

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

Financial and Compliance Report
Year Ended June 30, 2023

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College Community School District

**Board of Education and School District Officials
Year Ended June 30, 2023**

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	2023
Angela Morrison	Chief Financial Officer	2023

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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, 2023, 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, 2023, 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. 96, *Subscription-Based Information Technology Arrangements*. As a result, June 30, 2022 governmental activities net position is restated by \$113,748. 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 59-68 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 (ReportDate) 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.

SIGNATURE

Moline, Illinois
(ReportDate)

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College Community School District

Management's Discussion and Analysis Year Ended June 30, 2023

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, 2023. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2022-23 Financial Highlights

- The District's net position for governmental activities was \$58,485,576 at June 30, 2023, compared to a restated net position due to GASB Statement No. 96 of \$46,423,875 at June 30, 2022, an increase of \$12,061,701 or 26.0 percent.
- The District's net position for business-type activities was \$2,696,064 at June 30, 2023 compared to \$2,079,932 at June 30, 2022, an increase of \$616,132 or 29.6 percent.
- The District's bonded debt and equipment note increased \$23,726,640 due to the scheduled debt repayments being less than the issuance of \$33,000,000 revenue bonds.

Using this Annual Report

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

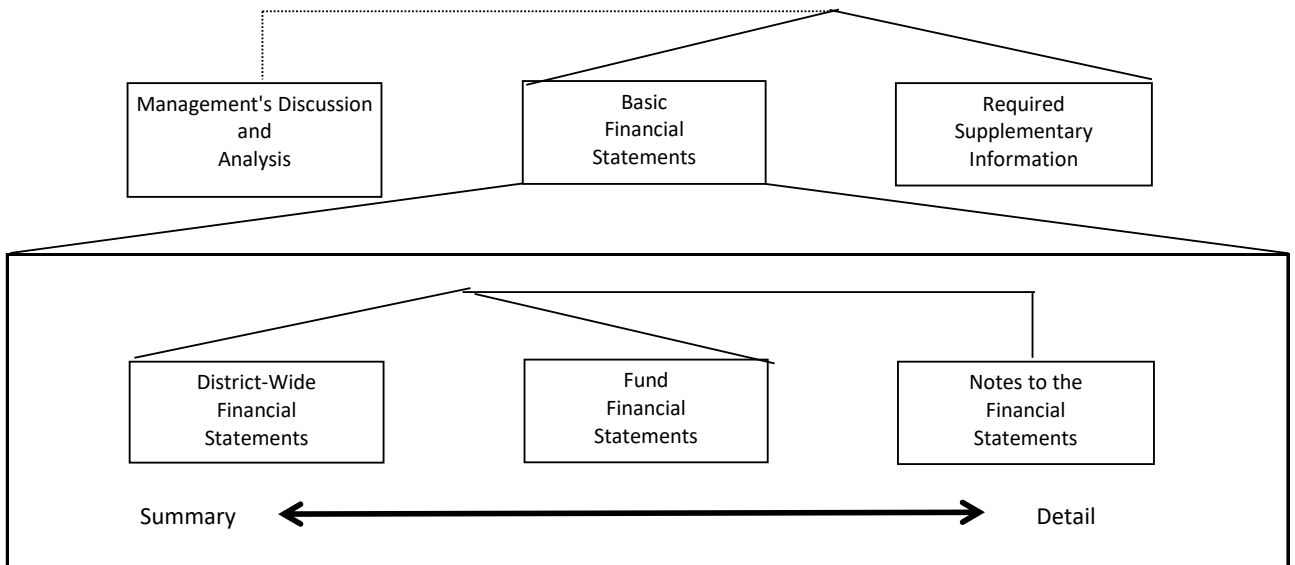
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about 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, 2023**

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, 2023**

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, 2023

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, 2023

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 26.1 percent, increasing from a restated net position of \$48,503,807 at June 30, 2022, to \$61,181,640 at June 30, 2023. Figure A-3 below provides a summary of the District's net position as of June 30, 2023 compared to June 30, 2022.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2022-2023
	2023	Restated 2022	2023	2022	2023	Restated 2022	
Current and other assets	\$ 114,636,781	\$ 100,138,871	\$ 4,114,345	\$ 3,669,799	\$ 118,751,126	\$ 103,808,670	14%
Capital assets	211,658,012	193,407,641	768,345	837,884	212,426,357	194,245,525	9%
Total assets	326,294,793	293,546,512	4,882,690	4,507,683	331,177,483	298,054,195	11%
Deferred outflows of resources	8,358,637	8,527,360	332,255	337,706	8,690,892	8,865,066	-2%
Long-term obligations	220,743,652	176,513,928	2,031,764	715,725	222,775,416	177,229,653	26%
Other liabilities	7,437,363	7,019,842	219,439	272,201	7,656,802	7,292,043	5%
Total liabilities	228,181,015	183,533,770	2,251,203	987,926	230,432,218	184,521,696	25%
Deferred inflows of resources	47,986,839	72,116,227	267,678	1,777,531	48,254,517	73,893,758	-35%
Net position:							
Net investment in capital assets	58,903,674	54,432,681	768,345	837,884	59,672,019	55,270,565	8%
Restricted	20,687,022	16,006,968	-	-	20,687,022	16,006,968	29%
Unrestricted	(21,105,120)	(24,015,774)	1,927,719	1,242,048	(19,177,401)	(22,773,726)	16%
Total net position	\$ 58,485,576	\$ 46,423,875	\$ 2,696,064	\$ 2,079,932	\$ 61,181,640	\$ 48,503,807	26%

Net investment in capital assets, such as land, buildings, machinery and equipment, less any outstanding debt used to acquire those assets is \$59,672,019. 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. \$20,687,022 of net position has external restrictions on how the funds may be used. The deficit remaining balance of \$19,177,401 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, 2023

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 \$4,680,054 or 29% 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 \$3,596,325, or 16 percent. Unrestricted net position increased primarily due to the reduction in the deferred inflows of resources related to the state pension plan.

The following figure shows changes in net position for the year ended June 30, 2023, compared to the year ended June 30, 2022.

