

**College Community School District
Cedar Rapids, Iowa**

Financial and Compliance Report
Year Ended June 30, 2021

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College Community School District

**Board of Education and School District Officials
Year Ended June 30, 2021**

Name	Title	Term Expires
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Board of Education

Randy Bauer	President	2023
Greg Kelsey	Vice President	2023
Angie Ehle	Board Member	2023
Todd Hahlen	Board Member	2021
Jim Hodina	Board Member	2021
Dawn Kousheh	Board Member	2023
Jed Peterson	Board Member	2021

School District Officials

Dr. Doug Wheeler	Superintendent	2021
Angela Morrison	Chief Financial Officer	2021

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Independent Auditor's Report

To the Board of Education
College Community School District
Cedar Rapids, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the College Community School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 College Community School District, as of June 30, 2021, 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.

Other Information

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, and schedules of proportionate share of the net pension liability and schedules of contributions on pages 4–14 and 57-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other information including the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
December 21, 2021

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College Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

College 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, 2021. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2020-21 Financial Highlights

- The District's net position for governmental activities was \$33,775,819 at June 30, 2021, compared to \$28,437,755 at June 30, 2020, an increase of \$5,338,064 or 18.8 percent.
- The District's net position for business-type activities was \$1,100,378 at June 30, 2021 compared to \$843,964 at June 30, 2020, an increase of \$256,414 or 30.4 percent.
- The District's long-term bonded debt and capital loan notes increased approximately \$27,536,000 due to the scheduled debt repayments being less than the issuance of \$34,250,000 general obligation bonds and \$9,000,000 revenue bonds.

Using this Annual Report

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

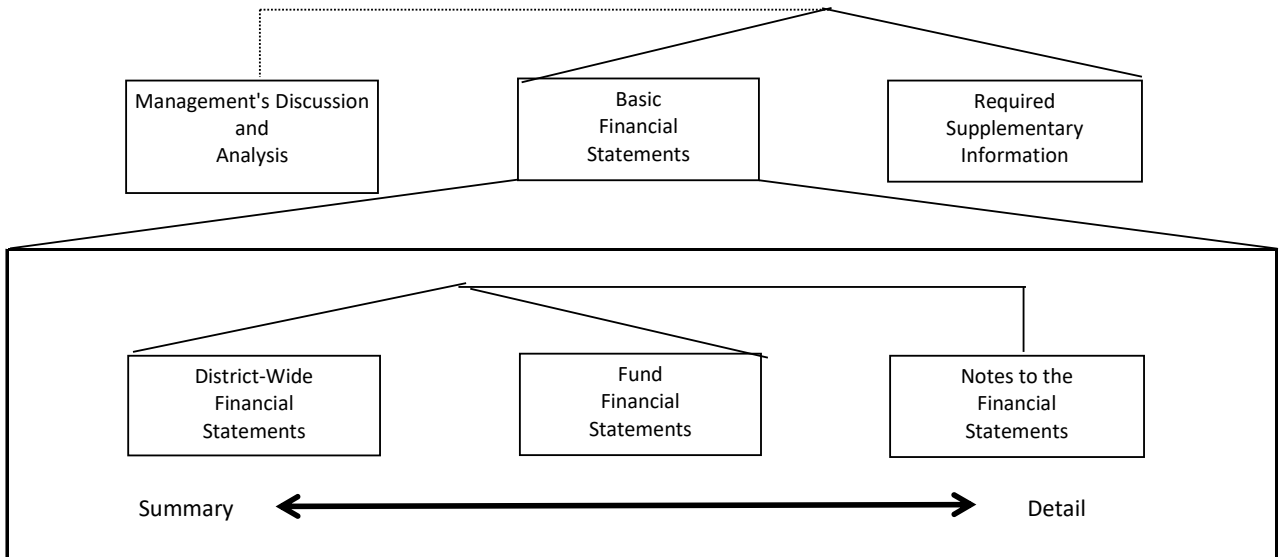
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of College Community School District as a whole and present an overall view of the District's finances.
- The fund financial statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide 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 and information regarding the District's retiree health plan and pension plan.
- Other supplementary information provides detailed information about the nonmajor governmental funds and nonmajor enterprise funds.

College Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2021**

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1
College Community School District



College Community School District

**Management’s Discussion and Analysis
Year Ended June 30, 2021**

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
Government-Wide Statements		Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: school nutrition and internal service fund	Instances in which the District administers resources on behalf of someone else, such as scholarship programs, reunion moneys and funds for District employee purchases of pop, etc.
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Reporting the District's Financial Activity

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 and 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 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 position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and condition of school buildings and other facilities.

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 taxes and state aid finance most of these activities.

Business-type activities: The District charges fees to help it cover the costs of certain services it provides. The District's food service program, day care, resale, and student built house activities would be 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 repaying its long-term debts) or to show that it is properly using certain revenues, (such as federal grants).

The District has three 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. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information in the notes to financial statements explains the relationship (or differences) between them.
- 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 uses internal service funds, the other kind of proprietary fund, to report

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

activities that provide supplies and services for other District programs and activities. The District currently has two internal service funds, which are used to account for the District's print shop and dental flex benefits. The required financial statements for proprietary funds include a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows.

- 3) **Fiduciary funds:** The District is the trustee, or fiduciary, for assets that belong to others. This fund type includes custodial funds.

Custodial funds: These are the funds for which the District accounts for certain revenue collected for the Foundation and related expenses and revenues and expenses for other various parent group accounts.

The District is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes. District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The required financial statements for fiduciary funds of the District include a statement of fiduciary net position and a statement of and changes in fiduciary net position.

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

Government-Wide Financial Analysis

Net position is an indicator of the fiscal health of the District. The District's net position increased by 19.1 percent, increasing from \$29,281,719 at June 30, 2020, to \$34,876,197 at June 30, 2021. Figure A-3 below provides a summary of the District's net position as of June 30, 2021 compared to June 30, 2020.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2020-2021
	2021	2020	2021	2020	2021	2020	
Current and other assets	\$ 124,216,614	\$ 88,244,787	\$ 2,232,107	\$ 1,608,283	\$ 126,448,721	\$ 89,853,070	41%
Capital assets	156,248,143	153,124,748	859,316	992,474	157,107,459	154,117,222	2%
Total assets	280,464,757	241,369,535	3,091,423	2,600,757	283,556,180	243,970,292	16%
Deferred outflows of resources	11,700,689	9,669,897	543,898	404,651	12,244,587	10,074,548	22%
Long-term obligations	214,637,915	178,901,753	2,188,421	1,651,142	216,826,336	180,552,895	20%
Other liabilities	2,856,251	2,836,283	282,363	245,970	3,138,614	3,082,253	2%
Total liabilities	217,494,166	181,738,036	2,470,784	1,897,112	219,964,950	183,635,148	20%
Deferred inflows of resources	40,895,461	40,863,641	64,159	264,332	40,959,620	41,127,973	0%
Net position:							
Net investment in capital assets	50,539,142	53,980,693	859,316	992,474	51,398,458	54,973,167	-7%
Restricted	14,441,505	5,110,633	-	-	14,441,505	5,110,633	183%
Unrestricted	(31,204,828)	(30,653,571)	241,062	(148,510)	(30,963,766)	(30,802,081)	1%
Total net position	\$ 33,775,819	\$ 28,437,755	\$ 1,100,378	\$ 843,964	\$ 34,876,197	\$ 29,281,719	19%

Net investment in capital assets, such as land, buildings, machinery and equipment, less any outstanding debt used to acquire those assets is \$51,398,458. These assets are considered non-spendable since they represent capital assets used to provide services to students. The resources needed to pay the obligations from the debt related to these assets must be provided from other resources. \$14,441,505 of net position has external restrictions on how the funds may be used. The deficit remaining balance of \$30,963,766 represents unrestricted net position. Unrestricted net position remains at a deficit net position due to the District's net pension liability and other postemployment benefit liability.

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

As mentioned before, restricted net position represents resources that are subject to external restrictions such as enabling legislation or constitutional provisions. The District's restricted net position increased \$9,330,872 from the prior year due to the issuance of debt for future capital projects.

Unrestricted net position represents the assets that can be used to finance day-to-day operations without constraints established by debt restrictions, enabling legislation or other legal binding requirements. Unrestricted net position decreased \$161,685, or 0.5 percent.

The following figure shows changes in net position for the year ended June 30, 2021, compared to the year ended June 30, 2020.

Figure A-4 Changes in Net Position From Operating Results

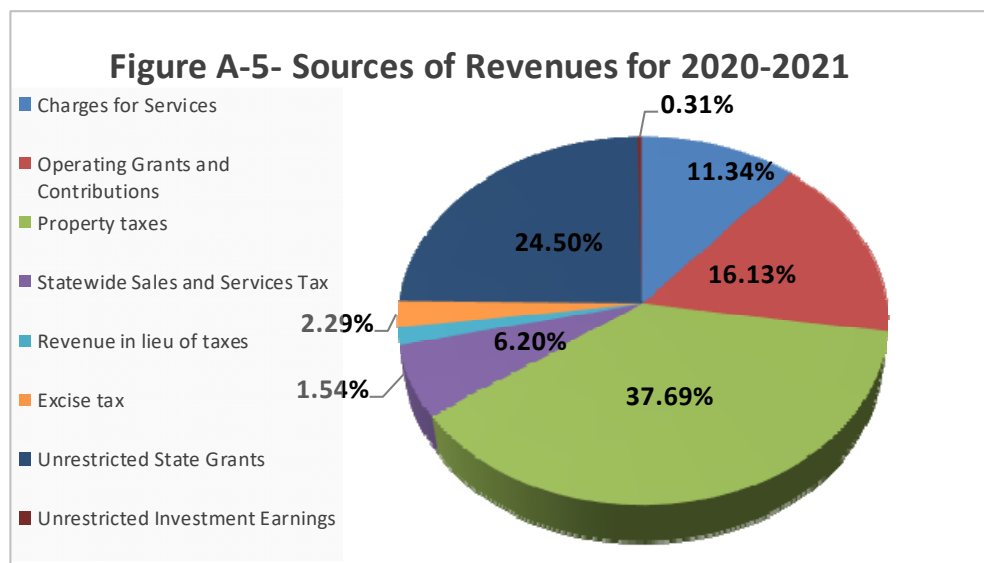
	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2020-21
	2021	2020	2021	2020	2021	2020	
Revenues:							
Program revenues:							
Charges for services	\$ 7,952,184	\$ 6,691,484	\$ 2,893,189	\$ 3,748,824	\$ 10,845,373	\$ 10,440,308	3.9%
Operating grants, contributions and restricted interest	12,713,951	9,399,636	2,709,159	1,605,765	15,423,110	11,005,401	40.1%
Capital grants, contributions and restricted interest	-	-	-	-	-	-	-
General revenues:							
Property taxes	36,039,778	33,706,097	-	-	36,039,778	33,706,097	6.9%
Revenue in lieu of taxes	1,473,969	1,520,755	-	-	1,473,969	1,520,755	-
Statewide sales and services tax	5,930,144	5,326,718	-	-	5,930,144	5,326,718	0.0%
Excise tax	2,190,733	2,048,179	-	-	2,190,733	2,048,179	0.0%
Unrestricted state grants	23,430,525	23,806,223	-	-	23,430,525	23,806,223	-1.6%
Unrestricted investment earnings	297,906	284,987	667	924	298,573	285,911	4.4%
Other	-	71,994	-	-	-	71,994	-100.0%
Total revenues	90,029,190	82,856,073	5,603,015	5,355,513	95,632,205	88,211,586	8.4%
Expenses:							
Instruction	46,802,478	46,257,049	-	-	46,802,478	46,257,049	1.2%
Support services	25,224,753	22,484,176	38,247	39,490	25,263,000	22,523,666	12.2%
Noninstructional	-	-	5,428,642	5,394,611	5,428,642	5,394,611	0.6%
Other	12,543,607	9,822,887	-	-	12,543,607	9,822,887	27.7%
Total expenses	84,570,838	78,564,112	5,466,889	5,434,101	90,037,727	83,998,213	7.2%
Increase in net position before transfer	5,458,352	4,291,961	136,126	(78,588)	5,594,478	4,213,373	32.8%
Transfers	(120,288)	-	120,288	-	-	-	0.0%
Change in net position	5,338,064	4,291,961	256,414	(78,588)	5,594,478	4,213,373	32.8%
Net position, beginning,	28,437,755	24,145,794	843,964	922,552	29,281,719	25,068,346	16.8%
Net position, ending	\$ 33,775,819	\$ 28,437,755	\$ 1,100,378	\$ 843,964	\$ 34,876,197	\$ 29,281,719	19.1%

