

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

Financial and Compliance Report
Year Ended June 30, 2022

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College Community School District

**Board of Education and School District Officials
Year Ended June 30, 2022**

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	2025
Tobey Harrison	Board Member	2025
Dawn Kousheh	Board Member	2023
Jed Peterson	Board Member	2025

School District Officials

Dr. Doug Wheeler	Superintendent	2022
Angela Morrison	Chief Financial Officer	2022

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the College Community School District, Iowa as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the College Community School District, Iowa, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 15 to the financial statements, College Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, *Leases*. As a result, June 30, 2021 governmental activities net position is restated by \$1,364. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College Community School District, Iowa's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of College Community School District, Iowa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about College Community School District, Iowa's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in the District's total OPEB liability and related ratios and schedules of the District's proportionate share of the net pension liability and District contributions for the Iowa Public Employee's Retirement System, and budgetary comparison information, on pages 4-14 and 60-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College Community School District, Iowa's basic financial statements. The supplementary information as listed in the table of contents and the Schedule of Expenditures of Federal Awards required by Title 2, *U.S. Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepared the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared 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 and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023, on our consideration of the College Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College Community School District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
January 17, 2023

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College Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

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, 2022. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2021-22 Financial Highlights

- The District's net position for governmental activities was \$46,310,127 at June 30, 2022, compared to a restated net position due to GASB Statement No. 87 of \$33,774,455 at June 30, 2021, an increase of \$12,535,672 or 37.1 percent.
- The District's net position for business-type activities was \$2,079,932 at June 30, 2022 compared to \$1,100,378 at June 30, 2021, an increase of \$979,554 or 89.0 percent.
- The District's long-term bonded debt and capital loan notes increased approximately \$1,083,000 due to the scheduled debt repayments being less than the issuance of \$25,485,000 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:

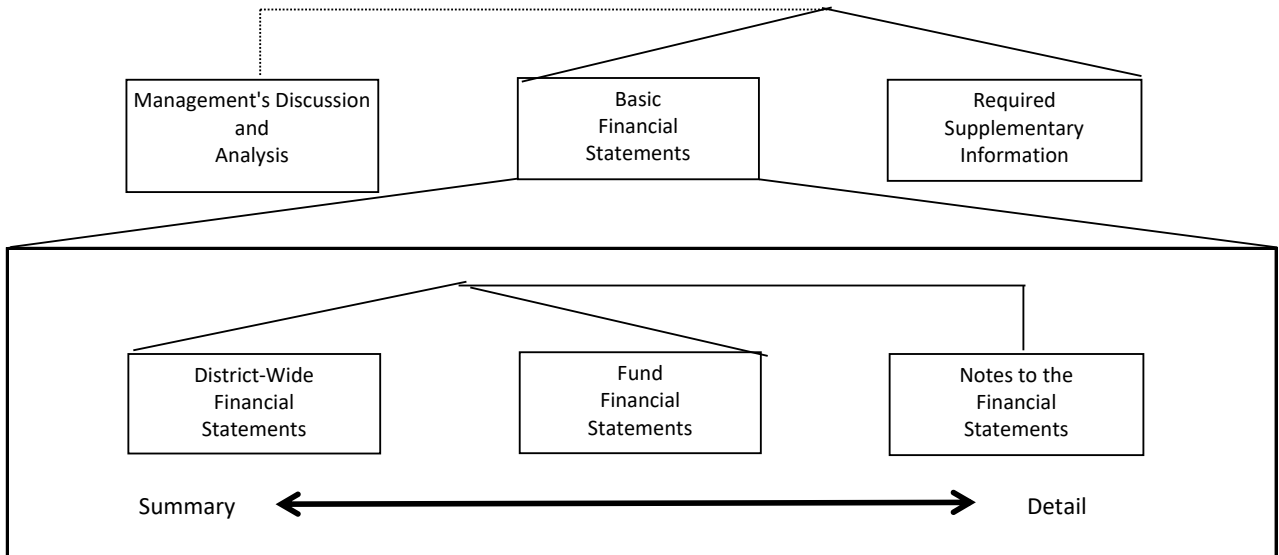
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about 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, 2022**

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, 2022**

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, 2022

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, 2022

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 39 percent, increasing from a restated net position of \$34,874,833 at June 30, 2021, to \$48,390,059 at June 30, 2022. Figure A-3 below provides a summary of the District's net position as of June 30, 2022 compared to June 30, 2021.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2021-2022
	2022	Restated 2021	2022	2021	2022	Restated 2021	
Current and other assets	\$ 100,138,871	\$ 124,216,614	\$ 3,669,799	\$ 2,232,107	\$ 103,808,670	\$ 126,448,721	-18%
Capital assets	193,112,696	156,414,183	837,884	859,316	193,950,580	157,273,499	23%
Total assets	293,251,567	280,630,797	4,507,683	3,091,423	297,759,250	283,722,220	5%
Deferred outflows of resources	8,527,360	11,700,689	337,706	543,898	8,865,066	12,244,587	-28%
Long-term obligations	176,332,731	214,805,319	715,725	2,188,421	177,048,456	216,993,740	-18%
Other liabilities	7,019,842	2,856,251	272,201	282,363	7,292,043	3,138,614	132%
Total liabilities	183,352,573	217,661,570	987,926	2,470,784	184,340,499	220,132,354	-16%
Deferred inflows of resources	72,116,227	40,895,461	1,777,531	64,159	73,893,758	40,959,620	80%
Net position:							
Net investment in capital assets	54,318,933	50,539,142	837,884	859,316	55,156,817	51,398,458	7%
Restricted	16,006,968	14,441,505	-	-	16,006,968	14,441,505	11%
Unrestricted	(24,015,774)	(31,206,192)	1,242,048	241,062	(22,773,726)	(30,965,130)	-26%
Total net position	\$ 46,310,127	\$ 33,774,455	\$ 2,079,932	\$ 1,100,378	\$ 48,390,059	\$ 34,874,833	39%

Net investment in capital assets, such as land, buildings, machinery and equipment, less any outstanding debt used to acquire those assets is \$55,156,817. 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. \$16,006,968 of net position has external restrictions on how the funds may be used. The deficit remaining balance of \$22,773,726 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 and the related deferred inflows of resources.

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

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 \$1,565,463 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 increased \$8,191,404, or 26 percent. Unrestricted net position increased primarily due to the reduction in the net pension liability and related deferrals.

The following figure shows changes in net position for the year ended June 30, 2022, compared to the year ended June 30, 2021.

Figure A-4 Changes in Net Position From Operating Results

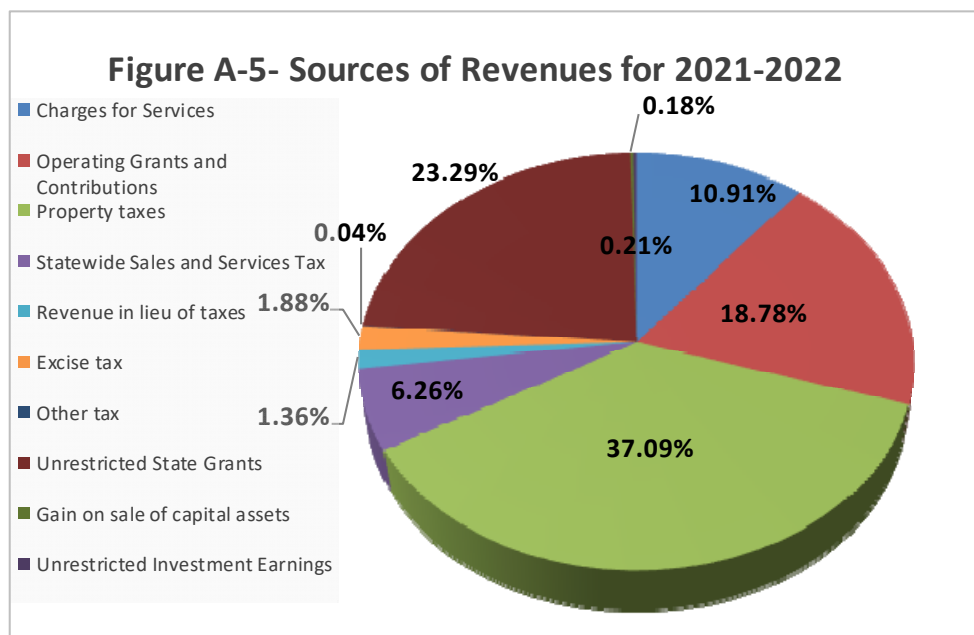
	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2021-22
	Not restated				Not restated		
	2022	2021	2022	2021	2022	2021	
Revenues:							
Program revenues:							
Charges for services	\$ 7,874,731	\$ 7,952,184	\$ 3,019,079	\$ 2,893,189	\$ 10,893,810	\$ 10,845,373	0.4%
Operating grants, contributions and restricted interest	14,238,753	12,713,951	4,519,668	2,709,159	18,758,421	15,423,110	21.6%
Capital grants, contributions and restricted interest	-	-	-	-	-	-	-
General revenues:							
Property taxes	37,041,377	36,039,778	-	-	37,041,377	36,039,778	2.8%
Revenue in lieu of taxes	1,358,597	1,473,969	-	-	1,358,597	1,473,969	-7.8%
Statewide sales and services tax	6,252,782	5,930,144	-	-	6,252,782	5,930,144	5.4%
Excise tax	1,878,840	2,190,733	-	-	1,878,840	2,190,733	-14.2%
Other tax	37,823	-	-	-	37,823	-	0.0%
Unrestricted state grants	23,259,286	23,430,525	-	-	23,259,286	23,430,525	-0.7%
Unrestricted investment earnings	185,749	297,906	27,792	667	213,541	298,573	-28.5%
Other	186,368	-	-	-	186,368	-	0.0%
Total revenues	92,314,306	90,029,190	7,566,539	5,603,015	99,880,845	95,632,205	4.4%
Expenses:							
Instruction	43,436,215	46,802,478	-	-	43,436,215	46,802,478	-7.2%
Support services	22,903,243	25,224,753	-	38,247	22,903,243	25,263,000	-9.3%
Noninstructional	-	-	6,586,985	5,428,642	6,586,985	5,428,642	21.3%
Other	13,439,176	12,543,607	-	-	13,439,176	12,543,607	7.1%
Total expenses	79,778,634	84,570,838	6,586,985	5,466,889	86,365,619	90,037,727	-4.1%
Increase in net position before transfer	12,535,672	5,458,352	979,554	136,126	13,515,226	5,594,478	141.6%
Transfers	-	(120,288)	-	120,288	-	-	0.0%
Change in net position	12,535,672	5,338,064	979,554	256,414	13,515,226	5,594,478	141.6%
Net position, beginning, restated	33,774,455	28,437,755	1,100,378	843,964	34,874,833	29,281,719	19.1%
Net position, ending	\$ 46,310,127	\$ 33,775,819	\$ 2,079,932	\$ 1,100,378	\$ 48,390,059	\$ 34,876,197	38.7%