Figure A-4 Changes in Net Position From Operating Results

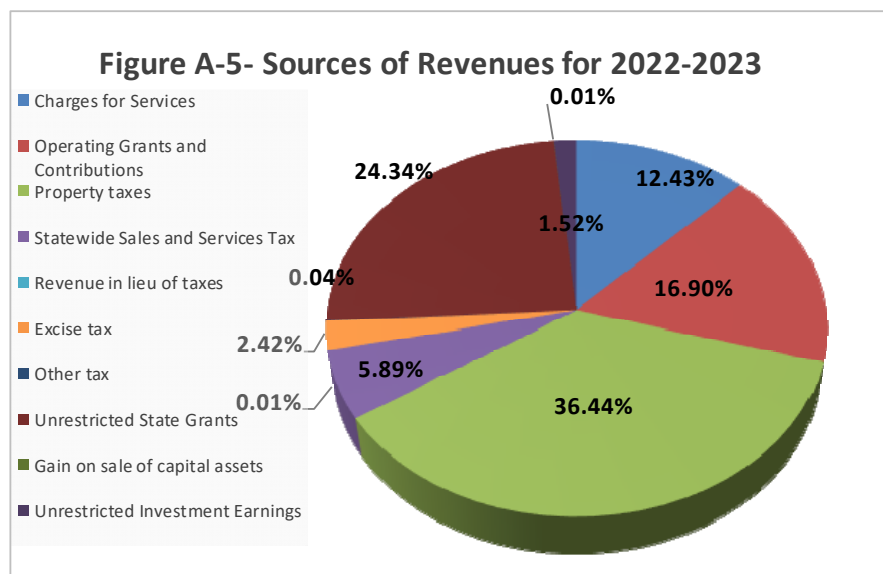
	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2022-23
	Not restated				Not restated		
	2023	2022	2023	2022	2023	2022	
Revenues:							
Program revenues:							
Charges for services	\$ 8,260,340	\$ 7,874,731	\$ 4,734,496	\$ 3,019,079	\$ 12,994,836	\$ 10,893,810	19.3%
Operating grants, contributions and restricted interest	15,120,704	14,238,753	2,540,837	4,519,668	17,661,541	18,758,421	-5.8%
Capital grants, contributions and restricted interest	717,366	-	113,453	-	830,819	-	
General revenues:							
Property taxes	38,087,180	37,041,377	-	-	38,087,180	37,041,377	2.8%
Revenue in lieu of taxes	5,151	1,358,597	-	-	5,151	1,358,597	-99.6%
Statewide sales and services tax	6,161,666	6,252,782	-	-	6,161,666	6,252,782	-1.5%
Excise tax	2,534,409	1,878,840	-	-	2,534,409	1,878,840	34.9%
Other tax	38,842	37,823	-	-	38,842	37,823	0.0%
Unrestricted state grants	25,445,899	23,259,286	-	-	25,445,899	23,259,286	9.4%
Unrestricted investment earnings	1,531,346	185,749	56,519	27,792	1,587,865	213,541	643.6%
Other	12,986	186,368	-	-	12,986	186,368	-93.0%
Total revenues	97,915,889	92,314,306	7,445,305	7,566,539	105,361,194	99,880,845	5.5%
Expenses:							
Instruction	47,276,278	43,436,215	-	-	47,276,278	43,436,215	8.8%
Support services	24,778,942	22,903,243	-	-	24,778,942	22,903,243	8.2%
Noninstructional	-	-	6,829,173	6,586,985	6,829,173	6,586,985	3.7%
Other	13,798,968	13,439,176	-	-	13,798,968	13,439,176	2.7%
Total expenses	85,854,188	79,778,634	6,829,173	6,586,985	92,683,361	86,365,619	7.3%
Change in net position	12,061,701	12,535,672	616,132	979,554	12,677,833	13,515,226	-6.2%
Net position, beginning, restated	46,423,875	33,774,455	2,079,932	1,100,378	48,503,807	34,874,833	39.1%
Net position, ending	\$ 58,485,576	\$ 46,310,127	\$ 2,696,064	\$ 2,079,932	\$ 61,181,640	\$ 48,390,059	26.4%

College Community School District

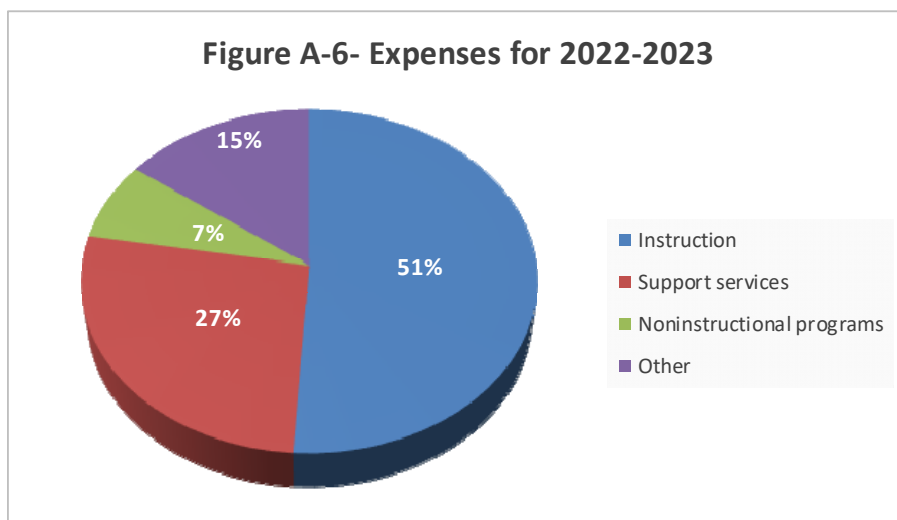
Management's Discussion and Analysis Year Ended June 30, 2023

During fiscal year 2023, property tax, revenue in lieu of taxes, stateside sales and services tax, excise tax, other tax and unrestricted state grants accounted for 73.8 percent of governmental activities revenue while charges for service, operating and capital grants, contributions and restricted interest and investment earnings accounted for all of business type activities revenue.

The District as a whole experienced a 5.5 percent increase in revenue while experiencing a 7.3 percent increase in expenses. The District's total revenue was \$105,361,194 of which \$97,915,889 was for governmental activities, while the remaining \$7,445,305 was for business-type activities. Property taxes and unrestricted state grants account for most of the District's revenue, with each contributing approximately 36 and 24 percent of the total revenue. (See figure A-5).



The total cost for all programs and services increased 7.3 percent to \$92,683,361. The District's total expenses are listed in Figure A-6. The chart shows that the majority of the District's expenses (78 percent) are devoted to instruction and support services.



College Community School District

Management's Discussion and Analysis Year Ended June 30, 2023

Governmental Activities

Revenues for the District's governmental activities increased 6.1 percent, while expenses increased 7.6 percent. The increase in revenues can be attributed to the increase operating grants and capital grants revenue in 2023 as compared to fiscal year 2022 due to the COVID-19 federal programs received and expended in fiscal year 2023. Revenues also increased due to an increase in investment earnings of \$1,345,597 due to increasing interest rates. The increase in expenses is due to increases in wages and benefits of approximately 5 percent and increases in insurance premium for property and equipment as well as increases spending on curriculum materials.

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, 2023 compared to the year ended June 30, 2022.

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	2023	2022	Change 2022-23	2023	2022	Change 2022-23
Instruction	\$ 47,276,278	\$ 43,436,215	8.8%	\$ (29,337,161)	\$ (25,811,587)	13.7%
Support services	24,778,942	22,903,243	8.2%	(21,187,254)	(20,895,422)	1.4%
Other	13,798,968	13,439,176	2.7%	(11,231,363)	(10,958,141)	2.5%
Total	\$ 85,854,188	\$ 79,778,634	7.6%	\$ (61,755,778)	\$ (57,665,150)	7.1%

For the year ended June 30, 2023:

- The cost financed by users of the District's programs was \$8,260,340.
- Federal and state governments subsidized certain programs with grants and contributions as well as contributions from local sources totaling approximately \$15,838,070.
- The net cost of governmental activities was financed with \$38,087,180 in property tax, \$5,151 revenue in lieu of taxes, \$2,534,409 in excise tax, \$38,842 in other tax, \$6,161,666 in statewide sales, services and use tax, \$25,445,899 in unrestricted state grants, \$1,531,346 in unrestricted interest, and \$12,986 other.

Business-Type Activities

Revenues of the District's business type activities decreased by 1.6 percent to \$7,445,305 while expenses increased by 3.7 percent to \$6,829,173 (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 five main categories; charges for service, miscellaneous, federal and state reimbursements, donations and investment income.

The District's business type activities net position increased from \$2,079,932 at June 30, 2022 to \$2,696,064 at June 30, 2023, an increase of \$616,132 or 29.6 percent. The decrease in revenues is primarily due to the change back to the pre-pandemic child nutrition programs. The increase in expenses is due to increases in wages and benefits and cost of supplies.