College Community School District

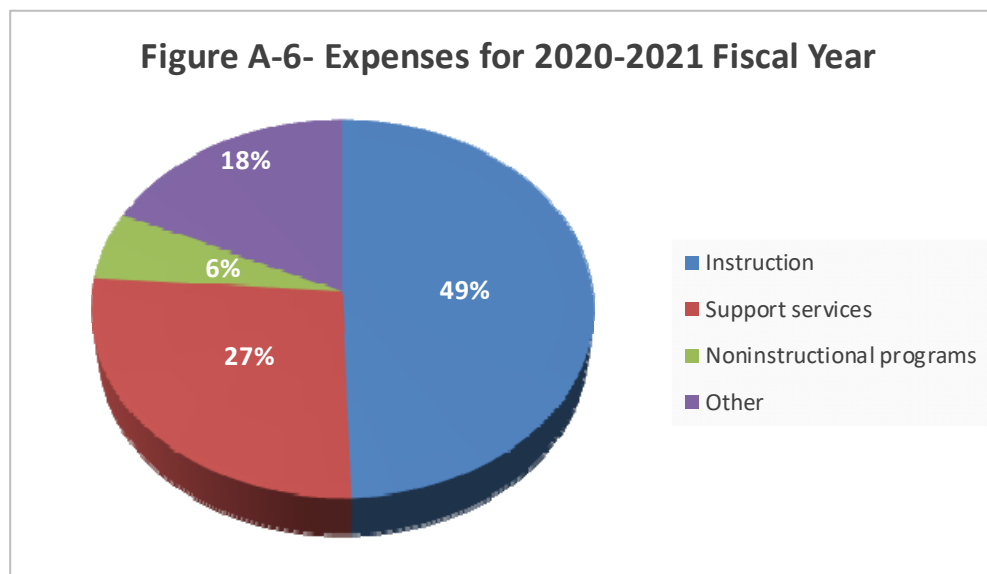
Management's Discussion and Analysis Year Ended June 30, 2021

During fiscal year 2021, property tax, revenue in lieu of taxes, stateside sales and services tax, excise tax and unrestricted state grants accounted for 76.7 percent of governmental activities revenue while charges for service, operating grants, contributions and restricted interest and investment earnings accounted for all of business type activities revenue.

The District as a whole experienced a 8.4 percent increase in revenue while experiencing a 7.2 percent increase in expenses. The District's total revenue was \$95,632,205 of which \$90,029,190 was for governmental activities, while the remaining \$5,603,015 was for business-type activities. Property taxes and unrestricted state grants account for most of the District's revenue, with each contributing approximately 38 and 25 percent of the total revenue. (See figure A-5).



The total cost for all programs and services increased 7.2 percent to \$90,037,727. The District's total expenses are listed in Figure A-6. The chart shows that the majority of the District's expenses (80 percent) are devoted to instruction and support services.



College Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Governmental Activities

Revenues for the District's governmental activities increased 8.7 percent, while expenses increased 7.7 percent. The increase in revenues and expenses can be attributed to the increase operating grants revenue and support services expenses in 2021 as compared to fiscal year 2020 due to the COVID-19 federal programs received and expended in fiscal year 2021.

Figure A-7 presents the total and net cost of the District's four major governmental activities: instruction, support services, noninstructional programs and other expenses, for the year ended June 30, 2021 compared to the year ended June 30, 2020.

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2021	2020	Change 2020-21	2021	2020	Change 2020-21
Instruction	\$ 46,802,478	\$ 46,257,049	1.2%	\$ (29,286,093)	\$ (38,179,341)	-23.3%
Support services	25,224,753	22,484,176	12.2%	(24,552,201)	(16,857,826)	45.6%
Other	12,543,607	9,822,887	27.7%	(10,066,409)	(7,435,825)	35.4%
Total	\$ 84,570,838	\$ 78,564,112	7.6%	\$ (63,904,703)	\$ (62,472,992)	2.3%

For the year ended June 30, 2021:

- The cost financed by users of the District's programs was approximately \$7,952,184.
- Federal and state governments subsidized certain programs with grants and contributions as well as contributions from local sources totaling approximately \$12,713,951.
- The net cost of governmental activities was financed with \$36,039,778 in property tax, \$1,473,969 revenue in lieu of taxes, \$2,190,733 in excise tax, \$5,930,144 in statewide sales, services and use tax, \$23,430,525 in unrestricted state grants and \$297,906 in unrestricted interest.

Business-Type Activities

Revenues of the District's business type activities increased by 4.6 percent to \$5,603,015 while expenses increased by 0.6 percent to \$5,466,889 (Refer to Figure A-4). School nutrition, day care, resale, and student built house are the District's four business-type activities. The revenues can be broken down into three main categories; charges for service, miscellaneous, federal and state reimbursements, donations and investment income.

The District's business type activities net position increased from \$843,964 at June 30, 2020 to \$1,100,378 at June 30, 2021, an increase of \$256,414 or 30.4 percent. The increase in revenues is primarily due to the COVID-19 federal funding.

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Governmental Fund Highlights

At the end of fiscal year 2021, the District's governmental funds reported combined ending fund balances of \$81,562,075, an increase of \$33,105,294 from the prior year. A closer look at each individual major governmental fund reveals the following:

- The General Fund balance increased from \$10,926,398 on June 30, 2020, to \$13,929,171 on June 30, 2021. Revenues increased due to increases in increased state and federal funding for programs. General Fund expenditures increased by \$2,475,606 due to increases in salaries and benefits and due to expenditures for COVID-19 purchases for support services.
- The Capital Projects Fund balance increased from \$34,148,075 on June 30, 2020 to \$64,211,050 on June 30, 2021. The increase in overall Capital Projects Fund balance can be attributed to the issuance of \$35 million in general obligation bonds to finance capital expenditures.
- The Debt Service Fund balance increased from \$798,689 on June 30, 2020, to \$1,140,232 on June 30, 2021. Expenditures increased \$10,201,261 from the prior year and are based on current refunding of the series 2016A bonds and scheduled debt service of the District's debt obligations.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared according to U.S. Generally Accepted Accounting Principles.

A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for the General Fund and major Special Revenue Funds are not presented in the budgetary comparison.

By April 15th of each year, the budget must be adopted by the Board of Directors for the fiscal year beginning July 1 through June 30, which immediately follows. Because there are a number of unknowns at that time, such as State revenue allocations, insurance premiums, negotiated employee contracts, enrollment increase, and construction project invoicing, the District has the ability to amend its budget before May 31st of each year.

The District amended the original budget to increase expenditures \$16,892,575. Revenues exceeded the final budget by \$2,955,983 due to additional federal funding. Expenditures were under the final budget by \$10,914,242 due to less purchases and capital expenditures than anticipated.

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Capital Asset Administration

By the end of fiscal year 2021, the District had invested, net of depreciation, approximately \$157.1 million in various capital assets including land, buildings, vehicles and equipment (See Figure A-8). This amount represents a net increase of \$2,990,237 or 1.9 percent over the previous fiscal year.

Figure A-8 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2020-21
	2021	2020	2021	2020	2021	2020	
Land	\$ 9,477,926	\$ 9,477,926	\$ -	\$ -	\$ 9,477,926	\$ 9,477,926	0.0%
Construction in progress	9,556,963	47,503,339	-	-	9,556,963	47,503,339	-79.9%
Buildings	128,159,572	85,773,597	-	-	128,159,572	85,773,597	49.4%
Improvements	6,877,349	8,261,326	-	-	6,877,349	8,261,326	-16.8%
Machinery and equipment	2,176,333	2,108,560	859,316	992,474	3,035,649	3,101,034	-2.1%
Total	\$ 156,248,143	\$ 153,124,748	\$ 859,316	\$ 992,474	\$ 157,107,459	\$ 154,117,222	1.9%

More detailed information on capital asset activity can be found in Note 5 to the basic financial statements.

Long-Term Liabilities

At year end, the District had \$160,045,451 in long-term debt, an increase of \$28,590,162 from the previous fiscal year. \$8,294,008 of the District's long-term debt is due within one year. The primary reason for the increase in long-term liabilities for fiscal year 2021 is due to the issuance of \$34,250,000 in general obligation bonds and \$9,000,000 in revenue bonds.

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2020-21
	2021	2020	2021	2020	2021	2020	
General obligation bonds	\$ 132,010,000	\$ 111,995,000	\$ -	\$ -	\$ 132,010,000	\$ 111,995,000	17.9%
Revenue bonds	21,857,000	14,336,000	-	-	21,857,000	14,336,000	52.5%
Capital lease	398,061	-	-	-	398,061	-	100.0%
Bond premiums, net of amortization	5,278,384	4,656,938	-	-	5,278,384	4,656,938	13.3%
Early retirement	202,943	205,294	-	-	202,943	205,294	-1.1%
Compensated absences	252,339	244,867	46,724	17,190	299,063	262,057	14.1%
Total	\$ 159,998,727	\$ 131,438,099	\$ 46,724	\$ 17,190	\$ 160,045,451	\$ 131,455,289	21.7%

More detailed information on the District's long-term liabilities can be found in Note 6 to the basic financial statements.

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2021

Factors Bearing on the District's Future

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

- COVID-19 continues to have a major impact on the District's financial position. Specifically, the District's business-type activities have experienced a significant decrease in local source revenues. The impact of COVID-19 on the District's financial health is not fully known.
- The District has budgeted expenditures for fiscal year 2022 of \$141,220,097.

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 the Chief Financial Officer, College Community School District, 401 76th Avenue SW, Cedar Rapids, Iowa 52404.

College Community School District

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 77,367,930	\$ 1,936,636	\$ 79,304,566
Receivables:			
Property tax:			
Delinquent	430,497	-	430,497
Succeeding year	38,847,725	-	38,847,725
Accounts	32,751	208,689	241,440
Due from other governments	6,604,901	-	6,604,901
Internal balances	250,000	(250,000)	-
Inventories	55,701	336,782	392,483
Restricted cash and pooled investments	627,109	-	627,109
Capital assets:			
Nondepreciable	19,034,889	-	19,034,889
Depreciable, net	137,213,254	859,316	138,072,570
Total assets	280,464,757	3,091,423	283,556,180
Deferred outflows of resources:			
OPEB related deferred outflows	3,570,400	84,974	3,655,374
Pension related deferred outflows	8,130,289	458,924	8,589,213
Total deferred outflows of resources	11,700,689	543,898	12,244,587

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	2,185,997	184,782	2,370,779
Salaries and benefits payable	296,328	97,581	393,909
Accrued interest	373,926	-	373,926
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	5,820,000	-	5,820,000
Revenue bonds	1,872,000	-	1,872,000
Capital lease	100,002	-	100,002
Compensated absences	252,339	46,724	299,063
Early retirement	202,943	-	202,943
Portion due after one year:			
General obligation bonds	131,321,208	-	131,321,208
Revenue bonds	20,132,176	-	20,132,176
Capital lease	298,059	-	298,059
Net pension liability	36,645,950	1,986,173	38,632,123
Net OPEB liability	17,993,238	155,524	18,148,762
Total liabilities	217,494,166	2,470,784	219,964,950
Deferred inflows of resources:			
Succeeding year property tax	38,847,725	-	38,847,725
Pension related deferred inflows	1,108,748	64,159	1,172,907
Deferral on refunding	938,988	-	938,988
Total deferred inflows of resources	40,895,461	64,159	40,959,620
Net Position			
Net investment in capital assets	50,539,142	859,316	51,398,458
Restricted for:			
Categorical funding	437,889	-	437,889
Debt service	1,142,091	-	1,142,091
School infrastructure	7,391,147	-	7,391,147
Physical plant and equipment levy	3,188,756	-	3,188,756
Management levy	1,556,018	-	1,556,018
Student activities	725,604	-	725,604
Unrestricted	(31,204,828)	241,062	(30,963,766)
Total net position	\$ 33,775,819	\$ 1,100,378	\$ 34,876,197