College Community School District

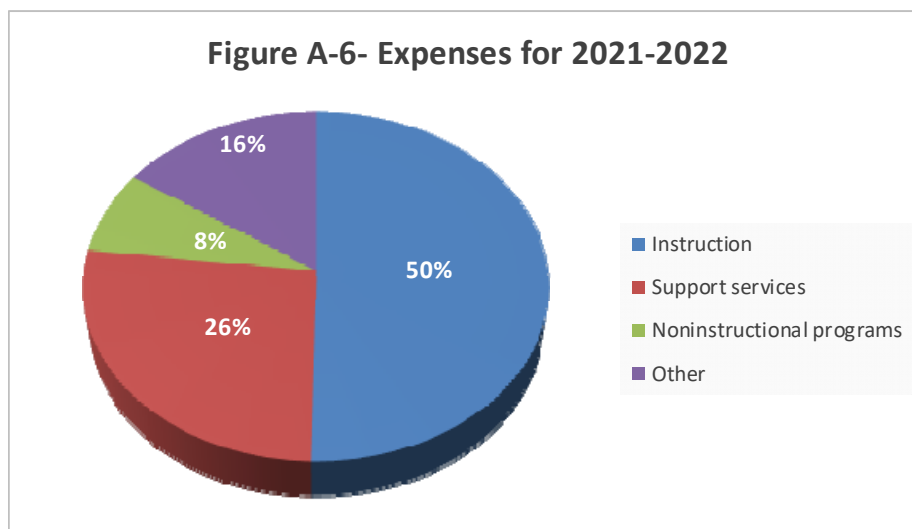
Management's Discussion and Analysis Year Ended June 30, 2022

During fiscal year 2022, property tax, revenue in lieu of taxes, stateside sales and services tax, excise tax, other tax and unrestricted state grants accounted for 75.6 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 4.4 percent increase in revenue while experiencing a 4.1 percent decrease in expenses. The District's total revenue was \$99,880,845 of which \$92,314,306 was for governmental activities, while the remaining \$7,566,539 was for business-type activities. Property taxes and unrestricted state grants account for most of the District's revenue, with each contributing approximately 37 and 23 percent of the total revenue. (See figure A-5).



The total cost for all programs and services decreased 4.1 percent to \$86,365,619. The District's total expenses are listed in Figure A-6. The chart shows that the majority of the District's expenses (76 percent) are devoted to instruction and support services.



College Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Governmental Activities

Revenues for the District's governmental activities increased 2.0 percent, while expenses decreased 6.0 percent. The increase in revenues can be attributed to the increase operating grants revenue 2022 as compared to fiscal year 2021 due to the COVID-19 federal programs received and expended in fiscal year 2022. The decrease in expenses is due to the decrease in the net pension liability and related deferrals.

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, 2022 compared to the year ended June 30, 2021.

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2022	2021	Change 2021-22	2022	2021	Change 2021-22
Instruction	\$ 43,436,215	\$ 46,802,478	-7.2%	\$ (25,811,587)	\$ (29,286,093)	-11.9%
Support services	22,903,243	25,224,753	-9.2%	(20,895,422)	(24,552,201)	-14.9%
Other	13,439,176	12,543,607	7.1%	(10,958,141)	(10,066,409)	8.9%
Total	\$ 79,778,634	\$ 84,570,838	-5.7%	\$ (57,665,150)	\$ (63,904,703)	-9.8%

For the year ended June 30, 2022:

- The cost financed by users of the District's programs was approximately \$7,874,731.
- Federal and state governments subsidized certain programs with grants and contributions as well as contributions from local sources totaling approximately \$14,238,753.
- The net cost of governmental activities was financed with \$37,041,377 in property tax, \$1,358,597 revenue in lieu of taxes, \$1,878,840 in excise tax, \$37,823 in other tax, \$6,252,782 in statewide sales, services and use tax, \$23,259,286 in unrestricted state grants, \$185,749 in unrestricted interest, and \$186,368 other.

Business-Type Activities

Revenues of the District's business type activities increased by 35.0 percent to \$7,566,539 while expenses increased by 20.5 percent to \$6,586,985 (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 \$1,100,378 at June 30, 2021 to \$2,079,932 at June 30, 2022, an increase of \$979,554 or 89.0 percent. The increase in revenues is primarily due to the COVID-19 federal funding and due to having a full school year of in-person learning and activities.

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Governmental Fund Highlights

At the end of fiscal year 2022, the District's governmental funds reported combined ending fund balances of \$51,129,334, a decrease of \$30,432,741 from the prior year. A closer look at each individual major governmental fund reveals the following:

- The General Fund balance decreased from \$13,929,171 on June 30, 2021, to \$13,912,980 on June 30, 2022. Revenues increased due to increases in increased state and federal funding for programs. General Fund expenditures increased by \$4,049,339 due to increases in salaries and benefits.
- The Capital Projects Fund balance decreased from \$64,211,050 on June 30, 2021 to \$32,640,182 on June 30, 2022. The decrease in overall Capital Projects Fund balance can be attributed to the planned spending on capital projects from the issuance of long-term debt.
- The Debt Service Fund balance increased from \$1,140,232 on June 30, 2021, to \$1,554,816 on June 30, 2022. Expenditures increased \$18,677,102 from the prior year due to the refinancing of general obligation bonds.
- The Management Levy Fund balance increased \$714,254 from \$1,556,018 on June 30, 2021 to \$2,270,272 on June 30, 2022. The increase in overall Management Levy Fund balance can be attributed to the \$990,678 increase in local tax.

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 \$22,650,000. Revenues exceeded the final budget by \$6,551,688 due to additional federal funding. Expenditures exceeded the final budget by \$469,456. The District exceeded the amended budget in the instruction, non-instructional programs and other expenditures functions.

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Capital Asset Administration

By the end of fiscal year 2022, the District had invested, net of depreciation, approximately \$194 million in various capital assets including land, buildings, vehicles and equipment (See Figure A-8). This amount represents a net increase of \$36,677,081 or 23.3 percent over the previous fiscal year.

Figure A-8 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total
	Restated		2022	2021	Restated		Change 2021-22
	2022	2021			2022	2021	
Land	\$ 9,477,926	\$ 9,477,926	\$ -	\$ -	\$ 9,477,926	\$ 9,477,926	0.0%
Construction in progress	44,913,059	9,556,963	-	-	44,913,059	9,556,963	370.0%
Buildings	128,188,574	128,159,572	-	-	128,188,574	128,159,572	0.0%
Improvements	7,749,789	6,877,349	-	-	7,749,789	6,877,349	12.7%
Machinery and equipment	2,658,818	2,176,333	837,884	859,316	3,496,702	3,035,649	15.2%
Right to use leased asset	124,530	166,040	-	-	124,530	166,040	-25.0%
Total	\$193,112,696	\$156,414,183	\$ 837,884	\$ 859,316	\$ 193,950,580	\$ 157,273,499	23.3%

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 \$161,072,304 in long-term debt, an increase of \$859,449 from the previous fiscal year. \$9,378,471 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 2022 is due to the issuance of \$25,485,000 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
	Restated		2022	2021	Restated		Change 2021-22
	2022	2021			2022	2021	
General obligation bonds	\$ 126,325,000	\$ 132,010,000	\$ -	\$ -	\$ 126,325,000	\$ 132,010,000	-4.3%
Revenue bonds	28,625,000	21,857,000	-	-	28,625,000	21,857,000	31.0%
Equipment note	298,059	398,061	-	-	298,059	398,061	100.0%
Bond premiums, net of amortization	5,359,327	5,278,384	-	-	5,359,327	5,278,384	1.5%
Lease obligation	126,799	167,404	-	-	126,799	167,404	-24.3%
Early retirement	273,669	202,943	-	-	273,669	202,943	34.9%
Compensated absences	61,541	252,339	2,909	46,724	64,450	299,063	-78.4%
Total	\$ 161,069,395	\$ 160,166,131	\$ 2,909	\$ 46,724	\$ 161,072,304	\$ 160,212,855	0.5%

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, 2022

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 increase in federal 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 2023 of \$146,580,605.