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2023

Governmental Fund Highlights

At the end of fiscal year 2023, the District's governmental funds reported combined ending fund balances of \$65,634,772, an increase of \$14,505,438 from the prior year. A closer look at each individual major governmental fund reveals the following:

- The General Fund balance decreased from \$13,912,980 on June 30, 2022, to \$12,687,100 on June 30, 2023. Revenues increased \$1,496,654 due to increases in increased state and federal funding for programs from an increase in state aid and from COVID-19 federal programs. General Fund expenditures increased by \$2,692,225 due to increases in salaries and benefits.
- The Capital Projects Fund balance increased from \$32,640,182 on June 30, 2022 to \$45,102,723 on June 30, 2023. The increase in overall Capital Projects Fund balance can be attributed to the issuance of long-term debt for future projects and the receipt of capital grants for capital projects.
- The Debt Service Fund balance increased from \$1,554,816 on June 30, 2022, to \$1,704,949 on June 30, 2023. Expenditures decreased \$25,140,737 from the prior year due to the refinancing of general obligation bonds in the prior year.

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 \$8,895,000. Revenues exceeded the final budget by \$8,746,342 due to additional federal funding. Expenditures were less than the final budget by \$31,104,997 due to the timing of capital projects.

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2023

Capital Asset Administration

By the end of fiscal year 2023, the District had invested, net of depreciation, approximately \$212 million in various capital assets including land, buildings, vehicles and equipment (See Figure A-8). This amount represents a net increase of \$18,180,832 or 9.4 percent over the previous fiscal year.

Figure A-8 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total
	Restated		2023	2022	Restated		Change 2022-23
	2023	2022			2023	2022	
Land	\$ 9,477,926	\$ 9,477,926	\$ -	\$ -	\$ 9,477,926	\$ 9,477,926	0.0%
Construction in progress	65,528,029	44,913,059	-	-	65,528,029	44,913,059	45.9%
Buildings	125,935,919	128,188,574	-	-	125,935,919	128,188,574	-1.8%
Improvements	7,336,780	7,749,789	-	-	7,336,780	7,749,789	-5.3%
Machinery and equipment	3,107,955	2,658,818	768,345	837,884	3,876,300	3,496,702	10.9%
Right to use lease asset	83,020	124,530	-	-	83,020	124,530	-33.3%
Right to use IT subscription	188,383	294,945	-	-	188,383	294,945	-36.1%
Total	\$ 211,658,012	\$ 193,407,641	\$ 768,345	\$ 837,884	\$ 212,426,357	\$ 194,245,525	9.4%

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 \$184,926,333 in long-term debt, an increase of \$23,672,832 from the restated previous fiscal year. \$9,787,951 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 2023 is due to the issuance of \$33,000,000 in revenue bonds.

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total School District		Total
	Restated		2023	2022	Restated		Change 2022-23
	2023	2022			2023	2022	
General obligation bonds	\$ 119,710,000	\$ 126,325,000	\$ -	\$ -	\$ 119,710,000	\$ 126,325,000	-5.2%
Revenue bonds	59,339,000	28,625,000	-	-	59,339,000	28,625,000	107.3%
Equipment note	200,131	298,059	-	-	200,131	298,059	-32.9%
Bond premiums, net of amortization	5,084,895	5,359,327	-	-	5,084,895	5,359,327	-5.1%
Lease obligation	85,375	126,799	-	-	85,375	126,799	-32.7%
IT subscription obligation	99,552	181,197	-	-	99,552	181,197	-45.1%
Early retirement	360,333	273,669	-	-	360,333	273,669	31.7%
Compensated absences	46,909	61,541	138	2,909	47,047	64,450	-27.0%
Total	\$ 184,926,195	\$ 161,250,592	\$ 138	\$ 2,909	\$ 184,926,333	\$ 161,253,501	14.7%

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

College Community School District

Management's Discussion and Analysis Year Ended June 30, 2023

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 2024 of \$132,389,168.
- The District's assessed valuation prior to rollback with exemptions for fiscal year 2023 is \$4,328,417,838 compared to \$3,636,764,489 for fiscal year 2022.
- The state legislature set supplemental state aid at 3.0% for Iowa schools in 2023-2024.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact 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, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 63,172,710	\$ 3,854,760	\$ 67,027,470
Receivables:			
Property tax:			
Delinquent	137,867	-	137,867
Succeeding year	41,145,955	-	41,145,955
Accounts	48,252	124,930	173,182
Due from other governments	5,261,127	-	5,261,127
Internal balances	300,000	(300,000)	-
Inventories	33,484	434,655	468,139
Restricted cash and pooled investments	4,537,386	-	4,537,386
Capital assets:			
Nondepreciable	75,005,955	-	75,005,955
Depreciable, net	136,652,057	768,345	137,420,402
Total assets	326,294,793	4,882,690	331,177,483
Deferred outflows of resources:			
OPEB related deferred outflows	2,937,886	47,204	2,985,090
Pension related deferred outflows	5,420,751	285,051	5,705,802
Total deferred outflows of resources	8,358,637	332,255	8,690,892

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	6,658,701	28,250	6,686,951
Salaries and benefits payable	304,877	116,858	421,735
Unearned revenue	-	74,331	74,331
Accrued interest	473,785	-	473,785
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	6,810,000	-	6,810,000
Revenue bonds	2,340,000	-	2,340,000
Lease obligation	42,261	-	42,261
IT subscription obligation	88,964	-	88,964
Equipment note	99,346	-	99,346
Compensated absences	46,909	138	47,047
Early retirement	360,333	-	360,333
Portion due after one year:			
General obligation bonds	117,378,135	-	117,378,135
Revenue bonds	57,605,760	-	57,605,760
Lease obligation	43,114	-	43,114
IT subscription obligation	10,588	-	10,588
Equipment note	100,785	-	100,785
Net pension liability	20,488,378	1,087,797	21,576,175
Net OPEB liability	15,329,079	943,829	16,272,908
Total liabilities	228,181,015	2,251,203	230,432,218
Deferred inflows of resources:			
Succeeding year property tax	41,145,955	-	41,145,955
Pension related deferred inflows	2,967,890	93,387	3,061,277
OPEB related deferred inflows	3,033,299	174,291	3,207,590
Deferral on refunding	839,695	-	839,695
Total deferred inflows of resources	47,986,839	267,678	48,254,517
Net Position			
Net investment in capital assets	58,903,674	768,345	59,672,019
Restricted for:			
Categorical funding	343,660	-	343,660
Debt service	1,722,712	-	1,722,712
School infrastructure	9,630,043	-	9,630,043
Physical plant and equipment levy	2,850,607	-	2,850,607
Management levy	5,446,875	-	5,446,875
Student activities	693,125	-	693,125
Unrestricted	(21,105,120)	1,927,719	(19,177,401)
Total net position	\$ 58,485,576	\$ 2,696,064	\$ 61,181,640