College Community School District

Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular	\$ 30,341,672	\$ 4,355,492	\$ 10,236,753
Special	10,425,675	2,387,945	-
Other	6,035,131	536,195	-
Total instruction	46,802,478	7,279,632	10,236,753
Support services:			
Student services	1,680,974	-	-
Instructional staff	5,015,929	664,068	-
Administration services	7,607,994	-	-
Operation and maintenance of plant services	7,028,893	-	-
Student transportation	3,890,963	8,484	-
Total support services	25,224,753	672,552	-
Other expenses:			
AEA flowthrough	2,477,198	-	2,477,198
Depreciation (unallocated)*	5,477,220	-	-
Long-term debt interest	4,589,189	-	-
Total other expenses	12,543,607	-	2,477,198
Total governmental activities	84,570,838	7,952,184	12,713,951
Business-type activities:			
School nutrition	3,072,088	223,491	2,634,999
Day care	2,336,830	2,447,386	74,160
Resale	50,629	100,678	-
Student build house	7,342	121,634	-
Total business-type activities	5,466,889	2,893,189	2,709,159
Total	\$ 90,037,727	\$ 10,845,373	\$ 15,423,110

General revenues:
 Property tax levied for:
 General purposes
 Management levy
 Capital outlay
 Debt service
 Excise tax
 Revenue in lieu of taxes
 Statewide sales and services tax
 Unrestricted state grants
 Unrestricted investment earnings
 Transfers
Total general revenues
 Change in net position
 Net position, beginning of year
 Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position			
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ -	\$ (15,749,427)	\$ -	\$ (15,749,427)
-	(8,037,730)	-	(8,037,730)
-	(5,498,936)	-	(5,498,936)
-	(29,286,093)	-	(29,286,093)
-	(1,680,974)	-	(1,680,974)
-	(4,351,861)	-	(4,351,861)
-	(7,607,994)	-	(7,607,994)
-	(7,028,893)	-	(7,028,893)
-	(3,882,479)	-	(3,882,479)
-	(24,552,201)	-	(24,552,201)
-	-	-	-
-	(5,477,220)	-	(5,477,220)
-	(4,589,189)	-	(4,589,189)
-	(10,066,409)	-	(10,066,409)
-	(63,904,703)	-	(63,904,703)
-	-	(213,598)	(213,598)
-	-	184,716	184,716
-	-	50,049	50,049
-	-	114,292	114,292
-	-	135,459	135,459
\$ -	\$ (63,904,703)	\$ 135,459	\$ (63,769,244)

23,584,232	-	23,584,232
1,209,789	-	1,209,789
2,277,971	-	2,277,971
8,967,786	-	8,967,786
2,190,733	-	2,190,733
1,473,969	-	1,473,969
5,930,144	-	5,930,144
23,430,525	-	23,430,525
297,906	667	298,573
(120,288)	120,288	-
69,242,767	120,955	69,363,722
5,338,064	256,414	5,594,478
28,437,755	843,964	29,281,719
\$ 33,775,819	\$ 1,100,378	\$ 34,876,197

College Community School District

**Balance Sheet
Governmental Funds
June 30, 2021**

	General	Capital Projects
Assets		
Cash and pooled investments	\$ 9,048,374	\$ 64,489,630
Restricted cash and pooled investments	-	627,109
Receivables:		
Property tax:		
Delinquent	283,651	25,999
Succeeding year	24,341,289	2,407,215
Other	19,771	12,484
Due from other governments	5,424,716	1,180,185
Due from other funds	250,000	-
Inventories	301	-
Total assets	\$ 39,368,102	\$ 68,742,622
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 801,314	\$ 1,378,274
Salaries and benefits payable	296,328	-
Early retirement	-	-
Total liabilities	1,097,642	1,378,274
Deferred inflows of resources:		
Statewide sales and services tax	-	746,083
Succeeding year property tax	24,341,289	2,407,215
Total deferred inflows of resources	24,341,289	3,153,298
Fund balances:		
Nonspendable:		
Inventories	301	-
Restricted for:		
Categorical funding	437,889	-
Debt service	-	627,109
School infrastructure	-	60,395,185
Physical plant and equipment levy	-	3,188,756
Management levy	-	-
Student activities	-	-
Assigned for specific purposes	120,046	-
Unassigned	13,370,935	-
Total fund balance	13,929,171	64,211,050
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,368,102	\$ 68,742,622

See Notes to Basic Financial Statements.

Debt Service	Nonmajor	Total
\$ 1,034,938	\$ 2,474,925	\$ 77,047,867
-	-	627,109
105,294	15,553	430,497
9,749,221	2,350,000	38,847,725
-	496	32,751
-	-	6,604,901
-	-	250,000
-	-	301
<u>\$ 10,889,453</u>	<u>\$ 4,840,974</u>	<u>\$ 123,841,151</u>

\$ -	\$ 6,409	\$ 2,185,997
-	-	296,328
-	202,943	202,943
-	209,352	2,685,268

-	-	746,083
9,749,221	2,350,000	38,847,725
<u>9,749,221</u>	<u>2,350,000</u>	<u>39,593,808</u>

-	-	301
-	-	437,889
1,140,232	-	1,767,341
-	-	60,395,185
-	-	3,188,756
-	1,556,018	1,556,018
-	725,604	725,604
-	-	120,046
-	-	13,370,935
<u>1,140,232</u>	<u>2,281,622</u>	<u>81,562,075</u>

<u>\$ 10,889,453</u>	<u>\$ 4,840,974</u>	<u>\$ 123,841,151</u>
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College Community School District

**Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
June 30, 2021**

Total fund balances of governmental funds \$ 81,562,075

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. 156,220,449

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds. 746,083

Internal service funds are used by management to charge the costs of certain services to individual funds. The net position of the Internal Service Fund are included in governmental activities. 403,157

Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:

Deferred outflows of resources related to OPEB	3,570,400	
Deferred outflows of resources related to pension	8,130,289	
Deferred inflows of resources related to pension	<u>(1,108,748)</u>	10,591,941

Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period, and, therefore, are not reported as liabilities in the governmental funds.

General obligation bonds payable	(132,010,000)	
General obligation bond premium	(5,131,208)	
Deferral on refunding	(938,988)	
Revenue bonds	(21,857,000)	
Revenue bonds premium	(147,176)	
Capital lease	(398,061)	
Accrued interest payable	(373,926)	
Compensated absences	(252,339)	
Net pension liability	(36,645,950)	
Net OPEB liability	<u>(17,993,238)</u>	<u>(215,747,886)</u>
Net position of governmental activities		<u><u>\$ 33,775,819</u></u>

See Notes to Basic Financial Statements.

College Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2021

	General	Capital Projects
Revenues:		
Local sources:		
Local tax	\$ 24,998,321	\$ 2,360,788
Tuition	5,374,272	-
Other	672,747	1,093,337
State sources	33,946,370	5,272,805
Federal sources	3,684,572	12,700
Total revenues	68,676,282	8,739,630
Expenditures:		
Current:		
Instruction:		
Regular	27,435,446	968,803
Special	9,971,420	-
Other	5,214,271	-
Total instruction	42,621,137	968,803
Support services:		
Student services	1,595,288	-
Instructional staff services	3,855,928	972,929
Administration services	6,953,826	-
Operation and maintenance of plant services	5,421,360	343,289
Student transportation	2,641,921	508,661
Total support services	20,468,323	1,824,879
Other expenditures:		
Capital outlay	-	9,851,726
AEA flowthrough	2,477,198	-
Debt service:		
Principal	-	-
Interest	-	476,496
Total other	2,477,198	10,328,222
Total expenditures	65,566,658	13,121,904
Excess (deficiency) of revenues over (under) expenditures	3,109,624	(4,382,274)
Other financing sources (uses):		
Issuance of long-term debt	-	35,000,000
Premium on issuance of long-term debt	-	857,838
Issuance of lease	-	398,061
Interfund transfers in	73,000	80,840
Interfund transfers (out)	(179,851)	(1,891,490)
Total other financing sources (uses)	(106,851)	34,445,249
Net change in fund balance	3,002,773	30,062,975
Fund balances, beginning of year	10,926,398	34,148,075
Fund balances, end of year	\$ 13,929,171	\$ 64,211,050

See Notes to Basic Financial Statements.

Debt Service	Nonmajor	Total
\$ 9,556,392	\$ 1,359,675	\$ 38,275,176
-	-	5,374,272
1,370	537,569	2,305,023
359,411	52,778	39,631,364
-	-	3,697,272
9,917,173	1,950,022	89,283,107
-	563,766	28,968,015
-	-	9,971,420
-	555,368	5,769,639
-	1,119,134	44,709,074
-	-	1,595,288
-	-	4,828,857
-	469,194	7,423,020
-	383,543	6,148,192
-	185,871	3,336,453
-	1,038,608	23,331,810
-	-	9,851,726
-	-	2,477,198
15,714,000	-	15,714,000
4,146,386	-	4,622,882
19,860,386	-	32,665,806
19,860,386	2,157,742	100,706,690
(9,943,213)	(207,720)	(11,423,583)
8,250,000	-	43,250,000
143,266	-	1,001,104
-	-	398,061
1,891,490	59,564	2,104,894
-	(153,841)	(2,225,182)
10,284,756	(94,277)	44,528,877
341,543	(301,997)	33,105,294
798,689	2,583,619	48,456,781
\$ 1,140,232	\$ 2,281,622	\$ 81,562,075

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College Community School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2021**

Net change in fund balances - total governmental funds \$ 33,105,294

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. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense in the year are as follows:

Capital outlay	9,382,840	
Depreciation expense	(6,024,228)	3,358,612
Loss on disposal of capital assets		(212,996)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenue for statewide sales and services tax. 746,083

The change in net position of the internal service funds represent an overcharge to the governmental funds served, and, therefore, decreases expenses in the statement of activities 158,884

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of long-term debt increases liabilities in the statement of net position, while the repayment of long-term debt reduced long-term liabilities. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditures is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Issuance of general obligation bonds	(34,250,000)	
Issuance of revenue bonds	(9,000,000)	
Premiums on the issuance of debt	(1,001,104)	
Repayments of bond and note principal	15,714,000	
Deferral on refunding	(402,157)	
Amortization of premiums and discounts	379,658	
Amortization of deferral on refunding	32,772	
Issuance of equipment lease	(398,061)	
Interest	23,420	(28,901,472)

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.

Change in compensated absences	(7,472)	
Change in pension expense and related deferrals	(1,689,667)	
Change in OPEB expense and related deferrals	(1,219,202)	(2,916,341)

Change in net position of governmental activities **\$ 5,338,064**

See Notes to Basic Financial Statements.

College Community School District

Statement of Net Position

Proprietary Funds

June 30, 2021

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Funds
Assets		
Current:		
Cash and cash equivalents	\$ 1,936,636	\$ 320,063
Accounts receivable	208,689	-
Inventories	336,782	55,400
Total current assets	2,482,107	375,463
Noncurrent:		
Capital assets, net of accumulated depreciation	859,316	27,694
Total noncurrent assets	859,316	27,694
Total assets	3,341,423	403,157
Deferred Outflows of Resources:		
OPEB related deferred outflows	84,974	-
Pension related deferred outflows	458,924	-
Total deferred outflows of resources	543,898	-
Liabilities		
Current:		
Accounts payable	184,782	-
Salaries and benefits payable	97,581	-
Compensated absences	46,724	-
Due to other funds	250,000	-
Total current liabilities	579,087	-
Noncurrent:		
Net pension liability	1,986,173	-
Net OPEB liability	155,524	-
Total noncurrent liabilities	2,141,697	-
Total liabilities	2,720,784	-
Deferred Inflows of Resources:		
Pension related deferred inflows	64,159	-
Total deferred inflows of resources	64,159	-
Net Position		
Investment in capital assets	859,316	27,694
Unrestricted	241,062	375,463
Total net position	\$ 1,100,378	\$ 403,157

See Notes to Basic Financial Statements.