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, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 51,791,779	\$ 3,090,054	\$ 54,881,833
Receivables:			
Property tax:			
Delinquent	94,541	-	94,541
Succeeding year	40,623,437	-	40,623,437
Accounts	86,914	585,439	672,353
Due from other governments	6,015,917	-	6,015,917
Internal balances	250,000	(250,000)	-
Inventories	25,405	244,306	269,711
Restricted cash and pooled investments	1,250,878	-	1,250,878
Capital assets:			
Nondepreciable	54,390,985	-	54,390,985
Depreciable, net	138,721,711	837,884	139,559,595
Total assets	293,251,567	4,507,683	297,759,250
Deferred outflows of resources:			
OPEB related deferred outflows	3,253,590	66,642	3,320,232
Pension related deferred outflows	5,273,770	271,064	5,544,834
Total deferred outflows of resources	8,527,360	337,706	8,865,066

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	6,186,901	55,001	6,241,902
Salaries and benefits payable	479,565	217,200	696,765
Accrued interest	353,376	-	353,376
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	6,615,000	-	6,615,000
Revenue bonds	2,286,000	-	2,286,000
Lease obligation	41,424	-	41,424
Equipment note	97,928	-	97,928
Compensated absences	61,541	2,909	64,450
Early retirement	273,669	-	273,669
Portion due after one year:			
General obligation bonds	124,630,162	-	124,630,162
Revenue bonds	26,778,165	-	26,778,165
Lease obligation	85,375	-	85,375
Equipment note	200,131	-	200,131
Net pension liability	889,109	(118,952)	770,157
Net OPEB liability	14,374,227	831,768	15,205,995
Total liabilities	183,352,573	987,926	184,340,499
Deferred inflows of resources:			
Succeeding year property tax	40,623,437	-	40,623,437
Pension related deferred inflows	27,238,112	1,582,795	28,820,907
OPEB related deferred inflows	3,365,336	194,736	3,560,072
Deferral on refunding	889,342	-	889,342
Total deferred inflows of resources	72,116,227	1,777,531	73,893,758
Net Position			
Net investment in capital assets	54,318,933	837,884	55,156,817
Restricted for:			
Categorical funding	764,908	-	764,908
Debt service	1,558,244	-	1,558,244
School infrastructure	8,314,494	-	8,314,494
Physical plant and equipment levy	2,347,966	-	2,347,966
Management levy	2,270,272	-	2,270,272
Student activities	751,084	-	751,084
Unrestricted	(24,015,774)	1,242,048	(22,773,726)
Total net position	\$ 46,310,127	\$ 2,079,932	\$ 48,390,059

College Community School District

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular	\$ 28,744,177	\$ 3,388,207	\$ 9,474,392
Special	9,279,328	2,517,515	2,202,800
Other	5,412,710	12,060	29,654
Total instruction	43,436,215	5,917,782	11,706,846
Support services:			
Student services	1,541,190	138,779	-
Instructional staff	4,246,298	407,144	-
Administration services	6,659,180	1,259,596	-
Operation and maintenance of plant services	6,859,594	148,019	-
Student transportation	3,596,981	3,411	50,872
Total support services	22,903,243	1,956,949	50,872
Other expenses:			
AEA flowthrough	2,481,035	-	2,481,035
Depreciation (unallocated)*	6,412,819	-	-
Long-term debt interest	4,545,322	-	-
Total other expenses	13,439,176	-	2,481,035
Total governmental activities	79,778,634	7,874,731	14,238,753
Business-type activities:			
School nutrition	3,706,176	296,793	4,120,136
Day care	2,723,195	2,534,068	399,532
Resale	153,829	188,218	-
Student build house	3,785	-	-
Total business-type activities	6,586,985	3,019,079	4,519,668
Total	\$ 86,365,619	\$ 10,893,810	\$ 18,758,421

General revenues:

Property tax levied for:

General purposes

Management levy

Capital outlay

Debt service

Excise tax

Other tax

Revenue in lieu of taxes

Statewide sales and services tax

Unrestricted state grants

Unrestricted investment earnings

Gain on sale of capital assets

Total general revenues

Change in net position

Net position, beginning of year, restated

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
\$ -	\$ (15,881,578)	\$ -	\$ (15,881,578)
-	(4,559,013)	-	(4,559,013)
-	(5,370,996)	-	(5,370,996)
-	(25,811,587)	-	(25,811,587)
-	(1,402,411)	-	(1,402,411)
-	(3,839,154)	-	(3,839,154)
-	(5,399,584)	-	(5,399,584)
-	(6,711,575)	-	(6,711,575)
-	(3,542,698)	-	(3,542,698)
-	(20,895,422)	-	(20,895,422)
-	-	-	-
-	(6,412,819)	-	(6,412,819)
-	(4,545,322)	-	(4,545,322)
-	(10,958,141)	-	(10,958,141)
-	(57,665,150)	-	(57,665,150)
-	-	710,753	710,753
-	-	210,405	210,405
-	-	34,389	34,389
-	-	(3,785)	(3,785)
-	-	951,762	951,762
\$ -	\$ (57,665,150)	\$ 951,762	\$ (56,713,388)

23,348,353	-	23,348,353
2,212,993	-	2,212,993
2,273,274	-	2,273,274
9,206,757	-	9,206,757
1,878,840	-	1,878,840
37,823	-	37,823
1,358,597	-	1,358,597
6,252,782	-	6,252,782
23,259,286	-	23,259,286
185,749	27,792	213,541
186,368	-	186,368
70,200,822	27,792	70,228,614
12,535,672	979,554	13,515,226
33,774,455	1,100,378	34,874,833
\$ 46,310,127	\$ 2,079,932	\$ 48,390,059

College Community School District

**Balance Sheet
Governmental Funds
June 30, 2022**

	General	Capital Projects
Assets		
Cash and pooled investments	\$ 10,283,037	\$ 36,160,016
Restricted cash and pooled investments	-	1,250,878
Receivables:		
Property tax:		
Delinquent	59,302	5,844
Succeeding year	22,762,127	2,530,779
Other	70,607	6,074
Due from other governments	4,730,203	1,285,714
Due from other funds	250,000	-
Inventories	421	-
Total assets	\$ 38,155,697	\$ 41,239,305
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 936,200	\$ 5,212,874
Salaries and benefits payable	479,565	-
Early retirement	-	-
Total liabilities	1,415,765	5,212,874
Deferred inflows of resources:		
Statewide sales and services tax	-	855,470
Succeeding year property tax	22,762,127	2,530,779
Intergovernmental	64,825	-
Total deferred inflows of resources	22,826,952	3,386,249
Fund balances:		
Nonspendable:		
Inventories	421	-
Restricted for:		
Categorical funding	764,908	-
Debt service	-	1,250,878
School infrastructure	-	29,041,338
Physical plant and equipment levy	-	2,347,966
Management levy	-	-
Student activities	-	-
Assigned for specific purposes	140,690	-
Unassigned	13,006,961	-
Total fund balance	13,912,980	32,640,182
Total liabilities, deferred inflows of resources, and fund balances	\$ 38,155,697	\$ 41,239,305

See Notes to Basic Financial Statements.

	Debt Service	Management Levy	Nonmajor Student Activity	Total
\$	1,531,149	\$ 2,536,236	\$ 781,088	\$ 51,291,526
	-	-	-	1,250,878
	23,667	5,728	-	94,541
	10,249,656	5,080,875	-	40,623,437
	-	1,977	7,823	86,481
	-	-	-	6,015,917
	-	-	-	250,000
	-	-	-	421
\$	11,804,472	\$ 7,624,816	\$ 788,911	\$ 99,613,201

\$	-	\$ -	\$ 37,827	\$ 6,186,901
	-	-	-	479,565
	-	273,669	-	273,669
	-	273,669	37,827	6,940,135

	-	-	-	855,470
	10,249,656	5,080,875	-	40,623,437
	-	-	-	64,825
	10,249,656	5,080,875	-	41,543,732

	-	-	-	421
	-	-	-	764,908
	1,554,816	-	-	2,805,694
	-	-	-	29,041,338
	-	-	-	2,347,966
	-	2,270,272	-	2,270,272
	-	-	751,084	751,084
	-	-	-	140,690
	-	-	-	13,006,961
	1,554,816	2,270,272	751,084	51,129,334

\$	11,804,472	\$ 7,624,816	\$ 788,911	\$ 99,613,201
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College Community School District

**Reconciliation of Total Governmental Fund Balances to Net
Position of Governmental Activities
June 30, 2022**

Total fund balances of governmental funds \$ 51,129,334

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. 193,109,906

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds. 920,295

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. 528,460

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	3,253,590	
Deferred inflows of resources related to OPEB	(3,365,336)	
Deferred outflows of resources related to pension	5,273,770	
Deferred inflows of resources related to pension	<u>(27,238,112)</u>	(22,076,088)

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	(126,325,000)	
General obligation bond premium	(4,920,162)	
Deferral on refunding	(889,342)	
Revenue bonds	(28,625,000)	
Revenue bonds premium	(439,165)	
Equipment note	(298,059)	
Lease obligation	(126,799)	
Accrued interest payable	(353,376)	
Compensated absences	(61,541)	
Net pension liability	(889,109)	
Net OPEB liability	<u>(14,374,227)</u>	<u>(177,301,780)</u>
Net position of governmental activities		<u>\$ 46,310,127</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, 2022

	General	Capital Projects
Revenues:		
Local sources:		
Local tax	\$ 24,449,974	\$ 2,407,488
Tuition	5,917,781	-
Other	1,000,845	265,639
State sources	33,935,639	6,231,579
Federal sources	4,310,874	9,781
Total revenues	69,615,113	8,914,487
Expenditures:		
Current:		
Instruction:		
Regular	30,207,257	930,857
Special	10,325,806	-
Other	5,225,106	-
Total instruction	45,758,169	930,857
Support services:		
Student services	1,732,092	-
Instructional staff services	3,746,243	868,275
Administration services	7,246,688	-
Operation and maintenance of plant services	5,940,906	361,638
Student transportation	2,710,864	524,391
Total support services	21,376,793	1,754,304
Other expenditures:		
Capital outlay	-	44,160,539
AEA flowthrough	2,481,035	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	166,619
Total other	2,481,035	44,327,158
Total expenditures	69,615,997	47,012,319
Excess (deficiency) of revenues over (under) expenditures	(884)	(38,097,832)
Other financing sources (uses):		
Issuance of long-term debt	-	9,000,000
Premium on issuance of long-term debt	-	312,864
Proceeds from sale of capital assets	-	254,404
Interfund transfers in	-	-
Interfund transfers (out)	(15,307)	(3,040,304)
Total other financing sources (uses)	(15,307)	6,526,964
Net change in fund balance	(16,191)	(31,570,868)
Fund balances, beginning of year	13,929,171	64,211,050
Fund balances, end of year	\$ 13,912,980	\$ 32,640,182

See Notes to Basic Financial Statements.