College Community School District

Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction:			
Regular	\$ 28,184,361	\$ 3,711,886	\$ 11,443,681
Special	11,017,688	2,503,899	248,949
Other	8,074,229	14,755	15,947
Total instruction	47,276,278	6,230,540	11,708,577
Support services:			
Student services	1,096,688	930,177	-
Instructional staff	4,886,367	438,736	-
Administration services	8,024,312	330,459	-
Operation and maintenance of plant services	6,463,087	330,276	-
Student transportation	4,308,488	152	844,522
Total support services	24,778,942	2,029,800	844,522
Other expenses:			
AEA flowthrough	2,567,605	-	2,567,605
Depreciation (unallocated)*	6,584,504	-	-
Long-term debt interest	4,646,859	-	-
Total other expenses	13,798,968	-	2,567,605
Total governmental activities	85,854,188	8,260,340	15,120,704
Business-type activities:			
School nutrition	3,835,392	1,640,513	2,285,971
Day care	2,795,580	2,916,209	254,866
Resale	194,492	177,774	-
Student build house	3,709	-	-
Total business-type activities	6,829,173	4,734,496	2,540,837
Total	\$ 92,683,361	\$ 12,994,836	\$ 17,661,541

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	Governmental	Business-Type		Total	
Contributions	Activities	Activities			
\$	-	\$ (13,028,794)	\$	-	\$ (13,028,794)
	-	(8,264,840)		-	(8,264,840)
	-	(8,043,527)		-	(8,043,527)
	-	(29,337,161)		-	(29,337,161)
	-	(166,511)		-	(166,511)
	-	(4,447,631)		-	(4,447,631)
	-	(7,693,853)		-	(7,693,853)
717,366		(5,415,445)		-	(5,415,445)
	-	(3,463,814)		-	(3,463,814)
717,366		(21,187,254)		-	(21,187,254)
	-	-		-	-
	-	(6,584,504)		-	(6,584,504)
	-	(4,646,859)		-	(4,646,859)
	-	(11,231,363)		-	(11,231,363)
717,366		(61,755,778)		-	(61,755,778)
113,453		-	204,545		204,545
		-	375,495		375,495
		-	(16,718)		(16,718)
		-	(3,709)		(3,709)
113,453		-	559,613		559,613
\$	830,819	\$ (61,755,778)	\$	559,613	\$ (61,196,165)

	21,322,442	-	21,322,442		
	4,756,495	-	4,756,495		
	2,377,870	-	2,377,870		
	9,630,373	-	9,630,373		
	2,534,409	-	2,534,409		
	38,842	-	38,842		
	5,151	-	5,151		
	6,161,666	-	6,161,666		
	25,445,899	-	25,445,899		
	1,531,346	56,519	1,587,865		
	12,986	-	12,986		
	73,817,479	56,519	73,873,998		
	12,061,701	616,132	12,677,833		
	46,423,875	2,079,932	48,503,807		
\$	58,485,576	\$	2,696,064	\$	61,181,640

College Community School District

**Balance Sheet
Governmental Funds
June 30, 2023**

	General	Capital Projects
Assets		
Cash and pooled investments	\$ 8,771,710	\$ 45,716,087
Restricted cash and pooled investments	-	4,537,386
Receivables:		
Property tax:		
Delinquent	78,233	8,329
Succeeding year	23,594,320	2,607,172
Other	36,444	8,388
Due from other governments	4,766,594	494,533
Due from other funds	300,000	-
Inventories	510	-
Total assets	\$ 37,547,811	\$ 53,371,895
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 967,401	\$ 5,662,000
Salaries and benefits payable	298,990	-
Early retirement	-	-
Total liabilities	1,266,391	5,662,000
Deferred inflows of resources:		
Succeeding year property tax	23,594,320	2,607,172
Total deferred inflows of resources	23,594,320	2,607,172
Fund balances:		
Nonspendable:		
Inventories	510	-
Restricted for:		
Categorical funding	343,660	-
Debt service	-	4,537,386
School infrastructure	-	37,714,730
Physical plant and equipment levy	-	2,850,607
Management levy	-	-
Student activities	-	-
Assigned for specific purposes	132,450	-
Unassigned	12,210,480	-
Total fund balance	12,687,100	45,102,723
Total liabilities, deferred inflows of resources, and fund balances	\$ 37,547,811	\$ 53,371,895

See Notes to Basic Financial Statements.

Debt Service	Nonmajor	Total
\$ 1,671,218	\$ 6,515,993	\$ 62,675,008
-	-	4,537,386
33,731	17,574	137,867
10,554,463	4,390,000	41,145,955
-	1,176	46,008
-	-	5,261,127
-	-	300,000
-	-	510
<u>\$ 12,259,412</u>	<u>\$ 10,924,743</u>	<u>\$ 114,103,861</u>

\$ -	\$ 28,523	\$ 6,657,924
-	5,887	304,877
-	360,333	360,333
-	394,743	7,323,134

10,554,463	4,390,000	41,145,955
<u>10,554,463</u>	<u>4,390,000</u>	<u>41,145,955</u>

-	-	510
-	-	343,660
1,704,949	-	6,242,335
-	-	37,714,730
-	-	2,850,607
-	5,446,875	5,446,875
-	693,125	693,125
-	-	132,450
-	-	12,210,480
<u>1,704,949</u>	<u>6,140,000</u>	<u>65,634,772</u>

<u>\$ 12,259,412</u>	<u>\$ 10,924,743</u>	<u>\$ 114,103,861</u>
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College Community School District

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2023

Total fund balances of governmental funds \$ 65,634,772

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. 211,655,842

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. 534,313

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	2,937,886	
Deferred inflows of resources related to OPEB	(3,033,299)	
Deferred outflows of resources related to pension	5,420,751	
Deferred inflows of resources related to pension	<u>(2,967,890)</u>	2,357,448

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	(119,710,000)	
General obligation bond premium	(4,478,135)	
Deferral on refunding	(839,695)	
Revenue bonds	(59,339,000)	
Revenue bonds premium	(606,760)	
Equipment note	(200,131)	
Lease obligation	(85,375)	
IT subscription obligation	(99,552)	
Accrued interest payable	(473,785)	
Compensated absences	(46,909)	
Net pension liability	(20,488,378)	
Net OPEB liability	<u>(15,329,079)</u>	(221,696,799)
Net position of governmental activities		<u><u>\$ 58,485,576</u></u>

See Notes to Basic Financial Statements.

College Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2023

	General	Capital Projects
Revenues:		
Local sources:		
Property tax	\$ 21,322,442	\$ 2,377,870
Utility excise tax	1,440,124	152,585
Other tax	20,794	2,517
Tuition	6,230,542	-
Other	1,479,184	989,799
State sources	35,925,888	7,017,470
Federal sources	4,692,793	532,870
Total revenues	71,111,767	11,073,111
Expenditures:		
Current:		
Instruction:		
Regular	28,458,215	838,272
Special	11,623,173	-
Other	7,487,973	-
Total instruction	47,569,361	838,272
Support services:		
Student services	1,210,817	-
Instructional staff services	4,427,657	669,257
Administration services	7,639,069	-
Operation and maintenance of plant services	6,003,766	314,347
Student transportation	2,889,947	865,304
Total support services	22,171,256	1,848,908
Other expenditures:		
Capital outlay	-	25,226,668
AEA flowthrough	2,567,605	-
Debt service:		
Principal	-	-
Interest and fiscal charges	-	788,936
Total other	2,567,605	26,015,604
Total expenditures	72,308,222	28,702,784
Excess (deficiency) of revenues over (under) expenditures	(1,196,455)	(17,629,673)
Other financing sources (uses):		
Issuance of long-term debt	-	33,000,000
Premium on issuance of long-term debt	-	193,878
Issuance of IT subscription obligation	-	19,283
Proceeds from sale of capital assets	-	12,986
Interfund transfers in	-	-
Interfund transfers (out)	(29,425)	(3,133,933)
Total other financing sources (uses)	(29,425)	30,092,214
Net change in fund balance	(1,225,880)	12,462,541
Fund balances, beginning of year	13,912,980	32,640,182
Fund balances, end of year	\$ 12,687,100	\$ 45,102,723

See Notes to Basic Financial Statements.