College Community School District

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2021

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:		
Local sources, charges for services	\$ 2,771,555	\$ 219,651
Miscellaneous	121,634	-
Total operating revenues	2,893,189	219,651
Operating expenses:		
Support services:		
Administrative services	10,747	-
Operation and maintenance of plant	27,500	-
Total support services	38,247	-
Non-instructional programs:		
Salaries	2,765,674	-
Benefits	966,758	-
Services	34,329	-
Supplies	1,519,648	38,549
Depreciation	142,233	22,221
Total non-instructional programs	5,428,642	60,770
Total operating expenses	5,466,889	60,770
Operating income (loss)	(2,573,700)	158,881
Nonoperating revenues:		
State sources	92,606	-
Federal sources	2,616,553	-
Interest on investments	667	3
Total nonoperating revenues	2,709,826	3
Income before transfers	136,126	158,884
Transfers in	120,288	-
Change in net position	256,414	158,884
Net position, beginning of year	843,964	244,273
Net position, end of year	\$ 1,100,378	\$ 403,157

See Notes to Basic Financial Statements.

College Community School District

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2021

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Cash received from charges for services	\$ 2,562,912	\$ -
Cash received from miscellaneous operating activities	121,634	69,651
Cash received from employees	-	150,000
Cash payments to employees for services	(3,525,260)	-
Cash payments to suppliers for goods or services	(1,439,278)	(44,034)
Net cash provided by (used in) operating activities	(2,279,992)	175,617
Cash flows from noncapital financing activities:		
Payments from other funds	127,437	-
State grants received	92,606	-
Federal grants received	2,417,323	-
Net cash provided by noncapital financing activities	2,637,366	-
Cash flows from capital financing activities, acquisition of capital assets	(9,075)	(6,442)
Cash flows from investing activities, interest on investments	667	3
Net increase in cash and cash equivalents	348,966	169,178
Cash and cash equivalents, beginning of year	1,587,670	150,885
Cash and cash equivalents, end of year	\$ 1,936,636	\$ 320,063

See Notes to Basic Financial Statements.

(Continued)

College Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2021

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (2,573,700)	\$ 158,881
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Commodities consumed	199,230	-
Depreciation	142,233	22,221
Change in assets and liabilities:		
Inventories	(73,364)	(5,485)
Accounts receivable	(208,643)	-
Accounts payable	16,333	-
Salaries and benefits payable	20,060	-
Compensated absences	29,534	-
Increase in OPEB liability and related deferrals	70,550	-
Increase in net pension liability and related deferrals	97,775	-
Net cash provided by (used in) operating activities	\$ (2,279,992)	\$ 175,617

Noncash: Noncapital financing activities:

During the year ended June 30, 2021, the District used \$199,230 of federal commodities.

See Notes to Basic Financial Statements.

College Community School District

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2021

	<u>Custodial</u>
Assets	
Cash, cash equivalents and investments	\$ 226,151
Other receivables	2,500
Total assets	<u>228,651</u>
Liabilities,	
Accounts payable	<u>3,140</u>
Net Position	
Restricted	<u><u>\$ 225,511</u></u>

See Notes to Basic Financial Statements.

College Community School District

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

	<u>Custodial</u>
Additions	
Local sources:	
Donations	\$ 206,731
Interest	115
	<u>206,846</u>
Deductions	
Administrative expenses	<u>185,914</u>
Change in net position	20,932
Net position, beginning of year	204,579
Net position, end of year	<u><u>\$ 225,511</u></u>

See Notes to Basic Financial Statements.

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College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies

College Community School District is a political subdivision of the state of Iowa and operates public schools for children in grades kindergarten through twelve and special education. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the southern portion of Cedar Rapids, Iowa and the rural areas of southern Linn, northern Johnson, and eastern Benton counties. 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.

Reporting entity:

For financial reporting purposes, College 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. College Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly governed organizations: 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 Linn County Assessors' Conference Board.

Basis of presentation:

District-wide financial statements: The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of 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 nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation plus unspent bond proceeds and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement to those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management which can be removed or modified.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

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 that are clearly identifiable with a specific function. Program revenues include 1) charges to customer 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, proprietary and fiduciary funds, even though the latter are excluded from the District-wide financial statements. 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 the Capital Project Fund accounts as well as the 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 Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The Debt Service Fund is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The District reports the following nonmajor governmental funds:

The Management Levy Fund is used to account for the payment of property and insurance as well as early retirement incentive obligations owed by the District to retirees from prior fiscal years.

The Student Activity Fund is utilized to account for the various student run organizations and athletic accounts operating within the District.

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

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

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

Day Care: Accounts for the day care operations of the District.

Resale: Accounts for the resale operations of the District.

Student Built House: Accounts for the student construction operations of the District.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

The Internal Service Funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The internal service funds are charged back to the Governmental Funds and shown combined in the statement of net position and statement of activities. This chargeback is based on a percentage of total employees by the participants' various functional areas. The District has the following internal service funds:

Dental Flexible Benefits: This fund accounts for transactions for certain benefits available to District employees in which the District is responsible for paying all premiums or costs specified by the employee.

Print Shop: This fund accounts for transactions for the print shop operations of the District.

Fiduciary Funds: Fiduciary fund types are used to account for net position and changes in net position. The District has two fiduciary funds which are considered custodial funds:

Foundation: This fund accounts for transactions for the District's foundation accounts.

Parent groups: This fund accounts for transactions for the District's parent group accounts.

Measurement focus and basis of accounting:

The District-wide financial statements, proprietary, and fiduciary 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 the 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, and compensated absences 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 term 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 is 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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating 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 nonoperating revenues and expenses.

Assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund equity:

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

Cash, pooled investments and cash equivalents: The cash balances of most District funds are pooled and invested. Investments are stated at fair value and non-negotiable certificates of deposit which are stated at amortized cost.

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 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 that 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 deferred 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 became due and collectible in September and March of the fiscal year with a 1 1/2 % per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2020.

Intergovernmental receivables: Intergovernmental receivables 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 governmental commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 1. Summary of Significant Accounting Policies (Continued)

Capital assets: Capital assets, which include property, machinery, equipment and intangibles acquired after July 1, 1980 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. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and established useful lives in excess of two years.

Asset Class	Amount
Buildings	\$ 10,000
Site improvements	10,000
Equipment/vehicles	5,000
Computers	5,000
Intangibles	100,000

Land is not depreciated. Buildings, land improvements, machinery and equipment and intangibles, if any, are depreciated/amortized using the straight-line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Site improvements	20 years
Equipment/vehicles	5 years
Computers	3 years
Intangibles	5 years

Deferred outflows of resources: Deferred outflows of resources represent a consumption of net position that applies to a future year(s) and 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 and other postemployment benefit expense and contributions from the employer after the measurement date but before the end of the District's reporting period.

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.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 1. Summary of Significant Accounting Policies (Continued)

Salaries and benefits payable: Payroll and related expenditures for contracts corresponding to the current school year, which is payable in July and August, have been accrued as liabilities.

Deferred inflows of resources: Deferred inflows of resources represent an acquisition of net position that applies to future year(s) and 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unavailable revenue in the governmental funds consists of property tax and statewide sales and services tax.

Deferred inflows of resources on the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and the unrecognized items not yet charged to pension expense or other postemployment benefit expense.

Unearned revenue: Proprietary funds defer revenue recognition in connection with resources that have been received but not yet earned. Unearned revenues are monies collected for meals that have not yet been served.

Compensated absences: District employees accumulate a limited amount of earned but unused vacation and sick leave for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the District-wide financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term liabilities: In the District-wide financial statements, long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

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

Nonspendable: Balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

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

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

Assigned: Amounts are not available for appropriation but are set aside for specific purposes in the District's General Fund. The District's Board of Directors authorizes the Business Manager to assign General Fund balance amounts.

Unassigned: All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 1. Summary of Significant Accounting Policies (Continued)

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expenditure toward restricted fund balance and then to less restrictive classifications- assigned and then unassigned fund balances.

Net Position: In proprietary funds, fiduciary funds, and government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent bond proceeds of \$54,375,371. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted by enabling legislation as of June 30, 2021 consists of \$437,889 for categorical funding, \$1,556,018 for management levy purposes, \$3,188,756 for physical plant and equipment levy, \$7,391,147 for school infrastructure, \$725,604 for student activities and \$1,142,091 for debt service.

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

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. Budgets and Budgetary Accounting

Budgets and budgetary control:

The budgetary comparison and related disclosures are reported as Required Supplementary Information based on the program structure of four functional areas as required by state statute for its legally adopted budget.

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district-wide budget and approves the related appropriations following required public notice and hearing for all funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

The District amended the original budget during the fiscal year to increase budgeted expenditures \$16,892,575 for additional grant and capital project expenditures.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 2. Budgets and Budgetary Accounting (Continued)

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functional areas, not by fund. These four functional areas are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula. The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

1. In accordance with the Statutes of the State of Iowa, prior to March 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the proceeding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at functional area level.
2. Public hearings are required to be conducted to obtain taxpayer comment.
3. Prior to April 15, the budget is legally enacted through certification by the County Auditor.
4. Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.
5. The Board of Education may amend the budget during the year without approval of the Board of Education.
6. Appropriations lapse at the end of each fiscal year.
7. The budget cannot be amended without the approval of the Board of Education.
8. Unexpected budgetary balances lapse at June 30 and are not available to finance expenditures or expenses of the following year.

Note 3. Cash and Pooled Investments

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

Interest rate risk: The District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

At June 30, 2021 the District had investments in the Iowa School Joint Investment Trust (ISJIT) Government Obligation Portfolio which are valued at amortized costs of \$22,961,259 pursuant to Rule 2a-7 under the investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 3. Cash and Pooled Investments (Continued)

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

The investment in the Iowa School Joint Investment was rated AAAM by Standard & Poor's Financial Services.

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2021, the District had no investments subject to concentration of credit risk.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that in in the possession of another party. It is the District's policy to require that time deposits in excess of FDIC insurable limits (\$250,000) be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized.

The District's deposits in banks at June 30, 2021 were entirely covered by federal depository insurance or by State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure that there will be no loss of public funds. The District's investments are held in the name of the District and are not exposed to custodial credit risk.

Restricted cash, cash equivalents and investments is comprised of \$627,109 for debt service reserves.

Note 4. Interfund Transactions

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

	Transfers In	Transfers Out
Major Funds:		
General	\$ 73,000	\$ 179,851
Capital Projects Fund	80,840	1,891,490
Debt Service Fund	1,891,490	-
Other nonmajor governmental funds	59,564	153,841
Other nonmajor enterprise funds	120,288	-
	<u>\$ 2,225,182</u>	<u>\$ 2,225,182</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 4. Interfund Transactions (Continued)

The detail of interfund receivables and payables at June 30, 2021 is as follows:

	Due To	Due From
Major fund, General Fund	\$ 250,000	\$ -
Nonmajor enterprise fund, Student Built House Fund	-	250,000
	<u>\$ 250,000</u>	<u>\$ 250,000</u>

The interfund receivable to the General Fund is for expenses related to a house that was built by the students. The house was approved for sale at the end of the year.