	Nonmajor			
Debt Service	Management Levy	Student Activity	Total	
\$ 9,750,324	\$ 2,350,254	\$ -	\$ 38,958,040	
-	-	-	5,917,781	
5,236	51,713	819,037	2,142,470	
357,147	90,187	-	40,614,552	
-	-	-	4,320,655	
10,112,707	2,492,154	819,037	91,953,498	
-	582,426	-	31,720,540	
-	-	-	10,325,806	
-	3,200	787,915	6,016,221	
-	585,626	787,915	48,062,567	
-	-	-	1,732,092	
-	-	-	4,614,518	
-	499,688	-	7,746,376	
-	497,737	-	6,800,281	
-	194,849	20,949	3,451,053	
-	1,192,274	20,949	24,344,320	
-	-	-	44,160,539	
-	-	-	2,481,035	
33,542,607	-	-	33,542,607	
4,994,881	-	-	5,161,500	
38,537,488	-	-	85,345,681	
38,537,488	1,777,900	808,864	157,752,568	
(28,424,781)	714,254	10,173	(65,799,070)	
25,485,000	-	-	34,485,000	
314,061	-	-	626,925	
-	-	-	254,404	
3,040,304	-	15,307	3,055,611	
-	-	-	(3,055,611)	
28,839,365	-	15,307	35,366,329	
414,584	714,254	25,480	(30,432,741)	
1,140,232	1,556,018	725,604	81,562,075	
\$ 1,554,816	\$ 2,270,272	\$ 751,084	\$ 51,129,334	

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College Community School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2022**

Net change in fund balances - total governmental funds \$ (30,432,741)

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	43,752,884	
Depreciation expense	<u>(6,961,431)</u>	36,791,453
Proceeds from sale of capital assets		(254,404)
Gain on sale of capital assets		186,368

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Statewide sales and services tax	109,387	
Grants	<u>64,825</u>	174,212

The change in net position of the internal service funds represents an overcharge to the governmental funds served, and, therefore, decreases expenses in the statement of activities 125,303

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	(25,485,000)	
Issuance of revenue bonds	(9,000,000)	
Premiums on the issuance of debt	(626,925)	
Repayments of principal	33,542,607	
Amortization of premiums	545,982	
Amortization of deferral on refunding	49,646	
Interest	<u>20,550</u>	(953,140)

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	190,798	
Change in pension expense and related deferrals	6,770,958	
Change in OPEB expense and related deferrals	<u>(63,135)</u>	6,898,621

Change in net position of governmental activities \$ 12,535,672

See Notes to Basic Financial Statements.

College Community School District

Statement of Net Position

Proprietary Funds

June 30, 2022

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Funds
Assets		
Current:		
Cash and cash equivalents	\$ 3,090,054	\$ 500,253
Accounts receivable	585,439	433
Inventories	244,306	24,984
Total current assets	3,919,799	525,670
Noncurrent:		
Capital assets, net of accumulated depreciation	837,884	2,790
Total noncurrent assets	837,884	2,790
Total assets	4,757,683	528,460
Deferred Outflows of Resources:		
OPEB related deferred outflows	66,642	-
Pension related deferred outflows	271,064	-
Total deferred outflows of resources	337,706	-
Liabilities		
Current:		
Accounts payable	55,001	-
Salaries and benefits payable	217,200	-
Compensated absences	2,909	-
Due to other funds	250,000	-
Total current liabilities	525,110	-
Noncurrent:		
Net pension liability	(118,952)	-
Net OPEB liability	831,768	-
Total noncurrent liabilities	712,816	-
Total liabilities	1,237,926	-
Deferred Inflows of Resources:		
OPEB related deferred inflows	194,736	-
Pension related deferred inflows	1,582,795	-
Total deferred inflows of resources	1,777,531	-
Net Position		
Investment in capital assets	837,884	2,790
Unrestricted	1,242,048	525,670
Total net position	\$ 2,079,932	\$ 528,460

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, 2022

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:		
Local sources, charges for services	\$ 2,907,832	\$ 539,404
Miscellaneous	111,247	-
Total operating revenues	3,019,079	539,404
Operating expenses:		
Salaries	2,935,999	-
Benefits	1,345,151	-
Services	40,524	337,676
Supplies	2,147,085	51,749
Depreciation	118,226	620
Total operating expenses	6,586,985	390,045
Operating income (loss)	(3,567,906)	149,359
Nonoperating revenues (expenses):		
State sources	193,963	-
Federal sources	4,325,705	-
Loss on sale of capital assets	-	(24,284)
Interest on investments	27,792	228
Total nonoperating revenues (expenses)	4,547,460	(24,056)
Change in net position	979,554	125,303
Net position, beginning of year	1,100,378	403,157
Net position, end of year	\$ 2,079,932	\$ 528,460

See Notes to Basic Financial Statements.

College Community School District

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2022

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Cash received from charges for services	\$ 3,006,928	\$ -
Cash received from miscellaneous operating activities	379,921	70,910
Cash received from employees	-	468,061
Cash payments to employees for services	(3,731,396)	-
Cash payments to suppliers for goods or services	(2,290,037)	(359,009)
Net cash provided by (used in) operating activities	(2,634,584)	179,962
Cash flows from noncapital financing activities:		
State grants received	193,963	-
Federal grants received	3,663,041	-
Net cash provided by noncapital financing activities	3,857,004	-
Cash flows from capital financing activities, acquisition of capital assets	(96,794)	-
Cash flows from investing activities, interest on investments	27,792	228
Net increase in cash and cash equivalents	1,153,418	180,190
Cash and cash equivalents, beginning of year	1,936,636	320,063
Cash and cash equivalents, end of year	\$ 3,090,054	\$ 500,253

(Continued)

College Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2022

	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)	\$ (3,567,906)	\$ 149,359
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Commodities consumed	298,222	-
Depreciation	118,226	620
Change in assets and liabilities:		
Inventories	92,476	30,416
Accounts receivable	(12,308)	(433)
Accounts payable	(129,781)	-
Salaries and benefits payable	119,619	-
Compensated absences	(43,815)	-
Increase in OPEB liability and related deferrals	889,312	-
Increase in net pension liability and related deferrals	(398,629)	-
Net cash provided by (used in) operating activities	\$ (2,634,584)	\$ 179,962

Noncash: Noncapital financing activities:

During the year ended June 30, 2022, the District used \$298,222 of federal commodities.

See Notes to Basic Financial Statements.

College Community School District

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

	<u>Custodial</u>
Assets	
Cash, cash equivalents and investments	\$ 231,015
Other receivables	1,563
Total assets	<u>232,578</u>
Liabilities,	
Accounts payable	<u>9,543</u>
Net Position	
Restricted	<u><u>\$ 223,035</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, 2022

	<u>Custodial</u>
Additions	
Local sources:	
Donations	<u>\$ 412,301</u>
Deductions	
Administrative expenses	<u>414,777</u>
Change in net position	(2,476)
Net position, beginning of year	225,511
Net position, end of year	<u><u>\$ 223,035</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, 2022

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, 2022

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 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 District reports the following nonmajor governmental fund:

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, 2022

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, 2022

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, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2021.

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, 2022

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.

Right-to-use leased assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs to place the assets in service. Subsequently, the leased assets are amortized on a straight-line basis over the shorter of the life of the lease or estimated useful life of the asset.

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

Leases: The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities of the government-wide financial statements. The District recognizes lease liabilities with an initial, individual net present value of \$5,000 or more.

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

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

Note 1. Summary of Significant Accounting Policies (Continued)

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Deferred outflows of resources: Deferred outflows of resources represent a consumption of net assets 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.

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

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 assets 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, statewide sales and services tax, and intergovernmental grants.

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, the unrecognized items not yet charged to pension expense or other postemployment benefit expense, and the deferral on advance refunding.

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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

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, 2022. 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.

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 \$22,829,764. 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, 2022 consists of \$764,908 for categorical funding, \$2,270,272 for management levy purposes, \$2,347,966 for physical plant and equipment levy, \$8,314,494 for school infrastructure, \$751,084 for student activities and \$1,558,244 for debt service.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

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 \$22,650,000 for additional grant and capital project expenditures. The District exceeded the budgeted expenditures in the instruction, non-instructional and other expenditures functions.

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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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, 2022 the District had investments in the Iowa School Joint Investment Trust (ISJIT) Government Obligation Portfolio which are valued at amortized costs of \$26,937,997 pursuant to Rule 2a-7 under the investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments.

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, 2022, 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 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, 2022 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 \$1,250,878 for debt service reserves.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

Note 4. Interfund Transactions

The detail of interfund transfers for the year ended June 30, 2022 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ -	\$ 15,307
Capital Projects Fund	-	3,040,304
Debt Service Fund	3,040,304	-
Nonmajor governmental fund, student activity	15,307	-
	<u>\$ 3,055,611</u>	<u>\$ 3,055,611</u>

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

The detail of interfund receivables and payables at June 30, 2022 is as follows:

	<u>Due To</u>	<u>Due From</u>
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.

College Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2022

Note 5. Capital Assets

Capital assets activity for the governmental activities for the year ended June 30, 2022 is as follows:

	Restated 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	9,556,963	40,718,351	5,362,255	44,913,059
Total capital assets not being depreciated	19,034,889	40,718,351	5,362,255	54,390,985
Capital assets being depreciated:				
Improvements other than buildings	15,226,048	1,566,383	-	16,792,431
Buildings	174,202,961	5,483,880	-	179,686,841
Furniture and equipment	8,763,562	1,346,525	1,640,293	8,469,794
Right to use leased asset	207,550	-	-	207,550
Total capital assets being depreciated	198,400,121	8,396,788	1,640,293	205,156,616
Less accumulated depreciation and amortization for:				
Improvements other than buildings	8,348,699	693,943	-	9,042,642
Buildings	46,043,389	5,454,878	-	51,498,267
Furniture and equipment	6,587,229	771,720	1,547,973	5,810,976
Right to use leased asset	41,510	41,510	-	83,020
Total accumulated depreciation and amortization	61,020,827	6,962,051	1,547,973	66,434,905
Total capital assets being depreciated, net	137,379,294	1,434,737	92,320	138,721,711
Governmental activities capital assets, net	\$ 156,414,183	\$ 42,153,088	\$ 5,454,575	\$ 193,112,696

College Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2022

Note 5. Capital Assets (Continued)

Capital asset activity for the business-type activities for the year ended June 30, 2022 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture and equipment	\$ 2,572,343	\$ 96,794	\$ 97,518	\$ 2,571,619
Less accumulated depreciation	1,713,027	118,226	97,518	1,733,735
Business-type activities capital assets, net	\$ 859,316	\$ (21,432)	\$ -	\$ 837,884

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

Governmental activities:

Instruction:

Regular	\$ 68,163
Special	1,514
Other	2,875

Support services:

Instructional staff	11,773
Administration	4,459
Operation and maintenance of plant	32,423
Transportation	428,025
Unallocated depreciation	6,412,819
Total governmental activities depreciation and amortization expense	<u>\$ 6,962,051</u>

Business-type activities:

School Nutrition	\$ 106,368
Day Care	10,393
Resale	1,465
	<u>\$ 118,226</u>

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 132,010,000	\$ 25,485,000	\$ 31,170,000	\$ 126,325,000	\$ 6,615,000
Premiums on general obligation bonds	5,131,208	314,061	525,107	4,920,162	-
Revenue bonds	12,000,000	9,000,000	1,220,000	19,780,000	1,240,000
Premiums on revenue bonds	147,176	312,864	20,875	439,165	-
Private placement, revenue bonds	9,857,000	-	1,012,000	8,845,000	1,046,000
Equipment note	398,061	-	100,002	298,059	97,928
Lease obligation	167,404	-	40,605	126,799	41,424
Early retirement	202,943	273,669	202,943	273,669	273,669
Compensated absences	252,339	61,541	252,339	61,541	61,541
Total	\$ 160,166,131	\$ 35,447,135	\$ 34,543,871	\$ 161,069,395	\$ 9,375,562
Business-type activities:					
Compensated absences	\$ 46,724	\$ 2,909	\$ 46,724	\$ 2,909	\$ 2,909

Compensated absences, net pension liability, net OPEB liability, and lease obligations 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, 2022, the District had the following general obligation bonds:

Series	Interest Rate	Principal Maturities	Maturity	Original Amount	Outstanding Balance
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	49,065,000
2021A	2.00%	\$735,000-\$1,965,000	June 1, 2040	26,000,000	24,810,000
2021B	1.50-1.85%	\$40,000-\$1,300,000	June 1, 2036	8,250,000	8,190,000
2022A	2.00%	\$225,000-\$3,905,000	June 1, 2027	5,595,000	5,595,000
2022B	3.00%	\$80,000-\$3,750,000	June 1, 2036	9,995,000	9,995,000
2022C	3.00-3.25%	\$5,000-\$1,780,000	June 1, 2033	9,895,000	9,895,000
				\$ 135,265,000	\$ 126,325,000

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. The bonds were current refunded by the Series 2022A General Obligation Bonds in fiscal year 2022.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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. The bonds were current refunded by the Series 2022B and 2022C Bonds in fiscal year 2022.

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 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 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 April 27, 2022, the District issued \$5,595,000 General Obligation School Refunding Bonds, Series 2022A. The bonds were issued to current refund the Series 2016B General Obligation Bonds. The District refunded the 2016B bonds to reduce its debt service payments over the next five years by \$67,814 and to obtain an economic gain of \$22,749.

On May 26, 2022, the District issued \$9,995,000 General Obligation School Refunding Bonds, Series 2022B. The bonds were issued to current refund \$9,940,000 principal of the Series 2017 General Obligation Bonds. The District refunded the 2017 bonds to reduce its debt service payments over the next fifteen years by \$1,509,165 and to obtain an economic gain of \$1,201,318.

On May 26, 2022, the District issued \$9,895,000 General Obligation School Refunding Bonds, Series 2022C. The bonds were issued to current refund \$9,765,000 principal of the Series 2017 General Obligation Bonds. The District refunded the 2017 bonds to reduce its debt service payments over the next ten years by \$973,247 and to obtain an economic gain of \$553,118.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

Note 6. Long-Term Liabilities (Continued)

Details of the District's June 30, 2022 general obligation bonded indebtedness maturities are as follows:

Year Ending June 30	General Obligation Bond Total		
	Interest Rate	Principal	Interest
2023	2.00-3.00	\$ 6,615,000	\$ 3,624,036
2024	2.00-3.00	6,810,000	3,429,663
2025	2.00-3.25	6,235,000	3,235,912
2026	2.00-3.25	6,410,000	3,060,387
2027	2.00-3.25	6,210,000	2,878,913
2028-2032	2.00-5.00	33,435,000	11,750,737
2033-2037	2.00-5.00	34,490,000	6,721,313
2038-2040	2.00-5.00	26,120,000	1,515,450
Total		\$ 126,325,000	\$ 36,216,411

School Infrastructure Sales, Services and Use Tax Bonds:

As of June 30, 2022, the District has the following revenue bonds:

Series	Interest Rate	Principal Maturities	Maturity	Original Amount	Outstanding Balance
2017	2.41%	\$500,000	June 1, 2027	\$ 5,000,000	\$ 2,500,000
2021	2.00%	\$310,000-\$610,000	June 1, 2040	9,000,000	8,640,000
2020A	2.0-2.50%	\$360,000-\$610,000	June 1, 2040	9,000,000	8,640,000
				23,000,000	19,780,000
Private Placement:					
2020	2.045%	\$944,000-\$1,718,000	June 1, 2029	11,780,000	8,845,000
				\$ 34,780,000	\$ 28,625,000

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.

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 are collateralized by the land purchase.

On November 10, 2020, the District issued \$9,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2020A. The bonds were issued to fund improvements and renovations at Prairie Heights and Prairie Crest school buildings.

On August 17, 2021, the District issued \$9,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2021. The bonds were issued to fund renovations at Prairie Heights and Prairie Crest school buildings.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

Note 6. Long-Term Liabilities (Continued)

Details of the District's June 30, 2022 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	
	Principal	Interest
2023	\$ 1,240,000	\$ 416,675
2024	1,260,000	389,825
2025	1,280,000	362,575
2026	1,310,000	334,925
2027	1,330,000	306,675
2028-2032	4,550,000	1,213,325
2032-2037	5,260,000	728,463
2038-2040	3,550,000	159,131
Total	\$ 19,780,000	\$ 3,911,594

Year Ending June 30	Private Placement School Infrastructure Sales, Services and Use Tax Bond, Series 2020	
	Principal	Interest
2023	\$ 1,046,000	\$ 180,881
2024	1,080,000	159,490
2025	1,115,000	137,404
2026	1,150,000	114,602
2027	1,185,000	91,084
2028-2029	3,269,000	98,569
Total	\$ 8,845,000	\$ 782,030

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 \$33,318,624. For the current year, \$2,232,000 of principal and \$606,701 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$6,143,395.

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, 2022, the reserve was \$1,250,878.
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.

College Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2022

Note 6. Long-Term Liabilities (Continued)

Equipment note: The District entered into an equipment note 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 equipment note:

Year Ending June 30	Equipment Note		
	Interest Rate	Principal	Interest
2023	1.45	\$ 97,928	\$ 4,316
2024	1.45	99,346	2,898
2025	1.45	100,785	1,459
Total		\$ 298,059	\$ 8,673

Equipment Lease: On July 1, 2020, the District entered into a lease agreement for copiers. The lease requires monthly payments of \$3,632 and has an interest rate of 2.0 percent. The lease expires June 1, 2025. The detail of the lease is as follows:

Year Ending June 30	Copier Lease		
	Interest Rate	Principal	Interest
2023	2.00	\$ 41,424	\$ 2,158
2024	2.00	42,261	1,321
2025	2.00	43,114	468
Total		\$ 126,799	\$ 3,947

Early retirement: The District offers a voluntary early retirement plan to its certified and classified employees. Eligible employees must be at least age 55 and employees must have completed ten years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education. An eligible employee, upon early separation, receives a percentage of pay based on years of eligibility. The amount of early separation pay an eligible employee receives is based on an amount equal to 50 days of pay for classified and 100 days of pay for certified. At June 30, 2022, the District has obligations to 12 participants with a total liability of \$273,669. Actual early retirement expenditures for the year ended June 30, 2022 totaled \$202,943. The cost of early retirement payments is recorded as a liability of the Special Revenue, Management Fund.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 6. Long-Term Liabilities (Continued)

Legal debt margin: The June 30, 2022 debt outstanding by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	\$ 3,796,863,156
Debt limit, 5% of total assessed valuation	189,843,158
Amount of debt applicable to debt limit:	
General obligation bonds	131,245,162
Revenue bonds	20,219,165
Private placement revenue bonds	8,845,000
Equipment note	298,059
Lease obligation	126,799
Excess of debt limit over bonded debt	\$ 29,108,973

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.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

Note 7. Pension Plan (Continued)

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

Contributions – Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS’ Contribution Rate Funding Policy and Actuarial Amortization Method. 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 2022, 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, 2022 were \$4,341,742.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the District reported a liability of \$770,157 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021, the District’s proportion was -0.223087 percent, which was a decrease of .773031 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense (income) of (\$2,827,843) At June 30, 2022, 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	\$ 585,983	\$ 588,361
Changes of assumptions	503,749	-
Net difference between projected and actual earnings on pension plan investments	-	27,904,063
Changes in proportion and differences between District contributions and proportionate share of contributions	113,360	328,483
District contributions subsequent to the measurement date	4,341,742	-
Total	\$ 5,544,834	\$ 28,820,907

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

Note 7. Pension Plan (Continued)

\$4,341,742 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, 2023. 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,	
2023	\$ (6,869,526)
2024	(6,840,320)
2025	(6,335,464)
2026	(7,601,932)
2027	29,427
Thereafter	-
Total	\$ (27,617,815)

There were no non-employer contributing entities to IPERS.