Debt Service	Nonmajor	Total
\$ 9,630,373	\$ 4,756,495	\$ 38,087,180
617,969	323,731	2,534,409
10,192	5,339	38,842
-	-	6,230,542
153,065	1,136,624	3,758,672
1,352	708	42,945,418
-	-	5,225,663
10,412,951	6,222,897	98,820,726
-	581,002	29,877,489
-	-	11,623,173
-	932,835	8,420,808
-	1,513,837	49,921,470
-	-	1,210,817
-	-	5,096,914
-	831,127	8,470,196
-	543,349	6,861,462
-	245,365	4,000,616
-	1,619,841	25,640,005
-	-	25,226,668
-	-	2,567,605
9,141,280	-	9,141,280
4,255,471	-	5,044,407
13,396,751	-	41,979,960
13,396,751	3,133,678	117,541,435
(2,983,800)	3,089,219	(18,720,709)
-	-	33,000,000
-	-	193,878
-	-	19,283
-	-	12,986
3,133,933	29,425	3,163,358
-	-	(3,163,358)
3,133,933	29,425	33,226,147
150,133	3,118,644	14,505,438
1,554,816	3,021,356	51,129,334
\$ 1,704,949	\$ 6,140,000	\$ 65,634,772

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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, 2023**

Net change in fund balances - total governmental funds \$ 14,505,438

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	25,451,606	
Depreciation expense	<u>(7,200,615)</u>	18,250,991
Proceeds from sale of capital assets		(12,986)
Gain on sale of capital assets		12,986

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	(855,470)	
Grants	<u>(64,825)</u>	(920,295)

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 5,853

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 revenue bonds	(33,000,000)	
Premiums on the issuance of debt	(193,878)	
Issuance of IT subscription obligation	(19,283)	
Repayments of principal	9,141,280	
Amortization of premiums	468,310	
Amortization of deferral on refunding	49,647	
Interest	<u>(120,409)</u>	(23,674,333)

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	14,632	
Change in pension expense and related deferrals	4,817,934	
Change in OPEB expense and related deferrals	<u>(938,519)</u>	3,894,047

Change in net position of governmental activities \$ 12,061,701

See Notes to Basic Financial Statements.

College Community School District

Statement of Net Position
 Proprietary Funds
 June 30, 2023

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service Funds
Assets		
Current:		
Cash and cash equivalents	\$ 3,854,760	\$ 497,702
Accounts receivable	124,930	2,244
Inventories	434,655	32,974
Total current assets	4,414,345	532,920
Noncurrent:		
Capital assets, net of accumulated depreciation	768,345	2,170
Total noncurrent assets	768,345	2,170
Total assets	5,182,690	535,090
Deferred Outflows of Resources:		
OPEB related deferred outflows	47,204	-
Pension related deferred outflows	285,051	-
Total deferred outflows of resources	332,255	-
Liabilities		
Current:		
Accounts payable	28,250	777
Salaries and benefits payable	116,858	-
Unearned revenue	74,331	-
Compensated absences	138	-
Due to other funds	300,000	-
Total current liabilities	519,577	777
Noncurrent:		
Net pension liability	1,087,797	-
Net OPEB liability	943,829	-
Total noncurrent liabilities	2,031,626	-
Total liabilities	2,551,203	777
Deferred Inflows of Resources:		
OPEB related deferred inflows	174,291	-
Pension related deferred inflows	93,387	-
Total deferred inflows of resources	267,678	-
Net Position		
Investment in capital assets	768,345	2,170
Unrestricted	1,927,719	532,143
Total net position	\$ 2,696,064	\$ 534,313

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, 2023

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:		
Local sources, charges for services	\$ 4,643,954	\$ 511,066
Miscellaneous	90,542	-
Total operating revenues	4,734,496	511,066
Operating expenses:		
Salaries	3,414,738	-
Benefits	703,282	-
Services	43,246	392,180
Supplies	2,476,641	114,885
Depreciation	120,216	620
Total operating expenses	6,758,123	507,685
Operating income (loss)	(2,023,627)	3,381
Nonoperating revenues (expenses):		
State sources	121,765	-
Federal sources	2,419,072	-
Interest on investments	56,519	2,472
Loss on sale of capital assets	(71,050)	-
Total nonoperating revenues (expenses)	2,526,306	2,472
Change in net position	502,679	5,853
Net position, beginning of year	2,079,932	528,460
Net position, end of year	\$ 2,696,064	\$ 534,313

See Notes to Basic Financial Statements.

College Community School District

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2023

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Cash received from charges for services	\$ 5,077,377	\$ -
Cash received from miscellaneous operating activities	-	88,223
Cash received from employees	-	421,032
Cash payments to employees for services	(4,214,923)	-
Cash payments to suppliers for goods or services	(2,417,153)	(514,278)
Net cash (used in) operating activities	<u>(1,554,699)</u>	<u>(5,023)</u>
Cash flows from noncapital financing activities:		
Advances from other funds	50,000	-
State grants received	121,765	-
Federal grants received	2,099,395	-
Net cash provided by noncapital financing activities	<u>2,271,160</u>	<u>-</u>
Cash flows from capital financing activities, acquisition of capital assets	<u>(8,274)</u>	<u>-</u>
Cash flows from investing activities, interest on investments	<u>56,519</u>	<u>2,472</u>
Net increase (decrease) in cash and cash equivalents	764,706	(2,551)
Cash and cash equivalents, beginning of year	3,090,054	500,253
Cash and cash equivalents, end of year	<u>\$ 3,854,760</u>	<u>\$ 497,702</u>

(Continued)

College Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2023

	Business-Type Activities Nonmajor Enterprise Funds	Governmental Activities Internal Service Fund
Reconciliation of operating income (loss) to net cash (used in) operating activities:		
Operating income (loss)	\$ (2,023,627)	\$ 3,381
Adjustments to reconcile operating income (loss) to net cash (used in) operating activities:		
Commodities consumed	319,677	-
Depreciation	120,216	620
Change in assets and liabilities:		
Inventories	(190,349)	(7,990)
Accounts receivable	343,038	(1,811)
Accounts payable	(26,751)	777
Salaries and benefits payable	17,129	-
Compensated absences	(2,771)	-
Unearned revenue	74,331	-
Increase in OPEB liability and related deferrals	111,054	-
Increase in net pension liability and related deferrals	(296,646)	-
Net cash (used in) operating activities	\$ (1,554,699)	\$ (5,023)
Noncash:		
Noncapital financing activities:		
Federal commodities	\$ 319,677	\$ -
Capital financing activities:		
Capital contributions	\$ 113,453	\$ -

See Notes to Basic Financial Statements.

College Community School District

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	<u>Custodial</u>
Assets	
Cash, cash equivalents and investments	\$ 242,600
Other receivables	1,370
Total assets	<u>243,970</u>
Liabilities,	
Accounts payable	<u>8,950</u>
Net Position	
Restricted	<u>\$ 235,020</u>

See Notes to Basic Financial Statements.

College Community School District

**Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2023**

	<u>Custodial</u>
Additions	
Local sources:	
Donations	<u>\$ 431,779</u>
Deductions	
Administrative expenses	<u>419,794</u>
Change in net position	11,985
Net position, beginning of year	223,035
Net position, end of year	<u><u>\$ 235,020</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, 2023

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, 2023

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 nonmajor governmental funds, Capital Project Fund accounts as well as the nonmajor enterprise funds.