Note 5. Capital Assets

Capital assets activity for the governmental activities for the year ended June 30, 2021 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 9,477,926	\$ -	\$ -	\$ 9,477,926
Construction in progress	47,503,339	10,530,822	48,477,198	9,556,963
Total capital assets not being depreciated	<u>56,981,265</u>	<u>10,530,822</u>	<u>48,477,198</u>	<u>19,034,889</u>
Capital assets being depreciated:				
Improvements other than buildings	15,276,336	151,638	201,926	15,226,048
Buildings	127,660,303	46,542,658	-	174,202,961
Furniture and equipment	8,507,754	634,920	379,112	8,763,562
Total capital assets being depreciated	<u>151,444,393</u>	<u>47,329,216</u>	<u>581,038</u>	<u>198,192,571</u>
Less accumulated depreciation for:				
Improvements other than buildings	7,015,010	1,333,689	-	8,348,699
Buildings	41,886,706	4,156,683	-	46,043,389
Furniture and equipment	6,399,194	556,077	368,042	6,587,229
Total accumulated depreciation	<u>55,300,910</u>	<u>6,046,449</u>	<u>368,042</u>	<u>60,979,317</u>
Total capital assets being depreciated, net	<u>96,143,483</u>	<u>41,282,767</u>	<u>212,996</u>	<u>137,213,254</u>
Governmental activities capital assets, net	<u>\$ 153,124,748</u>	<u>\$ 51,813,589</u>	<u>\$ 48,690,194</u>	<u>\$ 156,248,143</u>

College Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2021

Note 5. Capital Assets (Continued)

Capital asset activity for the business-type activities for the year ended June 30, 2021 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture and equipment	\$ 2,627,205	\$ 9,075	\$ 63,937	\$ 2,572,343
Less accumulated depreciation	1,634,731	142,233	63,937	1,713,027
Business-type activities capital assets, net	\$ 992,474	\$ (133,158)	\$ -	\$ 859,316

Depreciation expense was charged by the District to the following functions:

Governmental activities:

Instruction:

Regular	\$ 55,120
Special	386
Other	2,875

Support services:

Instructional staff	19,177
Administration	1,136
Operation and maintenance of plant	32,399
Transportation	435,915
Unallocated depreciation	5,499,441
Total governmental activities depreciation expense	<u>\$ 6,046,449</u>

Business-type activities:

School Nutrition	\$ 126,212
Day Care	14,556
Resale	1,465
	<u>\$ 142,233</u>

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 111,995,000	\$ 34,250,000	\$ 14,235,000	\$ 132,010,000	\$ 5,820,000
Premiums on general obligation bonds	4,656,938	849,629	375,359	5,131,208	-
Revenue bonds	3,500,000	9,000,000	500,000	12,000,000	860,000
Premiums on revenue bonds	-	151,475	4,299	147,176	-
Private placement, revenue bonds	10,836,000	-	979,000	9,857,000	1,012,000
Capital lease	-	398,061	-	398,061	100,002
Early retirement	205,294	202,943	205,294	202,943	202,943
Compensated absences	244,867	252,339	244,867	252,339	252,339
Total	\$ 131,438,099	\$ 45,104,447	\$ 16,543,819	\$ 159,998,727	\$ 8,247,284
Business-type activities:					
Compensated absences	\$ 17,190	\$ 46,724	\$ 17,190	\$ 46,724	\$ 46,724

Compensated absences, net pension liability, and net OPEB liability are generally liquidated from the General Fund for governmental activities and the respective enterprise fund for business-type activities.

General Obligation Bonds:

As of June 30, 2021, the District had the following general obligation bonds:

Series	Interest Rate	Principal Maturities	Maturity	Original Amount	Outstanding Balance
2016B	2.00%	\$340,000-\$4,585,000	June 1, 2027	\$ 7,815,000	\$ 5,985,000
2017	3.00-4.00%	\$1,000,000-\$3,000,000	June 1, 2037	20,000,000	19,705,000
2018A	3.25-3.50%	\$80,000-\$4,340,000	June 1, 2038	9,995,000	9,270,000
2019	5.00%	\$340,000-\$1,820,000	June 1, 2038	9,505,000	9,505,000
2020	3.00%	\$370,000-\$7,000,000	May 1, 2040	56,030,000	53,295,000
2021A	2.00%	\$735,000-\$1,965,000	June 1, 2040	26,000,000	26,000,000
2021B	1.50-1.85%	\$40,000-\$1,300,000	June 1, 2036	8,250,000	8,250,000
				\$ 137,595,000	\$ 132,010,000

On November 1, 2016, the District issued \$10,000,000 in General Obligation School Bonds, Series 2016A. The proceeds of the issue were used for remodel projects on the High School and Elementary Schools. The bonds were current refunded by the 2021B General Obligation Bonds in fiscal year 2021.

On November 30, 2016, the District issued \$7,815,000 in General Obligation School Refunding Bonds, Series 2016B. The proceeds were to refund the outstanding maturities of the District's General Obligation School Bonds, Series 2007.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 6. Long-Term Liabilities (Continued)

On June 1, 2017, the District issued \$20,000,000 in General Obligation School Refunding Bonds, Series 2017. The proceeds of the issue were used for remodel projects on the High School and Elementary Schools.

On May 7, 2018, the District issued \$9,995,000 of General Obligation School Bonds, Series 2018A. The proceeds of the issue were used for remodel projects on the High School and Elementary Schools.

On June 5, 2018, the District issued \$6,200,000 of General Obligation School Refunding Bonds, Series 2018B. The proceeds of the issue were used to refund, in advance of maturity, \$6,280,000 of outstanding maturities of the District's General Obligation School Refunding Bonds, Series 2008. The bonds matured on June 1, 2021.

On January 3, 2019, the District issued \$9,505,000 of General Obligation School Bonds, Series 2019. The proceeds of the issue were used for remodel projects on the High School and Elementary Schools.

On April 22, 2020, the District issued \$56,030,000 of General Obligation School Refunding Bonds, Series 2020. The proceeds of the issue were used to refund \$29,740,000 of outstanding maturities of the District's General Obligation School Bonds, Series 2012C, Series 2013, and Series 2014. The remaining proceeds were used for a completion of school infrastructure projects.

The District issued \$26,000,000 General Obligation School Bonds, Series 2021A on April 22, 2021. The bonds were issued to finance a new 5th and 6th grade building and to improve various other school buildings in the District. The bonds interest rate is 2 percent and require semi-annual interest payments on December 1 and June 1 each year commencing December 1, 2021. Principal due on the bonds ranges from \$735,000 to \$1,965,000 on June 1 each year commencing June 1, 2022 until maturity on June 1, 2040.

The District issued \$8,250,000 General Obligation School Refunding Bonds, Series 2021B on May 4, 2021. The bonds were issued to current refund the District's \$8,300,000 General Obligation School Bonds Series 2016A on June 1, 2021. The bonds are due annually on June 1, in principal installments varying from \$40,000 to \$1,300,000, through June 1, 2036. Interest is payable semiannually on the unpaid balance on December 1 and June 1 with rates varying from 1.5 percent to 1.85 percent. The bonds have an outstanding balance as of June 30, 2021 of \$8,250,000. The District refunded the 2016A bonds to reduce its total debt service payments over the next fifteen years by \$977,166 and to obtain an economic gain of \$752,704.

Details of the District's June 30, 2021 general obligation bonded indebtedness maturities are as follows:

Year Ending June 30	General Obligation Bond Total		
	Interest Rate	Principal	Interest
2022	2.00-3.00	\$ 5,820,000	\$ 3,929,175
2023	2.00-3.00	5,880,000	3,704,431
2024	2.00-3.00	5,665,000	3,544,531
2025	2.00-3.25	5,825,000	3,385,381
2026	2.00-3.25	5,955,000	3,222,106
2027-2031	2.00-5.00	32,220,000	13,608,506
2032-2036	2.00-5.00	36,375,000	8,596,731
2037-2040	2.00-5.00	34,270,000	2,577,225
Total		\$ 132,010,000	\$ 42,568,086

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 6. Long-Term Liabilities (Continued)

School Infrastructure Sales, Services and Use Tax Bonds:

On December 19, 2017, the District issued \$5,000,000 in School Infrastructure Sales, Services and Use Tax Bonds, Series 2017. The proceeds of the issue were used for school infrastructure projects, including the construction of an early childhood center. The bonds have an outstanding balance as of June 30, 2021 of \$3,000,000.

On February 6, 2020, The District issued \$11,780,000 of School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2020 in a private placement. The proceeds of the issue were used to refund \$7,069,000 of outstanding maturities of the District's School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2019. The remaining proceeds were used to purchase land for future school facilities. The bonds have an outstanding balance as of June 30, 2021 of \$9,857,000. The bonds are collateralized by the land purchase.

The District issued \$9,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2020A on November 10, 2020. The bonds were issued to fund improvements and renovations at Prairie Heights and Prairie Crest school buildings. The bonds are due annually on June 1, in principal installments varying from \$360,000 to \$610,000, through June 1, 2040. Interest is payable semiannually on the unpaid balance on December 1 and June 1 with rates varying from 2.0 percent to 2.50 percent.

Details of the District's June 30, 2021 school infrastructure sales, services and use tax revenue bond indebtedness is as follows:

Year Ending June 30	School Infrastructure Sales, Services and Use Tax Bonds Total		
	Interest	Principal	Interest
	Rate		
2022	2.00-2.41	\$ 860,000	\$ 263,125
2023	2.00-2.41	870,000	243,874
2024	2.00-2.41	880,000	224,425
2025	2.00-2.41	890,000	204,775
2026	2.00-2.41	905,000	299,527
2027-2031	2.00-2.41	2,710,000	689,975
2032-2036	2.00-2.25	2,550,000	442,969
2037-2040	2.25-2.50	2,335,000	142,950
Total		\$ 12,000,000	\$ 2,511,620

Year Ending June 30	Private Placement School Infrastructure Sales, Services and Use Tax Bond, Series 2020		
	Interest	Principal	Interest
	Rate		
2022	2.045%	\$ 1,012,000	\$ 201,576
2023	2.045	1,046,000	180,881
2024	2.045	1,080,000	159,490
2025	2.045	1,115,000	137,404
2026	2.045	1,150,000	114,602
2027-2031	2.045	4,454,000	189,653
Total		\$ 9,857,000	\$ 983,606

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 6. Long-Term Liabilities (Continued)

The District has pledged future statewide sales, services and use tax revenues to repay the revenue bonds. The bonds were issued for the purpose of financing a portion of the costs of several ongoing projects or to refund prior year revenue bond issuances. 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 2040. The bonds are not general obligations 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 55 percent of the statewide sales, services, and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$25,352,226. For the current year, \$1,479,000 of principal and \$412,490 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$5,184,061.

The resolution providing for the issuance of the statewide sales, services and use tax revenue bonds include the following provisions.

1. A reserve fund is established to secure the bonds. The reserve fund must be at least equal to the lesser of 10 percent of the stated principal amount of the bonds, the maximum annual principal and interest coming due, or 125 percent of the average annual principal and interest coming due to the bonds. As of June 30, 2021, the reserve was \$627,109.
2. All proceeds from the statewide sales, services and use tax will be retained by the District in District bank accounts and be disbursed to the proper paying agents at the time principal and interest payments are due.

Computer Lease: The District entered into a lease agreement with Apple Computer, Inc. on July 30, 2020, for computers totaling \$408,975. Annual principal and interest payments are made from the Capital Projects Fund. The computers do not meet the District's capitalization thresholds. The following is a payment schedule for the computer lease:

Year Ending June 30	Capital Lease		
	Interest Rate	Principal	Interest
2022	1.45	\$ 100,002	\$ 2,242
2023	1.45	97,928	4,316
2024	1.45	99,346	2,898
2025	1.45	100,785	1,459
Total		\$ 398,061	\$ 10,915

Early retirement: The District offers a voluntary early retirement plan to its certified employees. Eligible employees must be at least age 55 and employees must have completed ten year of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education. At June 30, 2021, the District has obligations to twelve participants with a total liability of \$202,943. Actual early retirement expenditures for the year ended June 30, 2021 totaled \$205,294. The cost of early retirement payments expected to be liquidated currently is recorded as a liability of the Special Revenue, Management Fund.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 6. Long-Term Liabilities (Continued)

Legal debt margin: The June 30, 2021 debt outstanding by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 23,352,135,757</u>
Debt limit, 5% of total assessed valuation	1,167,606,788
Amount of debt applicable to debt limit, total bonded debt	<u>137,141,208</u>
Excess of debt limit over bonded debt	<u>\$ 1,030,465,580</u>

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 Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

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

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

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

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. 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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 7. Pension Plan (Continued)

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 that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2021, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

The District's contributions to IPERS for the year ended June 30, 2021 were \$4,209,421.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the District reported a liability of \$38,632,123 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the District's proportion was 0.549944 percent, which was a decrease of .002294 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$5,996,944. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,678	\$ 915,681
Changes of assumptions	1,982,974	-
Net difference between projected and actual earnings on pension plan investments	2,171,740	-
Changes in proportion and differences between District contributions and proportionate share of contributions	182,400	257,226
District contributions subsequent to the measurement date	4,209,421	-
Total	\$ 8,589,213	\$ 1,172,907

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 7. Pension Plan (Continued)

\$4,209,421 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2022	\$ 438,099
2023	735,205
2024	764,099
2025	1,273,020
2026	(3,538)
Thereafter	-
Total	\$ 3,206,885

There were no non-employer contributing entities to IPERS.