Actuarial assumptions: The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

Rate of Inflation (effective June 30, 2017)	2.60 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, 2021 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 2021 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, 2022**

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%	6.01%
Global smart beta equity	6.0%	5.10%
Core plus fixed income	26.0%	0.29%
Public credit	4.0%	2.08%
Cash	1.0%	-0.25%
Private equity	13.0%	9.51%
Private real assets	7.5%	4.63%
Private credit	3.0%	2.87%
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 (asset)	\$ 27,258,400	\$ 770,157	\$ (21,428,673)

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, 2022, 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, 2022**

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 July 1, 2021, for each plan are as shown below:

Rate Tier	HMO Basic	HMO Essential	PPO Choice	PPO Premier
Single	\$ 342	\$ 473	\$ 579	\$ 637
Single plus spouse	702	964	1,184	1,300

Employees covered by benefit terms: At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	45
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	821
	866

Total OPEB Liability

The District’s total OPEB liability of \$15,205,995 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2022 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
Salary increase	3.00% per annum
Discount rate	3.54% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.00% 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 RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period 2010– 2021.

College Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2022

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

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at July 1, 2021	\$ 18,148,762	\$ -	\$ 18,148,762
Changes for the year:			
Service cost	1,013,282	-	1,013,282
Interest	529,687	-	529,687
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,799,135)	-	(1,799,135)
Changes in assumptions or other inputs	(2,113,419)	-	(2,113,419)
Benefit payments	(573,182)	-	(573,182)
Net changes	(2,942,767)	-	(2,942,767)
Balance at June 30, 2022	<u>\$ 15,205,995</u>	<u>\$ -</u>	<u>\$ 15,205,995</u>

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 2.16% per annum in 2021 to 3.54% per annum in 2022.

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

	1% Decrease	Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Total OPEB liability	\$ 16,659,383	\$ 15,205,995	\$ 13,864,820

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		
	1% Decrease	Trend Rates	1% Increase
	5.0%	6.0%	7.0%
Total OPEB liability	\$ 13,309,425	\$ 15,205,995	\$ 17,484,491

For the year ended June 30, 2022, the District recognized OPEB expense of \$1,525,629. At June 30, 2022, 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	\$ 678,938	\$ 1,637,051
Changes of assumptions or other inputs	2,641,294	1,923,021
Net difference between projected and actual investments	-	-
Total	<u>\$ 3,320,232</u>	<u>\$ 3,560,072</u>

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

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:		
2023	\$	(17,340)
2024		(17,340)
2025		(17,340)
2026		(17,340)
2027		(17,340)
Thereafter		(153,140)
	\$	<u>(239,840)</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 \$2,481,035 for the year ended June 30, 2022 and is recorded in the General Fund.

Note 10. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2022 is comprised of the following programs:

Program	Amount
Professional development	\$ 18,032
Teacher leadership	497,091
Four year old preschool	91,849
Successful progression for early readers	57,936
Teacher salary supplement	100,000
Total	<u>\$ 764,908</u>

Note 11. Construction Commitments

The District has entered into contracts totaling \$63,094,947 for various construction projects throughout the District. As of June 30, 2022, costs of \$48,279,318 had been incurred against these contracts. The remaining balance of \$14,815,629 at June 30, 2022 will be paid as work on the projects progresses.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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, 2022 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Walford	Urban renewal and economic development projects	\$ 2,219
City of Cedar Rapids	Urban renewal and economic development projects	605,502

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, 2022, this reimbursement amounted to \$115,530.

Note 13. Risk Management

The District is a member of a joint venture with five other local government 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 employee health and medical claims. MIIP is not intended to function as an insurance company for the participants; 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 amount.

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, 2022, the District is an active member of MIIP and has a positive equity balance of \$4,601,790. The total premium paid into the plan by all six members from July 1, 2021 to June 30, 2022 was approximately \$45,300,000 of which \$5,920,616 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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 13. Risk Management (Continued)

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

Note 14. Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2022:

GASB Statement No. 87, Leases. 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.

The District restated governmental activities net position from \$33,775,819 to \$33,774,455 as a result of the new statement.

GASB Statement No. 89, Accounting for Interest Cost before the End of a Construction Period. 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. 92, Omnibus 2020. 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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. 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. 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. 3*. 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.

Other than the restatement for the implementation of GASB Statement No. 87, the implementation of the above statements did not have a material impact on the District's Financial Statements.

As of June 30, 2022, 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. 91, *Conduit Debt Obligations*, issued May 2019, 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. 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). 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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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

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. 99, *Omnibus 2022*, issued April 2022, will be effective for the District beginning with its fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

Note 15. Restatement

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented as of the beginning of the year ended June 30, 2022. The requirements of this statement apply to financial statements of all state and local governments and establishes standards of accounting and financial reporting for leases by lessees and lessors. Beginning net position for governmental activities, was restated to retroactively recognize the beginning lease liability and the intangible right-to-use lease asset when the District is the lessee or if the District is the lessor, to recognize the lease receivable and deferred inflow of resources.

	Governmental Activities
Net position June 30, 2021 as previously reported	\$ 33,775,819
Right to use leased asset	207,550
Right to use leased asset accumulated amortization	(41,510)
Lease obligation	(167,404)
Net position June 30, 2021 as restated	<u>\$ 33,774,455</u>

College Community School District

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

	2022	2021
Total OPEB liability		
Changes for the year:		
Service cost	\$ 1,013,282	\$ 1,008,737
Interest	529,687	560,248
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,799,135)	-
Changes in assumptions or other inputs	(2,113,419)	1,888,602
Benefit payments	(573,182)	(614,375)
Net changes in total OPEB liability	(2,942,767)	2,843,212
Total OPEB liability - beginning	18,148,762	15,305,550
Total OPEB liability - ending	<u>\$ 15,205,995</u>	<u>\$ 18,148,762</u>
Covered employee payroll	\$ 37,164,603	\$ 37,006,760
Total OPEB liability as a percentage of covered employee payroll.	40.9%	49.0%

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:

3.54%	2.16%
-------	-------

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

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

	2020	2019	2018
\$	979,356	\$ 320,199	\$ 267,096
	517,298	415,319	417,740
	-	-	-
	247,759	347,319	367,187
	235,604	1,241,040	-
	(529,346)	(300,754)	(320,089)
	1,450,671	2,023,123	731,934
	13,854,879	11,831,756	11,099,822
\$	15,305,550	\$ 13,854,879	\$ 11,831,756

\$ 41,802,085 \$ 40,905,540 \$ 39,977,630

36.6% 33.9% 29.6%

3.50% 3.72% 3.72%

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, 2022

	Governmental Funds - Actual	Enterprise Fund - Actual	Total Actual
Revenues:			
Local sources	\$ 47,018,291	\$ 3,046,871	\$ 50,065,162
State sources	40,614,552	193,963	40,808,515
Federal sources	4,320,655	4,325,705	8,646,360
Total revenues	91,953,498	7,566,539	99,520,037
Expenditures/expenses:			
Instruction	48,062,567	6,195	48,068,762
Support services	24,344,320	31,284	24,375,604
Non-instructional programs	-	6,549,506	6,549,506
Other expenditures	85,345,681	-	85,345,681
Total expenditures	157,752,568	6,586,985	164,339,553
Excess (deficiency) of revenues over (under) expenditures	(65,799,070)	979,554	(64,819,516)
Total other financing sources, net	35,366,329	-	35,366,329
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(30,432,741)	979,554	(29,453,187)
Balance, beginning of year	81,562,075	1,100,378	82,662,453
Balance, end of year	\$ 51,129,334	\$ 2,079,932	\$ 53,209,266

See Notes to Required Supplementary Information.

Budgeted Amounts		Final to Actual
Original	Final	Variance
\$ 49,314,650	\$ 49,314,650	\$ 750,512
40,070,056	40,070,056	738,459
3,583,643	3,583,643	5,062,717
92,968,349	92,968,349	6,551,688
46,618,266	47,718,266	(350,496)
25,437,105	26,237,105	1,861,501
5,541,631	6,291,631	(257,875)
63,623,095	83,623,095	(1,722,586)
141,220,097	163,870,097	(469,456)
(48,251,748)	(70,901,748)	6,082,232
26,000,000	26,000,000	9,366,329
\$ (22,251,748)	\$ (44,901,748)	\$ 15,448,561

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 Eight Fiscal Years

	2022*	2021*	2020*
District's proportion of the net pension liability	-0.223087%	0.549944%	0.552238%
District's proportionate share of the net pension liability	\$ 770	\$ 38,632	\$ 32,193
District's covered payroll	\$ 44,664	43,715	42,344
District's proportionate share of the net pension liability as a percentage of its employee covered payroll	1.72%	88.37%	76.03%
Plan fiduciary net pension as a percentage of the total pension liability	100.81%	82.90%	85.45%

*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

	2019*	2018*	2017*	2016*	2015*
	0.550384%	0.554504%	0.566834%	0.556838%	0.521487%
\$	34,819	\$ 36,607	\$ 35,349	\$ 27,683	\$ 21,105
	41,420	41,055	40,333	38,427	34,821
	84.06%	89.17%	87.64%	72.04%	60.61%
	83.62%	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**

	2022	2021	2020	2019
Statutorily required contribution	\$ 4,342	\$ 4,209	\$ 4,127	\$ 3,997
Contributions in relation to the statutorily required contribution	(4,342)	(4,209)	(4,127)	(4,011)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 46,097	\$ 44,664	\$ 43,715	\$ 42,344
Contributions as a percentage of covered payroll	9.42%	9.42%	9.44%	9.44%

See Notes to Required Supplementary Information.