The District reports the following major governmental funds:

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

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

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

The District reports the following nonmajor governmental funds:

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

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.

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, 2023

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 leases and subscription obligations 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, 2023

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, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2022.

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, 2023**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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.

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.

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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Subscription-Based Information Technology Arrangements (SBITA) – The District has entered into contracts that conveys control of the right to use information technology software. The District has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements.

At the commencement of the IT subscription term, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to IT subscription arrangements include how the District determines the discount rate it uses to discount the expected payments to present value, term and payments.

The District uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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.

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, 2023. 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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

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 \$32,604,310. 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, 2023 consists of \$343,660 for categorical funding, \$5,446,875 for management levy purposes, \$2,850,607 for physical plant and equipment levy, \$9,630,043 for school infrastructure, \$693,125 for student activities and \$1,722,712 for debt service.

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

Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Budgets and Budgetary Accounting

Budgets and budgetary control:

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

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

The District amended the original budget during the fiscal year to increase budgeted expenditures \$8,895,000 for additional grant and capital project expenditures. The District exceeded the budgeted expenditures in the instruction, non-instructional and other expenditures functions.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2023

Note 2. Budgets and Budgetary Accounting

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

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

Note 3. Cash and Pooled Investments

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

Interest rate risk: The District's investment policy as set in state statute 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 that maturities shall be consistent with the needs and use of the District.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 3. Cash and Pooled Investments

Level 1 inputs are quoted prices in active markets or identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2023, the Districts investments were as follows:

	Fair Value	Investment Maturities (in Years)				Level Input	Rating	
		<1	1-5	6-10	>10		Standard & Poor	Fitch
Investments Pools, Iowa Schools Joint Investment Trust (ISJIT)	\$ 31,538,032	\$ 31,538,032	\$ -	\$ -	\$ -	N/A	AAAm	N/A
Treasury Bills	5,408,110	5,408,110	-	-	-	2	AA+	AAA
Goldman Sachs Financial Square Governmental Fund	22,090,247	19,247,946	2,482,301	-	-	N/A	AAAm	N/A
	<u>\$ 59,036,389</u>	<u>\$ 56,194,088</u>	<u>\$ 2,482,301</u>	<u>\$ -</u>	<u>\$ -</u>			

At June 30, 2023, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Fund which are valued at amortized cost of \$31,538,032 pursuant to Rule 2a-7 under the investment Company Act of 2040. There were no limitations or restrictions on withdrawals of the ISJIT investments.

The District has cash and investments held with agent of \$7,780,630, which will be used for future debt service as of June 30, 2023.

Credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District does not have a policy specific to credit risk. The credit related to the District investments are in the table above.

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, 2023, the District had no investments subject to concentration of credit risk.

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned. For an investment this is the risk that in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession not an outside party. The District's deposits in banks at June 30, 2023 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure that 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 \$4,537,386 for debt service reserves.

College Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2023

Note 4. Interfund Transactions

The detail of interfund transfers for the year ended June 30, 2023 is as follows:

	Transfers In	Transfers Out
Major Funds:		
General	\$ -	\$ 29,425
Capital Projects Fund	-	3,133,933
Debt Service Fund	3,133,933	-
Nonmajor governmental fund, student activity	29,425	-
	<u>\$ 3,163,358</u>	<u>\$ 3,163,358</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The transfer from the Capital Projects Fund to the Debt Service Fund is to transfer sales tax revenue for debt principal and interest payments. The transfer from the General Fund to the nonmajor governmental fund is for safety equipment.

The detail of interfund receivables and payables at June 30, 2023 is as follows:

	Due To	Due From
Major fund, General Fund	\$ 300,000	\$ -
Nonmajor enterprise fund, Student Built House Fund	-	300,000
	<u>\$ 300,000</u>	<u>\$ 300,000</u>

The interfund receivable to the General Fund is for expenses related to a house that was built by the students.

Note 5. Capital Assets

Capital asset activity for the business-type activities for the year ended June 30, 2023 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture and equipment	\$ 2,571,619	\$ 121,727	\$ 73,500	\$ 2,619,846
Less accumulated depreciation	1,733,735	120,216	2,450	1,851,501
Business-type activities capital assets, net	<u>\$ 837,884</u>	<u>\$ 1,511</u>	<u>\$ 71,050</u>	<u>\$ 768,345</u>

College Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2023

Note 5. Capital Assets (Continued)

Capital assets activity for the governmental activities for the year ended June 30, 2023 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	44,913,059	23,948,866	3,333,896	65,528,029
Total capital assets not being depreciated	54,390,985	23,948,866	3,333,896	75,005,955
Capital assets being depreciated:				
Improvements other than buildings	16,792,431	313,244	-	17,105,675
Buildings	179,686,841	3,411,157	-	183,097,998
Furniture and equipment	8,469,794	1,088,872	15,687	9,542,979
Intangible right-to-use IT subscription	427,270	23,363	-	450,633
Intangible right to use lease asset	207,550	-	-	207,550
Total capital assets being depreciated	205,583,886	4,836,636	15,687	210,404,835
Less accumulated depreciation and amortization for:				
Improvements other than buildings	9,042,642	726,253	-	9,768,895
Buildings	51,498,267	5,663,812	-	57,162,079
Furniture and equipment	5,810,976	639,735	15,687	6,435,024
Intangible right-to-use IT subscription	132,325	129,925	-	262,250
Intangible right to use lease asset	83,020	41,510	-	124,530
Total accumulated depreciation and amortization	66,567,230	7,201,235	15,687	73,752,778
Total capital assets being depreciated, net	139,016,656	(2,364,599)	-	136,652,057
Governmental activities capital assets, net	\$ 193,407,641	\$ 21,584,267	\$ 3,333,896	\$ 211,658,012

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 5. Capital Assets (Continued)

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

Governmental activities:

Instruction:

Regular	\$	65,870
Other		3,765

Support services:

Instructional staff	9,059
Administration	32,000
Operation and maintenance of plant	42,046
Transportation	463,991
Unallocated depreciation	6,584,504

Total governmental activities depreciation and amortization expense	<u>\$ 7,201,235</u>
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Business-type activities:

School Nutrition	\$ 106,850
Day Care	11,901
Resale	1,465
	<u>\$ 120,216</u>

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 126,325,000	\$ -	\$ 6,615,000	\$ 119,710,000	\$ 6,810,000
Premiums on general obligation bonds	4,920,162	-	442,027	4,478,135	-
Revenue bonds	19,780,000	33,000,000	1,240,000	51,540,000	1,260,000
Premiums on revenue bonds	439,165	193,878	26,283	606,760	-
Private placement, revenue bonds	8,845,000	-	1,046,000	7,799,000	1,080,000
Equipment note	298,059	-	97,928	200,131	99,346
Lease obligation	126,799	-	41,424	85,375	42,261
IT subscription obligation	181,197	19,283	100,928	99,552	88,964
Early retirement	273,669	360,333	273,669	360,333	360,333
Compensated absences	61,541	46,909	61,541	46,909	46,909
Total	<u>\$ 161,250,592</u>	<u>\$ 33,620,403</u>	<u>\$ 9,944,800</u>	<u>\$ 184,926,195</u>	<u>\$ 9,787,813</u>
Business-type activities:					
Compensated absences	\$ 2,909	\$ 138	\$ 2,909	\$ 138	\$ 138

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

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 6. Long-Term Liabilities (Continued)

General Obligation Bonds:

As of June 30, 2023, 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	44,615,000
2021A	2.00%	\$735,000-\$1,965,000	June 1, 2040	26,000,000	24,075,000
2021B	1.50-1.85%	\$40,000-\$1,300,000	June 1, 2036	8,250,000	7,750,000
2022A	2.00%	\$225,000-\$3,905,000	June 1, 2027	5,595,000	4,690,000
2022B	3.00%	\$80,000-\$3,750,000	June 1, 2036	9,995,000	9,915,000
2022C	3.00-3.25%	\$5,000-\$1,780,000	June 1, 2033	9,895,000	9,890,000
				<u>\$ 135,265,000</u>	<u>\$ 119,710,000</u>

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.