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 7. Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5%	5.15%
Global smart beta equity	6.0%	4.87%
Core plus fixed income	28.0%	-0.29%
Public credit	4.0%	2.29%
Cash	1.0%	-0.78%
Private equity	11.0%	6.54%
Private real assets	7.5%	4.48%
Private credit	3.0%	3.11%
Total	100%	

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

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) 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	\$ 64,415,803	\$ 38,632,123	\$ 17,012,899

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Payables to the Pension Plan – At June 30, 2021, the District reported payables to IPERS of \$0 for legally required employer contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 8. Other Postemployment Benefits (OPEB)

Plan description: The District's defined benefit OPEB plan, College Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. This plan provides medical and prescription drug benefits for eligible employees and retirees and their spouses.

Benefits provided: The medical/prescription drug coverage is provided through a self-insured 28E organization plan with Metro Interagency Insurance Program. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

The full monthly premium rates as of January 1, 2020 for each plan are as shown below:

Rate Tier	HMO Basic	HMO Essential	PPO Choice	PPO Premier
Single	\$ 342	\$ 457	\$ 560	\$ 616
Single plus spouse	698	932	1,144	1,257

Employees covered by benefit terms: At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	38
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	786
	824

Total OPEB Liability

The District's total OPEB liability of \$18,148,762 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00% per annum
Discount rate	2.16% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.50% reduced 0.25% per annum until reaching ultimate health care cost trend rate - 5.00%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the Pub-2010 generational table scaled using MP-19 and applied on a gender-specific basis. The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period 2010– 2018.

College Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2021

Note 8. Other Postemployment Benefits (OPEB) (Continued)

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2020	\$ 15,305,550	\$ -	\$ 15,305,550
Changes for the year:			
Service cost	1,008,737	-	1,008,737
Interest	560,248	-	560,248
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	1,888,602	-	1,888,602
Benefit payments	(614,375)	-	(614,375)
Net changes	2,843,212	-	2,843,212
Balance at June 30, 2021	\$ 18,148,762	\$ -	\$ 18,148,762

There were no changes as a result of changes in benefit terms. Changes of assumptions or other inputs reflect a change in the discount rate from 3.50% per annum in 2020 to 2.16% per annum in 2021.

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

	1% Decrease 1.16%	Discount Rate 2.16%	1% Increase 3.16%
Total OPEB liability	\$ 19,920,728	\$ 18,148,762	\$ 16,500,665

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents that total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	Healthcare Cost Trend Rates		
	1% Decrease 5.5%	6.5%	1% Increase 7.5%
Total OPEB liability	\$ 15,688,411	\$ 18,148,762	\$ 21,146,918

For the year ended June 30, 2021, the District recognized OPEB expense of \$1,904,127. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 748,789	\$ -
Changes of assumptions or other inputs	2,906,585	-
Net difference between projected and actual investments	-	-
Total	\$ 3,655,374	\$ -

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2021**

Note 8. Other Postemployment Benefits (OPEB) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2022	\$	335,142
2023		335,142
2024		335,142
2025		335,142
2026		335,142
Thereafter		1,979,664
	\$	<u>3,655,374</u>

Note 9. 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 \$2,477,198 for the year ended June 30, 2021 and is recorded in the General Fund.

Note 10. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2021 is comprised of the following programs:

Program	Amount
Professional development	\$ 76,843
Teacher leadership	310,826
Four year old preschool	18,120
Successful progression for early readers	32,100
Total	<u>\$ 437,889</u>

Note 11. Construction Commitments

The District has entered into contracts totaling \$131,498,009 for various construction projects throughout the District. As of June 30, 2021, costs of \$94,525,489 had been incurred against these contracts. The remaining balance of \$36,972,520 at June 30, 2021 will be paid as work on the projects progresses.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 12. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2021 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Walford	Urban renewal and economic development projects	\$ 2,203
City of Cedar Rapids	Urban renewal and economic development projects	582,208

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, 2021, this reimbursement amounted to \$11,887.

Note 13. Risk Management

The District is a member of a joint venture with five other local governmental units. The joint venture, the Metro Interagency Insurance Program (MIIP), was incorporated in 1990 under a joint powers agreement in accordance with Chapter 28E of the Code of Iowa. The program provides services necessary and appropriate for the establishment, operation and maintenance of an insurance program for employees rather it is a means of combining the administration of claim and obtaining lower insurance rates from commercial insurance. Although premiums billed to the participants are determined on an actuarial basis, ultimate liability for claims remains with the respective participant and accordingly, the insurance risks are not transferred to MIIP. In the event that the member withdraws from MIIP, the withdrawn members continues to be responsible for its share of cost arising from events occurring when it was a participating member. If the withdrawn member at any time has a negative equity balance, the withdrawn member is immediately liable and obligated to MIIP for that amounts.

The Districts contribute to the self-insurance plan an amount equal to 125% of Wellmark Blue Cross/Blue Shield projections of the rating period. The fund reinsures for stop-loss insurance for claims in excess of \$200,000 per year per individual. An insurance carrier is paid an administrative fee to process the claims.

At June 30, 2021, the District is an active member of MIIP and has a positive equity balance of \$4,700,471. The total premium paid into the plan by all six members from July 1, 2020 to June 30, 2021 was approximately \$45,000,000 of which \$5,919,759 was paid by College Community School District.

MIIP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Metro Interagency Insurance Program 1120 33rd Avenue, SW, Cedar Rapids, Iowa, 52404.

In addition, 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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 14. Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2021:

GASB Statement No. 84, *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the identification criteria established by the Statement is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported as a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

GASB Statement No. 90, *Majority Equity Interest-An Amendment of GASB Statement No. 14 and No. 61*: The primary objectives of this Statement are to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies the reporting of a majority equity interest. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired the 100 percent equity interest in the component unit.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. This new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

The implementation of the above statements did not have a material impact on the District's financial statements.

As of June 30, 2021, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 87, *Leases*, issued June 2017, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 14. Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 89, *Accounting for Interest Cost before the End of a Construction Period*, issued June 2018, will be effective for the District beginning with its fiscal year ending June 30, 2022. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements association with conduit debt obligations; and improving required note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

GASB Statement No. 92, *Omnibus 2020*, issued January 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022 except for the requirements related to the effective date of Statement No. 87 and Implementation Guide 2020-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This statement provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variably payment, clarifies the hedge accounting termination provisions when a hedge item is amended to replace the reference rate, clarifies the uncertainty related to the continued availability of IBORS, removes LIBOR as an appropriate benchmark interest rate for qualitative evaluation, identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifies the definition of reference rate, as it is used in Statement 53, as amended.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2021

Note 14. Governmental Accounting Standards Board (GASB) Statements (Continued)

As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, issued June 2020, will be effective for the District beginning with its fiscal year ending June 30, 2022. The primary objective of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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

Note 15. Subsequent Event

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the District, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact on the District's operations and finances.

On July 22, 2021, the District issued \$9,000,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2021. The bonds are being issued to fund renovations at Prairie Heights and Prairie Crest school buildings. The bonds interest rate is 2 percent with interest due December 1 and June 1 each year commencing June 1, 2022. Principal due on the bonds ranges from \$360,000 to \$610,000 and is due each June 1 commencing June 1, 2022 until maturity on June 1, 2040.

College Community School District

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

	2021	2020	2019	2018
Total OPEB liability				
Changes for the year:				
Service cost	\$ 1,008,737	\$ 979,356	\$ 320,199	\$ 267,096
Interest	560,248	517,298	415,319	417,740
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	247,759	347,319	367,187
Changes in assumptions or other inputs	1,888,602	235,604	1,241,040	-
Benefit payments	(614,375)	(529,346)	(300,754)	(320,089)
Net changes in total OPEB liability	2,843,212	1,450,671	2,023,123	731,934
Total OPEB liability - beginning	15,305,550	13,854,879	11,831,756	11,099,822
Total OPEB liability - ending	<u>\$ 18,148,762</u>	<u>\$ 15,305,550</u>	<u>\$ 13,854,879</u>	<u>\$ 11,831,756</u>
Covered employee payroll	\$ 37,006,760	\$ 41,802,085	\$ 40,905,540	\$ 39,977,630
Total OPEB liability as a percentage of covered employee payroll.	49.0%	36.6%	33.9%	29.6%

Notes to Schedule:

Changes of benefit terms:

There were no changes as a result of changes in benefit terms.

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate. The following are the rate. The following are the discount rates used in each period:

2.16%	3.50%	3.72%	3.72%
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No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75

* The schedule is intended to present information for ten years. Information prior to 2018 is not available.

College Community School District

Required Supplementary Information

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental Funds and Enterprise Fund
Year Ended June 30, 2021

	Governmental Funds - Actual	Enterprise Fund - Actual	Total Actual
Revenues:			
Local sources	\$ 45,954,471	\$ 2,893,856	\$ 48,848,327
State sources	39,631,364	92,606	39,723,970
Federal sources	3,697,272	2,616,553	6,313,825
Total revenues	89,283,107	5,603,015	94,886,122
Expenditures/expenses:			
Instruction	44,709,074	-	44,709,074
Support services	23,331,810	38,247	23,370,057
Non-instructional programs	-	5,428,642	5,428,642
Other expenditures	32,665,806	-	32,665,806
Total expenditures	100,706,690	5,466,889	106,173,579
Excess (deficiency) of revenues over (under) expenditures	(11,423,583)	136,126	(11,287,457)
Total other financing sources, net	44,528,877	120,288	44,649,165
Excess (deficiency) of revenues and other financing sources over (under) expenditures	33,105,294	256,414	33,361,708
Balance, beginning of year	48,456,781	843,964	49,300,745
Balance, end of year	\$ 81,562,075	\$ 1,100,378	\$ 82,662,453

See Notes to Required Supplementary Information.

Budgeted Amounts		Final to Actual
Original	Final	Variance
\$ 48,880,666	\$ 48,880,666	\$ (32,339)
40,144,519	40,144,519	(420,549)
2,904,954	2,904,954	3,408,871
91,930,139	91,930,139	2,955,983
45,529,292	47,125,000	2,415,926
25,667,275	26,450,000	3,079,943
5,512,821	5,512,821	84,179
23,485,858	38,000,000	5,334,194
100,195,246	117,087,821	10,914,242
(8,265,107)	(25,157,682)	13,870,225
1,254	1,254	44,647,911
\$ (8,263,853)	\$ (25,156,428)	\$ 58,518,136

College Community School District

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net Pension Liability (In Thousands)

Iowa Public Employees' Retirement System

Last Seven Fiscal Years

	2021*	2020*	2019*
District's proportion of the net pension liability	0.549944%	0.552238%	0.550384%
District's proportionate share of the net pension liability	\$ 38,632	\$ 32,193	\$ 34,819
District's covered payroll	43,715	42,344	41,420
District's proportionate share of the net pension liability as a percentage of its employee covered payroll	88.37%	76.03%	84.06%
Plan fiduciary net pension as a percentage of the total pension liability	82.90%	85.45%	83.62%

*The amounts presented for each fiscal year were determined as of June 30 of the preceding year

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

See Notes to Required Supplementary Information

	2018*	2017*	2016*	2015*
	0.554504%	0.566834%	0.556838%	0.521487%
\$	36,607	\$ 35,349	\$ 27,683	\$ 21,105
	41,055	40,333	38,427	34,821
	89.17%	87.64%	72.04%	60.61%
	82.21%	81.82%	85.19%	87.61%

College Community School District

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

	2021	2020	2019	2018
Statutorily required contribution	\$ 4,209	\$ 4,127	\$ 3,997	\$ 3,699
Contributions in relation to the statutorily required contribution	(4,209)	(4,127)	(4,011)	(3,699)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 44,664	\$ 43,715	\$ 42,344	\$ 41,420
Contributions as a percentage of covered payroll	9.42%	9.44%	9.44%	8.93%

See Notes to Required Supplementary Information.