	2018		2017		2016		2015		2014		2013
\$	3,699	\$	3,666	\$	3,602	\$	3,432	\$	3,019	\$	2,617
	(3,699)		(3,666)		(3,602)		(3,432)		(3,019)		(2,617)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	41,420	\$	41,055	\$	40,333	\$	38,427	\$	34,821	\$	32,431
	8.93%		8.93%		8.93%		8.93%		8.67%		8.07%

College Community School District

Notes to Required Supplementary Information Year Ended June 30, 2022

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 custodial 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 \$22,650,000 for additional grant and capital project expenditures. The District exceeded the budget in the instruction, non-instructional programs and other expenditures functions.

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%.

College Community School District

**Notes to Required Supplementary Information
Year Ended June 30, 2022**

Note 2. Pension Liability (Continued)

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

Schedule of Combining Balance Sheet

Capital Projects Fund - By Account

June 30, 2022

	Capital Projects Fund Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
Assets				
Cash and pooled investments	\$ 7,038,566	\$ 2,436,544	\$ 26,684,906	\$ 36,160,016
Restricted cash and investments	1,250,878	-	-	1,250,878
Receivables:				
Property tax:				
Delinquent	-	5,844	-	5,844
Succeeding year	-	2,530,779	-	2,530,779
Other	-	-	6,074	6,074
Due from other governments	1,285,714	-	-	1,285,714
Total assets	\$ 9,575,158	\$ 4,973,167	\$ 26,690,980	\$ 41,239,305
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities, accounts payable	\$ 1,017,273	\$ 94,422	\$ 4,101,179	\$ 5,212,874
Deferred inflows of resources, unavailable revenue:				
Statewide sales and services tax	855,470	-	-	855,470
Succeeding year property tax	-	2,530,779	-	2,530,779
Total deferred inflows of resources	855,470	2,530,779	-	3,386,249
Fund Balances:				
Restricted for:				
Debt service	1,250,878	-	-	1,250,878
School infrastructure	6,451,537	-	22,589,801	29,041,338
Physical plant and equipment	-	2,347,966	-	2,347,966
Total fund balances	7,702,415	2,347,966	22,589,801	32,640,182
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,575,158	\$ 4,973,167	\$ 26,690,980	\$ 41,239,305

College Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund - By Account

Year Ended June 30, 2022

	Capital Projects Fund Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Local tax	\$ -	\$ 2,407,488	\$ -	\$ 2,407,488
Other	83,201	43,164	139,274	265,639
State sources	6,143,395	88,184	-	6,231,579
Federal sources	-	9,781	-	9,781
Total revenues	6,226,596	2,548,617	139,274	8,914,487
Expenditures:				
Current:				
Instruction, regular	837,585	93,272	-	930,857
Support services:				
Instructional staff	842,538	25,737	-	868,275
Operation and maintenance of plant services	-	361,638	-	361,638
Student transportation	-	524,391	-	524,391
Capital outlay	10,331,439	2,512,642	31,316,458	44,160,539
Debt service:				
Interest and fiscal charges	166,619	-	-	166,619
Total expenditures	12,178,181	3,517,680	31,316,458	47,012,319
(Deficiency) of revenues (under) expenditures	(5,951,585)	(969,063)	(31,177,184)	(38,097,832)
Other financing sources (uses):				
Issuance of long-term debt	9,000,000	-	-	9,000,000
Premium on issuance of long-term debt	312,864	-	-	312,864
Proceeds from sale of capital assets	82,549	171,855	-	254,404
Transfers in	-	-	583,738	583,738
Transfers out	(3,580,460)	(43,582)	-	(3,624,042)
Total other financing sources (uses)	5,814,953	128,273	583,738	6,526,964
Net change in fund balance	(136,632)	(840,790)	(30,593,446)	(31,570,868)
Fund balance, beginning of year	7,839,047	3,188,756	53,183,247	64,211,050
Fund balance, end of year	\$ 7,702,415	\$ 2,347,966	\$ 22,589,801	\$ 32,640,182

College Community School District

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2022

	School Nutrition	Day Care	Resale	Student Built House	Total
Assets					
Current:					
Cash and cash equivalents	\$ 1,272,200	\$ 1,422,673	\$ 229,867	\$ 165,314	\$ 3,090,054
Accounts receivable	571,156	11,870	2,256	157	585,439
Inventories	32,910	-	-	211,396	244,306
Total current assets	1,876,266	1,434,543	232,123	376,867	3,919,799
Noncurrent:					
Capital assets, net of accumulated depreciation	718,295	115,927	3,662	-	837,884
Total noncurrent assets	718,295	115,927	3,662	-	837,884
Total assets	2,594,561	1,550,470	235,785	376,867	4,757,683
Deferred Outflows of Resources:					
OPEB related deferred outflows	29,605	36,793	244	-	66,642
Pension related deferred outflows	124,251	145,358	1,455	-	271,064
	153,856	182,151	1,699	-	337,706
Liabilities					
Current:					
Accounts payable	9,013	20,226	24,993	769	55,001
Salaries and benefits payable	125,795	91,405	-	-	217,200
Compensated absences	-	2,909	-	-	2,909
Due to other funds	-	-	-	250,000	250,000
Total current liabilities	134,808	114,540	24,993	250,769	525,110
Noncurrent:					
Net pension liability	(6,463)	(117,471)	4,982	-	(118,952)
Net OPEB liability	369,506	459,221	3,041	-	831,768
Total noncurrent liabilities	363,043	341,750	8,023	-	712,816
Total liabilities	497,851	456,290	33,016	250,769	1,237,926
Deferred Inflows of Resources:					
OPEB related deferred inflows	86,510	107,514	712	-	194,736
Pension related deferred inflows	678,303	901,543	2,949	-	1,582,795
Total deferred inflows	764,813	1,009,057	3,661	-	1,777,531
Net Position					
Investment in capital assets	718,295	115,927	3,662	-	837,884
Unrestricted	767,458	151,347	197,145	126,098	1,242,048
Total net position	\$ 1,485,753	\$ 267,274	\$ 200,807	\$ 126,098	\$ 2,079,932

College Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended June 30, 2022

	School Nutrition	Day Care	Resale	Student Built House	Total
Operating revenues:					
Local sources:					
Charges for services	\$ 296,793	\$ 2,534,068	\$ 76,971	\$ -	\$ 2,907,832
Miscellaneous	-	-	111,247	-	111,247
Total operating revenues	296,793	2,534,068	188,218	-	3,019,079
Operating expenses:					
Salaries	1,121,545	1,798,942	15,512	-	2,935,999
Benefits	667,500	672,478	5,173	-	1,345,151
Services	166	26,509	13,849	-	40,524
Supplies	1,810,597	214,873	117,830	3,785	2,147,085
Depreciation	106,368	10,393	1,465	-	118,226
Total operating expenses	3,706,176	2,723,195	153,829	3,785	6,586,985
Operating income (loss)	(3,409,383)	(189,127)	34,389	(3,785)	(3,567,906)
Nonoperating revenues:					
State sources	19,003	174,960	-	-	193,963
Federal sources	4,101,133	224,572	-	-	4,325,705
Interest on investments	504	27,202	86	-	27,792
Total nonoperating revenues	4,120,640	426,734	86	-	4,547,460
Change in net position	711,257	237,607	34,475	(3,785)	979,554
Net position, beginning of year	774,496	29,667	166,332	129,883	1,100,378
Net position, end of year	\$ 1,485,753	\$ 267,274	\$ 200,807	\$ 126,098	\$ 2,079,932

College Community School District

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2022

	School Nutrition	Day Care	Resale	Student Built House	Total
Cash flows from operating activities:					
Cash received from charges for services	\$ 296,793	\$ 2,522,213	\$ 187,922	\$ -	\$ 3,006,928
Cash received from miscellaneous operating activities	-	-	-	379,921	379,921
Cash payments to employees for services	(1,456,647)	(2,247,509)	(27,240)	-	(3,731,396)
Cash payments to suppliers for goods or services	(1,693,278)	(220,039)	(101,236)	(275,484)	(2,290,037)
Net cash provided by (used in) operating activities	(2,853,132)	54,665	59,446	104,437	(2,634,584)
Cash flows from noncapital financing activities:					
State grants received	19,003	174,960	-	-	193,963
Federal grants received	3,438,469	224,572	-	-	3,663,041
Net cash provided by noncapital financing activities	3,457,472	399,532	-	-	3,857,004
Cash flows from capital financing activities, acquisition of capital assets	(69,555)	(27,239)	-	-	(96,794)
Cash flows from investing activities, interest on investments	504	27,202	86	-	27,792
Net increase in cash and cash equivalents	535,289	454,160	59,532	104,437	1,153,418
Cash and cash equivalents, beginning of year	736,911	968,513	170,335	60,877	1,936,636
Cash and cash equivalents, end of year	\$ 1,272,200	\$ 1,422,673	\$ 229,867	\$ 165,314	\$ 3,090,054

(Continued)

College Community School District

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year Ended June 30, 2022

	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)	\$ (3,409,383)	\$ (189,127)	\$ 34,389	\$ (3,785)	\$ (3,567,906)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Commodities consumed	298,222	-	-	-	298,222
Depreciation	106,368	10,393	1,465	-	118,226
Change in assets and liabilities:					
Inventories	(23,440)	-	-	115,916	92,476
Accounts receivable	-	(11,855)	(296)	(157)	(12,308)
Accounts payable	(157,297)	10,805	24,248	(7,537)	(129,781)
Salaries and benefits payable	110,856	11,655	(2,892)	-	119,619
Compensated absences	(2,893)	(40,922)	-	-	(43,815)
Net OPEB liability	395,070	490,991	3,251	-	889,312
Net pension liability	(170,635)	(227,275)	(719)	-	(398,629)
Net cash provided by (used in) operating activities	\$ (2,853,132)	\$ 54,665	\$ 59,446	\$ 104,437	\$ (2,634,584)

Noncash: Noncapital financing activities:

During the year ended June 30, 2022, the District used \$298,222 of federal commodities.

