152,371
Other expenditures										
Facilities acquisition	871,657	117,287	968,627	904,989	194,732	149,877	1,140,119	3,978,041	267,813	18,745
Long-term debt										
Principal	897,037	490,000	475,000	460,000	630,000	435,000	425,000	440,000	3,222,936	125,000
Interest and other charges	265,910	113,097	123,197	133,943	170,208	152,481	161,930	247,822	104,552	143,057
AEA flowthrough	189,586	184,715	183,332	170,553	166,477	166,354	162,657	157,192	160,905	160,956
Total expenditures	<u>\$ 9,000,764</u>	<u>\$ 7,589,805</u>	<u>\$ 8,049,889</u>	<u>\$ 7,171,976</u>	<u>\$ 6,187,133</u>	<u>\$ 6,138,632</u>	<u>\$ 6,863,006</u>	<u>\$ 9,634,345</u>	<u>\$ 8,325,281</u>	<u>\$ 4,597,560</u>

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, 2024, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated March 14, 2025.

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. I identified a

certain deficiency in internal control, described in Part I of the accompanying Schedule of Findings as item A that I consider to be a material weakness.

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, 2024 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.

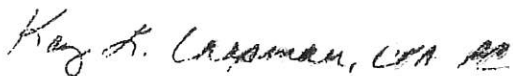
Springville Community School District's Responses to the Findings

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 L. Chapman, CPA PC
March 14, 2025

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Part I. Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE

No matters were noted.

INTERNAL CONTROL DEFICIENCY

MATERIAL WEAKNESS

A. Segregation of Duties

Criteria - Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the District's financial statements.

Condition - Generally, one or two individuals has control over each of the following areas for which minimal or no compensating controls exist:

- Investments - investing, detailed recordkeeping, custody of investments and reconciling earnings.
- Receipts - recording, journalizing, posting and reconciling.
- Disbursements - preparation, signing, and recording of checks.
- Capital assets - purchasing, recording and reconciling.
- Long-term debt - recording and reconciling.
- Wire transfers - processing and approving.
- Payroll - recording approved pay rates and deductions, recordkeeping, preparation, posting and distribution.
- Transfers - preparing and approving.
- Financial reporting - preparing, reconciling and approving.
- Computer systems - performing all general accounting functions and controlling all data input and output.
- Journal entries - preparing, approving and posting.

Cause - The limited number of accounting personnel makes it difficult to achieve adequate internal accounting control through the segregation of duties and responsibilities. A small staff makes it difficult to establish an ideal system of automatic internal checks on accounting record accuracy and reliability. This is not an unusual condition but it is important the District officials are aware that the condition exists.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

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

Recommendation - I realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials, to provide additional controls through review of financial transactions, reconciliations and reports. These independent reviews should be documented by the signature or initials of the reviewer and the date of the review.

Response and Corrective Action Planned - We will review our procedures and implement changes to improve internal control, as we deem necessary.

Conclusion - Response accepted.

Part II. Other Findings Related to Required Statutory Reporting:

1. Certified Budget - Expenditures for the year ended June 30, 2024 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.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

8. Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
9. Supplementary Weighting - Variances regarding the supplementary weighting certified to the Iowa Department of Education were noted. Weighted enrollment was overstated by 0.019 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, 2024, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Beginning balance		\$ 1,191,598
Revenues		
Statewide sales and services tax revenue	\$ 535,771	
Interest earned	6,152	
Proceeds from issuance of bonds	3,860,000	
Premium on bonds	<u>268,806</u>	4,670,729
Expenditures/transfers out		
School infrastructure		
School infrastructure construction	\$ 250,825	
Equipment	99,036	
Bond issuance costs	79,296	
Discount on bonds	39,179	
Transfers to other fund		
Debt service fund	<u>4,291,925</u>	<u>4,760,261</u>
Ending balance		<u>\$ 1,102,066</u>

For the year ended June 30, 2024, 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 - The District had negative unrestricted net position in the governmental activities and total activities of \$166,384 and \$119,277, respectively, at June 30, 2024.

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 deficits were a result of implementing GASB Statement No. 68 during the year ended June 30, 2016. We will review the situation and implement changes, as we deem necessary.

Conclusion - Response accepted.

SPRINGVILLE COMMUNITY SCHOOL DISTRICT
Audit Staff
June 30, 2024

This audit was performed by

Kay Chapman, CPA
Terri Slater, staff accountant