	2017	2016	2015	2014	2013	2012
\$	3,666	\$ 3,602	\$ 3,432	\$ 3,019	\$ 2,617	\$ 2,152
	(3,666)	(3,602)	(3,432)	(3,019)	(2,617)	(2,152)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	41,055	\$ 40,333	\$ 38,427	\$ 34,821	\$ 32,431	\$ 30,966
	8.93%	8.93%	8.93%	8.67%	8.07%	6.95%

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College Community School District

Notes to Required Supplementary Information Year Ended June 30, 2021

Note 1. Budgets and Budgetary Information

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, noninstructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the fiscal year, the District adopted one budget amendment increasing budgeted expenditures by \$16,892,575.

Note 2. Pension Liability

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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

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

College Community School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2021

	Special Revenue		Total
	Student Activity	Management Levy	
Assets			
Cash and pooled investments	\$ 731,517	\$ 1,743,408	\$ 2,474,925
Receivables:			
Property tax:			
Delinquent	-	15,553	15,553
Succeeding year	-	2,350,000	2,350,000
Other	496	-	496
Total assets	\$ 732,013	\$ 4,108,961	\$ 4,840,974
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Accounts payable	\$ 6,409	\$ -	\$ 6,409
Early retirement	-	202,943	202,943
Total liabilities	6,409	202,943	209,352
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	-	2,350,000	2,350,000
Fund balances restricted for:			
Management levy purposes	-	1,556,018	1,556,018
Student activities	725,604	-	725,604
Total fund balances	725,604	1,556,018	2,281,622
Total liabilities, deferred inflows of resources and fund balances	\$ 732,013	\$ 4,108,961	\$ 4,840,974

College Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended June 30, 2021

	Special Revenue		
	Student Activity	Management Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	\$ 1,359,675	\$ 1,359,675
Other	505,832	31,737	537,569
State sources	-	52,778	52,778
Total revenues	505,832	1,444,190	1,950,022
Expenditures:			
Current:			
Instruction:			
Regular	-	563,766	563,766
Other	555,368	-	555,368
Support services:			
Administration services	-	469,194	469,194
Operation and maintenance of plant services	-	383,543	383,543
Transportation services	266	185,605	185,871
Total expenditures	555,634	1,602,108	2,157,742
(Deficiency) of revenues (under) expenditures	(49,802)	(157,918)	(207,720)
Other financing sources (uses):			
Transfers in	59,564	-	59,564
Transfers out	(73,000)	(80,841)	(153,841)
Total other financing sources (uses)	(13,436)	(80,841)	(94,277)
Net change in fund balances	(63,238)	(238,759)	(301,997)
Fund balances, beginning of year	788,842	1,794,777	2,583,619
Fund balances, end of year	\$ 725,604	\$ 1,556,018	\$ 2,281,622

College Community School District

Schedule of Combining Balance Sheet

Capital Projects Fund - By Account

June 30, 2021

	Capital Projects Fund Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
Assets				
Cash and pooled investments	\$ 7,738,820	\$ 3,194,709	\$ 53,556,101	\$ 64,489,630
Restricted cash and investments	627,109	-	-	627,109
Receivables:				
Property tax:				
Delinquent	-	25,999	-	25,999
Succeeding year	-	2,407,215	-	2,407,215
Other	-	-	12,484	12,484
Due from other governments	1,180,185	-	-	1,180,185
Total assets	\$ 9,546,114	\$ 5,627,923	\$ 53,568,585	\$ 68,742,622
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities, accounts payable	\$ 960,984	\$ 31,952	\$ 385,338	\$ 1,378,274
Deferred inflows of resources, unavailable revenue:				
Statewide sales and services tax	746,083	-	-	746,083
Succeeding year property tax	-	2,407,215	-	2,407,215
Total deferred inflows of resources	746,083	2,407,215	-	3,153,298
Fund Balances:				
Restricted for:				
Debt service	627,109	-	-	627,109
School infrastructure	7,211,938	-	53,183,247	60,395,185
Physical plant and equipment	-	3,188,756	-	3,188,756
Total fund balances	7,839,047	3,188,756	53,183,247	64,211,050
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,546,114	\$ 5,627,923	\$ 53,568,585	\$ 68,742,622

College Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund - By Account

Year Ended June 30, 2021

	Capital Projects Fund Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Local tax	\$ -	\$ 2,360,788	\$ -	\$ 2,360,788
Other	154,908	653,954	284,475	1,093,337
State sources	5,184,061	88,744	-	5,272,805
Federal sources	-	12,700	-	12,700
Total revenues	5,338,969	3,116,186	284,475	8,739,630
Expenditures:				
Current:				
Instruction, regular	917,638	51,165	-	968,803
Support services:				
Instructional staff	704,887	268,042	-	972,929
Operation and maintenance of plant services	-	343,289	-	343,289
Student transportation	-	508,661	-	508,661
Capital outlay	5,835,855	521,787	3,494,084	9,851,726
Debt service:				
Interest and fiscal charges	216,496	-	260,000	476,496
Total expenditures	7,674,876	1,692,944	3,754,084	13,121,904
Excess (deficiency) of revenues over (under) expenditures	(2,335,907)	1,423,242	(3,469,609)	(4,382,274)
Other financing sources (uses):				
Issuance of long-term debt	9,000,000	-	26,000,000	35,000,000
Premium on issuance of long-term debt	151,475	-	706,363	857,838
Issuance of lease	398,061	-	-	398,061
Transfers in	-	80,840	-	80,840
Transfers out	(1,891,490)	-	-	(1,891,490)
Total other financing sources (uses)	7,658,046	80,840	26,706,363	34,445,249
Net change in fund balance	5,322,139	1,504,082	23,236,754	30,062,975
Fund balance, beginning of year	2,516,908	1,684,674	29,946,493	34,148,075
Fund balance, end of year	\$ 7,839,047	\$ 3,188,756	\$ 53,183,247	\$ 64,211,050

College Community School District

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2021

	School Nutrition	Day Care	Resale	Student Built House	Total
Assets					
Current:					
Cash and cash equivalents	\$ 736,911	\$ 968,513	\$ 170,335	\$ 60,877	\$ 1,936,636
Accounts receivable	206,714	15	1,960	-	208,689
Inventories	9,470	-	-	327,312	336,782
Total current assets	953,095	968,528	172,295	388,189	2,482,107
Noncurrent:					
Capital assets, net of accumulated depreciation	755,108	99,081	5,127	-	859,316
Total noncurrent assets	755,108	99,081	5,127	-	859,316
Total assets	1,708,203	1,067,609	177,422	388,189	3,341,423
Deferred Outflows of Resources:					
OPEB related deferred outflows	37,749	46,914	311	-	84,974
Pension related deferred outflows	204,930	252,186	1,808	-	458,924
	242,679	299,100	2,119	-	543,898
Liabilities					
Current:					
Accounts payable	166,310	9,421	745	8,306	184,782
Salaries and benefits payable	14,939	79,750	2,892	-	97,581
Compensated absences	2,893	43,831	-	-	46,724
Due to other funds	-	-	-	250,000	250,000
Total current liabilities	184,142	133,002	3,637	258,306	579,087
Noncurrent:					
Net pension liability	894,652	1,082,753	8,768	-	1,986,173
Net OPEB liability	69,090	85,865	569	-	155,524
Total noncurrent liabilities	963,742	1,168,618	9,337	-	2,141,697
Total liabilities	1,147,884	1,301,620	12,974	258,306	2,720,784
Deferred Inflows of Resources:					
Pension related deferred inflows	28,502	35,422	235	-	64,159
Total deferred inflows	28,502	35,422	235	-	64,159
Net Position					
Investment in capital assets	755,108	99,081	5,127	-	859,316
Unrestricted	19,388	(69,414)	161,205	129,883	241,062
Total net position	\$ 774,496	\$ 29,667	\$ 166,332	\$ 129,883	\$ 1,100,378

College Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended June 30, 2021

	School Nutrition	Day Care	Resale	Student Built House	Total
Operating revenues:					
Local sources:					
Charges for services	\$ 223,491	\$ 2,447,386	\$ 100,678	\$ -	\$ 2,771,555
Miscellaneous	-	-	-	121,634	121,634
Total operating revenues	223,491	2,447,386	100,678	121,634	2,893,189
Operating expenses:					
Support services:					
Administrative services	-	10,747	-	-	10,747
Operation and maintenance of plant	-	27,500	-	-	27,500
Total support services	-	38,247	-	-	38,247
Non-instructional programs:					
Salaries	1,087,714	1,674,569	3,391	-	2,765,674
Benefits	489,073	476,512	1,173	-	966,758
Services	797	28,921	4,611	-	34,329
Supplies	1,368,292	104,025	39,989	7,342	1,519,648
Depreciation	126,212	14,556	1,465	-	142,233
Total food service	3,072,088	2,298,583	50,629	7,342	5,428,642
Total operating expenses	3,072,088	2,336,830	50,629	7,342	5,466,889
Operating income (loss)	(2,848,597)	110,556	50,049	114,292	(2,573,700)
Nonoperating revenues:					
State sources	18,446	74,160	-	-	92,606
Federal sources	2,616,553	-	-	-	2,616,553
Interest on investments	255	348	64	-	667
Total nonoperating revenues	2,635,254	74,508	64	-	2,709,826
Income (loss) before transfers	(213,343)	185,064	50,113	114,292	136,126
Transfers in	88,145	32,143	-	-	120,288
Change in net position	(125,198)	217,207	50,113	114,292	256,414
Net position, beginning of year	899,694	(187,540)	116,219	15,591	843,964
Net position, end of year	\$ 774,496	\$ 29,667	\$ 166,332	\$ 129,883	\$ 1,100,378

College Community School District

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2021

	School Nutrition	Day Care	Resale	Student Built House	Total
Cash flows from operating activities:					
Cash received from charges for services	\$ 16,823	\$ 2,447,371	\$ 98,718	\$ -	\$ 2,562,912
Cash received from miscellaneous operating activities	-	-	-	121,634	121,634
Cash payments to employees for services	(1,493,181)	(2,031,023)	(1,056)	-	(3,525,260)
Cash payments to suppliers for goods or services	(1,137,629)	(153,218)	(44,010)	(104,421)	(1,439,278)
Net cash provided by (used in) operating activities	(2,613,987)	263,130	53,652	17,213	(2,279,992)
Cash flows from noncapital financing activities:					
Payments from other funds	88,145	39,292	-	-	127,437
State grants received	18,446	74,160	-	-	92,606
Federal grants received	2,417,323	-	-	-	2,417,323
Net cash provided by noncapital financing activities	2,523,914	113,452	-	-	2,637,366
Cash flows from capital financing activities, acquisition of capital assets	(3,650)	(4,097)	(1,328)	-	(9,075)
Cash flows from investing activities, interest on investments	255	348	64	-	667
Net increase (decrease) in cash and cash equivalents	(93,468)	372,833	52,388	17,213	348,966
Cash and cash equivalents, beginning of year	830,379	595,680	117,947	43,664	1,587,670
Cash and cash equivalents, end of year	\$ 736,911	\$ 968,513	\$ 170,335	\$ 60,877	\$ 1,936,636

(Continued)

College Community School District

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year Ended June 30, 2021

	School Nutrition	Day Care	Resale	Student Built House	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (2,848,597)	\$ 110,556	\$ 50,049	\$ 114,292	\$ (2,573,700)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Commodities consumed	199,230	-	-	-	199,230
Depreciation	126,212	14,556	1,465	-	142,233
Change in assets and liabilities:					
Inventories	31,871	-	-	(105,235)	(73,364)
Accounts receivable	(206,668)	(15)	(1,960)	-	(208,643)
Accounts payable	359	7,228	590	8,156	16,333
Salaries and benefits payable	8,441	8,727	2,892	-	20,060
Compensated absences	389	29,145	-	-	29,534
Net OPEB liability	31,341	38,951	258	-	70,550
Net pension liability	43,435	53,982	358	-	97,775
Net cash provided by (used in) operating activities	\$ (2,613,987)	\$ 263,130	\$ 53,652	\$ 17,213	\$ (2,279,992)

Noncash: Noncapital financing activities:

During the year ended June 30, 2021, the District used \$199,230 of federal commodities.