College Community School District

Combining Statement of Net Position

Internal Service Funds

June 30, 2022

	Dental Flex Benefits	Print Shop	Total
Assets			
Current:			
Cash and cash equivalents	\$ 280,616	\$ 219,637	\$ 500,253
Accounts receivable	-	433	433
Inventories	-	24,984	24,984
Total current assets	280,616	245,054	525,670
Noncurrent:			
Capital assets, net of accumulated depreciation	-	2,790	2,790
Total noncurrent assets	-	2,790	2,790
Total assets	280,616	247,844	528,460
Net Position			
Investment in capital assets	-	2,790	2,790
Unrestricted	280,616	245,054	525,670
Total net position	\$ 280,616	\$ 247,844	\$ 528,460

College Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year Ended June 30, 2022

	Dental Flex Benefits	Print Shop	Total
Operating revenues:			
Local sources, charges for services	\$ 468,061	\$ 71,343	\$ 539,404
Total operating revenues	468,061	71,343	539,404
Operating expenses:			
Supplies	-	51,749	51,749
Services	337,676	-	337,676
Depreciation	-	620	620
Total operating expenses	337,676	52,369	390,045
Operating income	130,385	18,974	149,359
Nonoperating revenues (expenses):			
Loss on sale of capital assets	-	(24,284)	(24,284)
Interest on investments	228	-	228
	228	(24,284)	(24,056)
Change in net position	130,613	(5,310)	125,303
Net position, beginning of year	150,003	253,154	403,157
Net position, end of year	\$ 280,616	\$ 247,844	\$ 528,460

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College Community School District

Combining Statement of Cash Flows

Internal Service Fund

Year Ended June 30, 2022

	Dental Flex Benefits	Print Shop	Total
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ -	\$ 70,910	\$ 70,910
Cash received from employees	468,061	-	468,061
Cash payments to suppliers for goods or services	(337,676)	(21,333)	(359,009)
Net cash provided by operating activities	130,385	49,577	179,962
Cash flows from investing activities, interest on investments	228	-	228
Net increase in cash and cash equivalents	130,613	49,577	180,190
Cash and cash equivalents, beginning of year	150,003	170,060	320,063
Cash and cash equivalents, end of year	\$ 280,616	\$ 219,637	\$ 500,253
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 130,385	\$ 18,974	\$ 149,359
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	620	620
Accounts receivable	-	(433)	(433)
Inventories	-	30,416	30,416
Net cash provided by operating activities	\$ 130,385	\$ 49,577	\$ 179,962

College Community School District

Combining Statement of Net Position
 Fiduciary Funds
 June 30, 2022

	Custodial Funds		Total
	Foundation	Parent Groups	
Assets			
Cash and cash equivalents	\$ 50,699	\$ 180,316	\$ 231,015
Other receivables	-	1,563	1,563
Total current assets	<u>50,699</u>	<u>181,879</u>	<u>232,578</u>
Liabilities			
Accounts payable	-	9,543	9,543
Net Position			
Restricted	50,699	172,336	223,035
Total net position	<u>\$ 50,699</u>	<u>\$ 172,336</u>	<u>\$ 223,035</u>

College Community School District

Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2022

	Custodial Funds		Total
	Foundation	Parent Groups	
Additions			
Local sources:			
Donations	\$ 40,859	\$ 371,442	\$ 412,301
Total additions	<u>40,859</u>	<u>371,442</u>	<u>412,301</u>
Deductions:			
Administrative expenses	45,342	369,435	414,777
Total deductions	<u>45,342</u>	<u>369,435</u>	<u>414,777</u>
Change in net position	(4,483)	2,007	(2,476)
Net position, beginning of year	55,182	170,329	225,511
Net position, end of year	<u>\$ 50,699</u>	<u>\$ 172,336</u>	<u>\$ 223,035</u>

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College Community School District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Indirect:				
U.S. Department of Agriculture:				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY22 4552	\$ -	\$ 513,552
National School Lunch Program	10.555	FY22 4553	-	2,953,939
COVID-19 National School Lunch Program	10.555	FY22 4553	-	11,068
National School Lunch Program- Supply Chain Assistance	10.555	FY22 4014	-	96,970
Commodities-DOD (Noncash)	10.555	FY22	-	137,207
Commodities (Noncash)	10.555	FY22	-	161,015
			-	3,360,199
Summer Food Service Program for Children	10.559	FY22 4556	-	224,319
Total Child Nutrition Cluster			-	4,098,070
COVID-19 Pandemic EBT Administrative Costs	10.649	FY22 4046	-	3,063
Total U.S. Department of Agriculture			-	4,101,133
U.S. Department of Education:				
Pass-Through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY22 4501	-	524,805
Education for Homeless Children and Youth	84.196	FY22 4565	-	39,023
Supporting Effective Instruction State Grants	84.367	FY22 4643	-	108,882
Student Support and Academic Enrichment Program	84.424	FY22 4669	-	27,731
Education Stabilization Fund:				
COVID-19 Governor's Emergency Education Relief (GEER II) Fund	84.425C	FY22 4054	-	163,471
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	FY22 4048	-	392,923
COVID-19 ARP- Elementary and Secondary School Emergency Relief (ARP-ESSER)	84.425U	FY22 4043	-	755,643
COVID-19 ARP- Elementary and Secondary School Emergency Relief (ARP-ESSER)	84.425U	FY22 4045	-	1,035,601
			-	1,791,244
COVID-19 ARP-Elementary and Secondary School Emergency Relief Homeless Children and Youth (ARP-HCY)	84.425W	FY22 4044	-	18,491
Total Education Stabilization Fund			-	2,366,129
Pass-Through Grant Wood Area Education Agency:				
Special Education Cluster,				
Special Education Grants to States (IDEA, Part B)	84.027	FY22 4521	-	237,464
COVID-19 ARP- Special Education- Grants to States (IDEA, Part B)	84.027X	FY22 4031	-	36,635
			-	274,099
Career and Technical Education- Basic Grants to States	84.048	FY22 4531	-	9,805
English Language Acquisition State Grants	84.365	FY22 4644	-	16,866
Total U.S. Department of Education			-	3,367,340

(Continued)

College Community School District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Health & Human Services:				
Pass-Through Iowa Department of Human Services:				
477 Cluster Program:				
Child Care and Development Block Grant	93.575	FY22 4616	-	166,572
COVID-19 Child Care and Development Block Grant	93.575	FY22 4616	-	58,000
Total 477 Cluster Program			-	224,572
Foster Care Title IV-E	93.658	FY22 4623	-	1,097
Total U.S. Department of Health & Human Services			-	225,669
Total expenditures of federal awards			\$ -	\$ 7,694,142

See notes to schedule of expenditures of federal awards.

College Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

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, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 2. Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the modified accrual or accrual basis of accounting based on the fund type of the program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. 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.



College Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022**

	Findings	Status	Corrective Action Plan or Other Explanation
Findings Pertaining to the Financial Statements:			
2021-001	The District has insufficient segregation of duties over the receipt process.	Corrected.	
Findings Pertaining to Statutory Reporting:			
IV-H-21	There were variances in certified enrollment certified to the state in October 2020.	Not corrected.	See response and corrective action plan at IV-H-22



**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, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 17, 2023.

Our report includes an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 87.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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 Questioned Costs.

Comments involving statutory and other legal matters about College Community School District's operations for the year ended June 30, 2022 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.

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
January 17, 2023



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

Opinion on Each Major Federal Program

We have audited College Community School District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2022. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, College Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit,
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Bohnsack & Frommelt LLP

Moline, Illinois
January 17, 2023

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College Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency identified? Yes None Reported

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

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
Education Stabilization Fund:	
84.425C	COVID-19 Governor's Emergency Education Relief (GEER II) Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund
84.425U	COVID-19 ARP- Elementary and Secondary School Emergency Relief (ARP-ESSER)
84.425W	COVID-19 ARP-Elementary and Secondary School Emergency Relief Homeless Children and Youth (ARP-HCY)

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, 2022**

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

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-22

Certified Budget –

Finding: The District exceeded its amended budget in the instruction, non-instructional programs, and other expenditures functions.

Recommendation: The certified budget should be amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures are allowed to exceed the budget.

Response and Corrective Action Plan: The District will amend future budgets in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion: Response accepted.

IV-B-22

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-22

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-22

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

IV-E-22

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

(Continued)

College Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

IV-F-22

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-22

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

IV-H-22

Certified Enrollment –

Finding: The District identified variances in certified enrollment submitted to the state in October 2021.

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

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

Conclusion: Response accepted.

IV-I-22

Supplementary Weighting –

Finding: The District identified variances in supplementary weighting submitted to the state in October 2021.

Recommendation: We recommend the District review supplementary weighting data for accuracy prior to submission to the state.

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

Conclusion: Response accepted.

IV-J-22

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-22

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

IV-L-22

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

(Continued)

College Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

IV-M-22

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, 2022, 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	\$	7,839,047
Revenue / transfers in:		
Statewide sales and services tax revenue		6,143,395
Other local sources		83,201
Issuance of long term debt		9,000,000
Premium on issuance of long term debt		312,864
Proceeds from sale of capital assets		82,549
Expenditures/transfers out:		
Transfers out		(3,580,460)
Capital outlay for facilities and property and equipment		(12,178,181)
Ending balance	\$	<u><u>7,702,415</u></u>



College Community School District

**Corrective Action Plan
Year Ended June 30, 2022**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Pertaining to Statutory Reporting:				
IV-A-22	The District exceeded its amended budget in the instruction, non-instructional, and other expenditures functions.	See response and corrective action plan at IV-A-22	June 30, 2023	Angie Morrison
IV-H-22	There were variances in certified enrollment certified to the state in October 2021.	See response and corrective action plan at IV-H-22	June 30, 2023	Angie Morrison
IV-I-22	The District identified variances in supplementary weighting submitted to the state in October 2021.	See response and corrective action plan at IV-I-22	June 30, 2023	Angie Morrison