College Community School District

Combining Statement of Net Position

Internal Service Funds

June 30, 2021

	Dental Flex Benefits	Print Shop	Total
Assets			
Current:			
Cash and cash equivalents	\$ 150,003	\$ 170,060	\$ 320,063
Inventories	-	55,400	55,400
Total current assets	150,003	225,460	375,463
Noncurrent:			
Capital assets, net of accumulated depreciation	-	27,694	27,694
Total noncurrent assets	-	27,694	27,694
Total assets	150,003	253,154	403,157
Net Position			
Investment in capital assets	-	27,694	27,694
Unrestricted	150,003	225,460	375,463
Total net position	\$ 150,003	\$ 253,154	\$ 403,157

College Community School District

**Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2021**

	Dental Flex Benefits	Print Shop	Total
Operating revenues:			
Local sources, charges for services	\$ 150,000	\$ 69,651	\$ 219,651
Total operating revenues	<u>150,000</u>	<u>69,651</u>	<u>219,651</u>
Operating expenses:			
Non-instructional programs:			
Supplies	-	38,549	38,549
Depreciation	-	22,221	22,221
Total operating expenses	<u>-</u>	<u>60,770</u>	<u>60,770</u>
Operating income	<u>150,000</u>	<u>8,881</u>	<u>158,881</u>
Nonoperating revenues:			
Interest on investments	3	-	3
Change in net position	<u>150,003</u>	<u>8,881</u>	<u>158,884</u>
Net position, beginning of year	-	244,273	244,273
Net position, end of year	<u>\$ 150,003</u>	<u>\$ 253,154</u>	<u>\$ 403,157</u>

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College Community School District

Combining Statement of Cash Flows

Internal Service Fund

Year Ended June 30, 2021

	Dental Flex Benefits	Print Shop	Total
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ -	\$ 69,651	\$ 69,651
Cash received from employees	150,000	-	150,000
Cash payments to suppliers for goods or services	-	(44,034)	(44,034)
Net cash provided by operating activities	150,000	25,617	175,617
Cash flows from capital financing activities, acquisition of capital assets	-	(6,442)	(6,442)
Cash flows from investing activities, interest on investments	3	-	3
Net increase in cash and cash equivalents	150,003	19,175	169,178
Cash and cash equivalents, beginning of year	-	150,885	150,885
Cash and cash equivalents, end of year	<u>\$ 150,003</u>	<u>\$ 170,060</u>	<u>\$ 320,063</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 150,000	\$ 8,881	\$ 158,881
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	22,221	22,221
Inventories	-	(5,485)	(5,485)
Net cash provided by operating activities	\$ 150,000	\$ 25,617	\$ 175,617

College Community School District

Combining Statement of Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds		Total
	Foundation	Parent Groups	
Assets			
Current:			
Cash and cash equivalents	\$ 55,182	\$ 170,969	\$ 226,151
Other receivables	-	2,500	2,500
Total current assets	<u>55,182</u>	<u>173,469</u>	<u>228,651</u>
Liabilities			
Accounts payable	-	3,140	3,140
Net Position			
Restricted	55,182	170,329	225,511
Total net position	<u>\$ 55,182</u>	<u>\$ 170,329</u>	<u>\$ 225,511</u>

College Community School District

Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2021

	Custodial Funds		Total
	Foundation	Parent Groups	
Additions			
Local sources:			
Donations	\$ 67,544	\$ 139,187	\$ 206,731
Interest	26	89	115
Total additions	<u>67,570</u>	<u>139,276</u>	<u>206,846</u>
Deductions:			
Administrative expenses	33,619	152,295	185,914
Total deductions	<u>33,619</u>	<u>152,295</u>	<u>185,914</u>
Change in net position	33,951	(13,019)	20,932
Net position, beginning of year	21,231	183,348	204,579
Net position, end of year	<u>\$ 55,182</u>	<u>\$ 170,329</u>	<u>\$ 225,511</u>

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Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Indirect:				
U.S. Department of Agriculture:				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Programs:				
COVID-19 National School Lunch Program	10.555	FY21 4056	\$ -	\$ 98,135
Commodities-DOD (Noncash)	10.555	FY21	-	112,998
Commodities (Noncash)	10.555	FY21	-	86,232
Summer Food Service Program for Children	10.559	FY21 4556	-	2,319,187
Total Child Nutrition Cluster,				
Total U.S. Department of Agriculture			-	<u>2,616,552</u>
U.S. Department of Treasury:				
Pass-Through Johnson County:				
COVID-19 Coronavirus Relief Fund	21.019	FY21 4059	-	<u>66,324</u>
U.S. Department of Education:				
Pass-Through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY21 4501	-	<u>536,380</u>
Education for Homeless Children and Youth	84.196	FY21 4565	-	<u>47,044</u>
Supporting Effective Instruction State Grants	84.367	FY21 4669	-	<u>91,701</u>
Student Support and Academic Enrichment Program	84.424	FY21 4669	-	<u>52,363</u>
Education Stabilization Fund:				
COVID-19 Governor's Emergency Education Relief (GEERF) Fund	84.425C	FY21 4051	-	112,400
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund, ESSER I	84.425D	FY21 4052	-	287,491
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund, ESSER II	84.425D	FY21 4055	-	1,688,940
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund, ESSER III	84.425U	FY21 4043	-	<u>3,507</u>
Total Education Stabilization Fund			-	<u>2,092,338</u>
Pass-Through Grant Wood Area Education Agency:				
Special Education Cluster,				
Special Education Grants to States (IDEA, Part B)	84.027	FY21 4720	-	<u>239,158</u>
Career and Technical Education-				
Basic Grants to States	84.048	FY21 4531	-	<u>12,475</u>
English Language Acquisition State Grants	84.365	FY21 4644	-	<u>17,314</u>
Total U.S. Department of Education			-	<u>3,088,773</u>
U.S. Department of Health & Human Services:				
Pass-Through Iowa Department of Education:				
Foster Care Title IV-E	93.658	FY21 4623	-	<u>3,344</u>
Total expenditures of federal awards			\$ -	<u>\$ 5,774,993</u>

See notes to schedule of expenditures of federal awards.

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College Community School District

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of College Community School District under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 2. Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual or accrual basis of accounting based on the fund type of the program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Indirect Cost Rate

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

Note 4. Donated Personal Protective Equipment (Unaudited)

The District received \$35,550 in donated personal protective equipment from the State of Iowa.



College Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021**

Findings	Status	Corrective Action Plan or Other Explanation
Findings Pertaining to Statutory Reporting:		
IV-M-2020 The District had a deficit balance in the Proprietary-Day Care Fund.	Corrected.	



**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
College Community School District
Cedar Rapids, Iowa

We 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 College Community School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered College 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of College Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of College Community School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether College Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questions Costs.

Comments involving statutory and other legal matters about College Community School District's operations for the year ended June 30, 2021 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

College Community School District's Responses to Findings

College Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. College Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Moline, Illinois
December 21, 2021



Independent Auditor’s Report on Compliance For Each Major Federal Program and On Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Education
College Community School District
Cedar Rapids, Iowa

Report on Compliance for Each Major Federal Program

We have audited College Community School District’s (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2021. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District’s compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Moline, Illinois
December 21, 2021

College Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

Yes No

• Significant deficiency identified?

Yes None Reported

• Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?

Yes No

• Significant deficiency identified?

Yes None Reported

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

Unmodified

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

Yes No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
Child Nutrition Cluster Program:	
10.555	COVID-19 National School Lunch Program
10.555	Commodities-DOD (Noncash)
10.555	Commodities (Noncash)
10.559	Summer Food Service Program for Children
Education Stabilization Fund:	
84.425C	COVID-19 Governor's Emergency Education Relief (GEERF) Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief (ESSER I and ESSER II) Fund
84.425U	COVID-19 Elementary and Secondary School Emergency Relief (ESSER III) Fund

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

Auditee qualified as low-risk auditee?

Yes No

(Continued)

College Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

Significant Deficiency

2021-001

Finding: The District has insufficient segregation of duties over the receipts process.

Criteria: A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles (GAAP).

Condition: The following conditions were identified:

- An employee with access to cash and checks from the school buildings, prepares deposits, reconciles subsidiary ledgers to bank activity and has access to modify amounts posted to the general ledger. The same position prepares the start-up tills for gates and events and posts activities and events receipts to the general ledger.
- An employee with billing access also collects receipts, prepares the deposit, and has access to post journal entries to the general ledger.
- There is currently not a formal review process over voided receipt transactions.

Context: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to its completion. The deficiency is over receipts paid by cash or check.

Cause: The District has not limited access to cash and checks to individuals without reconciliation and posting access.

Effect: Misappropriations of assets or errors could occur and not be detected in a timely basis.

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

Recommendation: Positions responsible for collecting receipts or with access to cash and checks should be segregated from posting receipts to the financial ledger system and reconciling accounts. We provide the following recommendations to strengthen the District's internal controls system:

1. Remove all access to cash and checks to an employee within the Business Office not involved in billing, reconciliation, or posting receipts.
2. Sponsors and coaches have access to monthly reports detailing the revenues deposited from their specific activities. The sponsors/coaches should match the report to their receipt collection documentation. Monthly, sponsors/coaches should sign, or email approval of the activity information provided to them.
3. A monthly accounts receivable report should be generated by the Grant Wood system and reviewed by the Chief Financial Officer.
4. A formal process should be implemented for reviewing void transactions within the InTouch software and the Day Care software. The review should be performed by an employee not involved in collecting receipts for the purpose of ensuring voided receipts were proper.

Response and Corrective Action Plan: The District will review current process and realign duties were possible.

College Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

Part IV: Other Findings Related to Statutory Reporting

IV-A-21

Certified Budget- District expenditures for the year ended June 30, 2021 did not exceed the amounts budgeted.

IV-B-21

Questionable Expenditures – No expenditures were noted that we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979.

IV-C-21

Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-21

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

IV-E-21

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

IV-F-21

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 insure that the coverage is adequate for current operations.

IV-G-21

Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-H-21

Certified Enrollment

Finding: The Department of Management identified variances in certified enrollment certified to the state in October 2020.

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

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

Conclusion: Response accepted.

(Continued)

College Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

IV-I-21

Supplementary Weighting- No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-J-21

Deposits and Investments – No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.

IV-K-21

Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely.

IV-L-21

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

IV-M-21

Statewide Sales and Services Tax – No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2021, the District did not reduce tax levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

Beginning balance	\$	2,516,908
Revenue / transfers in:		
Statewide sales and services tax revenue		5,184,061
Transfers in/other		154,908
Issuance of long term debt		9,000,000
Premium on issuance of long term debt		151,475
Issuance of lease		398,061
Expenditures/transfers out:		
Transfers out		(1,891,490)
Capital outlay for facilities and property and equipment		(7,674,876)
Ending balance	\$	<u>7,839,047</u>



College Community School District

**Corrective Action Plan
Year Ended June 30, 2021**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Pertaining to the Financial Statements:				
2021-001	The District has insufficient segregation of duties over the receipt process.	See response and corrective action plan at 2021-001.	June 30, 2022	Angie Morrison
Findings Pertaining to Statutory Reporting:				
IV-H-21	There were variances in certified enrollment certified to the state in October 2020.	See response and corrective action plan at IV-H-21	June 30, 2022	Angie Morrison