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.

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.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 6. Long-Term Liabilities (Continued)

Details of the District's June 30, 2023 general obligation bonded indebtedness maturities are as follows:

Year Ending June 30	General Obligation Bond Total		
	Interest Rate	Principal	Interest
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	2.00-5.00	6,300,000	2,739,138
2029-2033	2.00-5.00	34,005,000	10,744,038
2034-2038	2.00-5.00	36,060,000	5,761,425
2039-2040	2.00-5.00	17,680,000	742,900
Total		\$ 119,710,000	\$ 32,592,376

School Infrastructure Sales, Services and Use Tax Bonds:

As of June 30, 2023, 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	\$ 2,000,000
2021	2.00%	\$310,000-\$610,000	June 1, 2040	9,000,000	8,270,000
2020A	2.0-2.50%	\$360,000-\$610,000	June 1, 2040	9,000,000	8,270,000
2023	4.0-4.125%	\$1,640,000-\$3,955,000	June 1, 2043	33,000,000	33,000,000
				56,000,000	51,540,000
Private Placement:					
2020	2.045%	\$944,000-\$1,718,000	June 1, 2029	11,780,000	7,799,000
				\$ 67,780,000	\$ 59,339,000

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, 2023**

Note 6. Long-Term Liabilities (Continued)

On April 10, 2023, the District issued \$33,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2023. The bonds were issued to finance renovations at the existing Prairie Creek intermediate building.

Details of the District's June 30, 2023 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
2024	\$ 1,260,000	\$ 1,907,899
2025	1,280,000	1,692,275
2026	1,310,000	1,664,625
2027	1,330,000	1,636,375
2028	860,000	1,607,725
2029-2032	11,595,000	7,368,025
2033-2038	15,520,000	5,104,756
2039-2040	18,385,000	2,238,856
Total	\$ 51,540,000	\$ 23,220,536

Year Ending June 30	Private Placement School Infrastructure Sales, Services and Use Tax Bond, Series 2020	
	Principal	Interest
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	1,718,000	66,851
2029	1,551,000	31,718
Total	\$ 7,799,000	\$ 601,149

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. 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 \$83,160,685. For the current year, \$2,286,000 of principal and \$597,555 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$7,017,136.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 6. Long-Term Liabilities (Continued)

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, 2023, the reserve was \$4,537,386.
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.
3. Monies in the revenue account are to be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year. The required amount to be deposited shall be an equal monthly amount necessary to pay in full the installment of interest coming due on the next interest payment date plus an equal monthly amount necessary to pay in full the installment of principal coming due on the next succeeding principal payment date. Monies in the sinking fund shall be used solely for the purpose of paying principal and interest on the outstanding revenue bonds.

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
2024	1.45	\$ 99,346	\$ 2,898
2025	1.45	100,785	1,459
Total		\$ 200,131	\$ 4,357

Equipment Lease Obligation: 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
2024	2.00	\$ 42,261	\$ 1,321
2025	2.00	43,114	468
Total		\$ 85,375	\$ 1,789

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 6. Long-Term Liabilities (Continued)

IT Subscription Obligation: The District has entered into several subscription based information technology arrangements (SBITA). The arrangements expire between June 30, 2024 and June 30, 2026. The details of the arrangements are as follows:

Year Ending June 30	IT Subscription Obligations		
	Interest Rate	Principal	Interest
2024	2.00	\$ 88,964	\$ 1,923
2025	2.00	5,097	212
2026	2.00	5,491	110
Total		\$ 99,552	\$ 2,245

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, 2023, the District has obligations to 19 participants with a total liability of \$360,333. Actual early retirement expenditures for the year ended June 30, 2023 totaled \$360,333. The cost of early retirement payments is recorded as a liability of the Special Revenue, Management Fund.

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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2023

Note 7. Pension Plan (Continued)

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

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

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

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 2023, 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, 2023 were \$4,650,666.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the District reported a liability of \$21,576,175 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportion was 0.571078 percent, which was a decrease of .794165 from its proportion measured as of June 30, 2021.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 7. Pension Plan (Continued)

For the year ended June 30, 2023, the District recognized pension expense (income) of (\$471,272) At June 30, 2023, 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	\$ 956,469	\$ 295,546
Changes of assumptions	23,244	5,452
Net difference between projected and actual earnings on pension plan investments	-	2,309,661
Changes in proportion and differences between District contributions and proportionate share of contributions	75,423	450,618
District contributions subsequent to the measurement date	4,650,666	-
Total	\$ 5,705,802	\$ 3,061,277

\$4,650,666 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, 2024. 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,	
2024	\$ (2,143,352)
2025	(1,643,762)
2026	(2,897,157)
2027	4,654,491
2028	23,639
Thereafter	-
Total	\$ (2,006,141)

There were no non-employer contributing entities to IPERS.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 7. Pension Plan (Continued)

Actuarial assumptions: The total pension liability in the June 30, 2022 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, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021. Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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%	3.57%
International equity	17.5%	4.79%
Global smart beta equity	6.0%	4.16%
Core plus fixed income	20.0%	1.66%
Public credit	4.0%	3.77%
Cash	1.0%	0.77%
Private equity	13.0%	7.57%
Private real assets	8.5%	3.55%
Private credit	8.0%	3.63%
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.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 7. Pension Plan (Continued)

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)	\$ 40,199,009	\$ 21,576,175	\$ 5,164,340

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, 2023, 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.

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, 2022, for each plan are as shown below:

Rate Tier	HMO Basic	HMO Essential	PPO Choice	PPO Premier
Single	\$ 352	\$ 487	\$ 596	\$ 656
Single plus spouse	723	993	1,220	1,339

Employees covered by benefit terms: At June 30, 2023, 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
	866

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

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

Total OPEB Liability

The District's total OPEB liability of \$16,272,908 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2023 rolled forward actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00% per annum
Discount rate	3.54% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	5.75% 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, 2023 valuation were based on the results of an actuarial experience study for the period 2010– 2021.

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	\$ 15,205,995	\$ -	\$ 15,205,995
Changes for the year:			
Service cost	1,043,681	-	1,043,681
Interest	565,638	-	565,638
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	-	-	-
Benefit payments	(542,406)	-	(542,406)
Net changes	1,066,913	-	1,066,913
Balance at June 30, 2023	<u>\$ 16,272,908</u>	<u>\$ -</u>	<u>\$ 16,272,908</u>

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

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

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

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	\$ 17,828,272	\$ 16,272,908	\$ 14,837,631

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
	4.75%	5.75%	6.75%
Total OPEB liability	\$ 14,243,267	\$ 16,272,908	\$ 18,711,272

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,591,979. At June 30, 2023, 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	\$ 609,087	\$ 1,474,967
Changes of assumptions or other inputs	2,376,003	1,732,623
Net difference between projected and actual investments	-	-
Total	\$ 2,985,090	\$ 3,207,590

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:	
2024	\$ (17,340)
2025	(17,340)
2026	(17,340)
2027	(17,340)
2028	(17,340)
Thereafter	(135,800)
	<u>\$ (222,500)</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 \$2,567,605 for the year ended June 30, 2023 and is recorded in the General Fund.

College Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2023**

Note 10. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2023 is comprised of the following programs:

Program	Amount
Professional development	\$ 10,307
Teacher leadership	155,573
Four year old preschool	25,064
Teacher salary supplement	152,716
Total	\$ 343,660

Note 11. Construction Commitments

The District has entered into contracts totaling \$91,293,758 for various construction projects throughout the District. As of June 30, 2023, costs of \$65,528,029 had been incurred against these contracts. The remaining balance of \$25,765,729 at June 30, 2023 will be paid as work on the projects progresses.

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, 2023 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Cedar Rapids	Urban renewal and economic development projects	\$ 223,194

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, 2023, this reimbursement amounted to \$116,062.

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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2023

Note 13. Risk Management (Continued)

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 \$250,000 per year per individual. An insurance carrier is paid an administrative fee to process the claims.

At June 30, 2023, the District is an active member of MIIP and has a positive equity balance of \$4,189,952. The total premium paid into the plan by all six members from July 1, 2022 to June 30, 2023 was approximately \$46,650,000 of which \$5,694,455 was paid by College Community School District.

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

In addition, the District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 14. Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2023:

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019. 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. 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. 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.

College Community School District

Notes to Basic Financial Statements Year Ended June 30, 2023

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

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020. 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. 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.

Other than the restatement for the implementation of GASB Statement No. 96 as discussed in Note 15, the implementation of the above statements did not have a material impact on the District's Financial Statements.

As of June 30, 2023, 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. 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, 2023

Note 15. Restatement

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, was implemented during fiscal year 2023. The new requirements require the reporting of certain right-to-use subscription-based IT arrangements and liabilities which were previously not reported. The beginning net position was restated as follows:

	Governmental Activities
Net position June 30, 2022 as previously reported	\$ 46,310,127
Right to use subscription asset	427,270
Right to use subscription accumulated amortization	(132,325)
Subscription obligation	(181,197)
Net position June 30, 2022 as restated	<u>\$ 46,423,875</u>

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College Community School District

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

	2023	2022
Total OPEB liability		
Changes for the year:		
Service cost	\$ 1,043,681	\$ 1,013,282
Interest	565,638	529,687
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(1,799,135)
Changes in assumptions or other inputs	-	(2,113,419)
Benefit payments	(542,406)	(573,182)
Net changes in total OPEB liability	1,066,913	(2,942,767)
Total OPEB liability - beginning	15,205,995	18,148,762
Total OPEB liability - ending	<u>\$ 16,272,908</u>	<u>\$ 15,205,995</u>
Covered employee payroll	\$ 38,279,541	\$ 37,164,603
Total OPEB liability as a percentage of covered employee payroll.	42.5%	40.9%

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%	3.54%
-------	-------

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.

	2021	2020	2019	2018
\$	1,008,737	\$ 979,356	\$ 320,199	\$ 267,096
	560,248	517,298	415,319	417,740
	-	-	-	-
	-	247,759	347,319	367,187
	1,888,602	235,604	1,241,040	-
	(614,375)	(529,346)	(300,754)	(320,089)
	2,843,212	1,450,671	2,023,123	731,934
	15,305,550	13,854,879	11,831,756	11,099,822
\$	18,148,762	\$ 15,305,550	\$ 13,854,879	\$ 11,831,756

\$ 37,006,760 \$ 41,802,085 \$ 40,905,540 \$ 39,977,630

49.0% 36.6% 33.9% 29.6%

2.16% 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, 2023

	Governmental Funds - Actual	Enterprise Fund - Actual	Total Actual
Revenues:			
Local sources	\$ 50,649,645	\$ 4,904,468	\$ 55,554,113
State sources	42,945,418	121,765	43,067,183
Federal sources	5,225,663	2,419,072	7,644,735
Total revenues	98,820,726	7,445,305	106,266,031
Expenditures/expenses:			
Instruction	49,921,470	7,510	49,928,980
Support services	25,640,005	31,631	25,671,636
Non-instructional programs	-	6,790,032	6,790,032
Other expenditures	41,979,960	-	41,979,960
Total expenditures	117,541,435	6,829,173	124,370,608
Excess (deficiency) of revenues over (under) expenditures	(18,720,709)	616,132	(18,104,577)
Total other financing sources, net	33,226,147	-	33,226,147
Excess (deficiency) of revenues and other financing sources over (under) expenditures	14,505,438	616,132	15,121,570
Balance, beginning of year	51,129,334	2,079,932	53,209,266
Balance, end of year	\$ 65,634,772	\$ 2,696,064	\$ 68,330,836

See Notes to Required Supplementary Information.

Budgeted Amounts		Final to Actual
Original	Final	Variance
\$ 51,112,356	\$ 51,112,356	\$ 4,441,757
41,197,944	41,197,944	1,869,239
5,209,389	5,209,389	2,435,346
97,519,689	97,519,689	8,746,342
49,628,829	51,423,829	1,494,849
25,173,189	26,923,189	1,251,553
6,229,351	7,579,351	789,319
65,549,236	69,549,236	27,569,276
146,580,605	155,475,605	31,104,997
(49,060,916)	(57,955,916)	39,851,339
14,872,015	14,872,015	18,354,132
\$ (34,188,901)	\$ (43,083,901)	\$ 58,205,471

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 Nine Fiscal Years

	2023*	2022*	2021*
District's proportion of the net pension liability	0.571078%	-0.223087%	0.549944%
District's proportionate share of the net pension liability	\$ 21,576	\$ 770	\$ 38,632
District's covered payroll	\$ 46,097	\$ 44,664	43,715
District's proportionate share of the net pension liability as a percentage of its employee covered payroll	46.81%	1.72%	88.37%
Plan fiduciary net pension as a percentage of the total pension liability	91.40%	100.81%	82.90%

*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

	2020*	2019*	2018*	2017*	2016*	2015*
	0.552238%	0.550384%	0.554504%	0.566834%	0.556838%	0.521487%
\$	32,193	\$ 34,819	\$ 36,607	\$ 35,349	\$ 27,683	\$ 21,105
	42,344	41,420	41,055	40,333	38,427	34,821
	76.03%	84.06%	89.17%	87.64%	72.04%	60.61%
	85.45%	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**

	2023	2022	2021	2020
Statutorily required contribution	\$ 4,650	\$ 4,342	\$ 4,209	\$ 4,127
Contributions in relation to the statutorily required contribution	(4,650)	(4,342)	(4,209)	(4,127)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 49,363	\$ 46,097	\$ 44,664	\$ 43,715
Contributions as a percentage of covered payroll	9.42%	9.42%	9.42%	9.44%

See Notes to Required Supplementary Information.

2019	2018	2017	2016	2015	2014
\$ 3,997	\$ 3,699	\$ 3,666	\$ 3,602	\$ 3,432	\$ 3,019
(4,011)	(3,699)	(3,666)	(3,602)	(3,432)	(3,019)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 42,344	\$ 41,420	\$ 41,055	\$ 40,333	\$ 38,427	\$ 34,821
9.44%	8.93%	8.93%	8.93%	8.93%	8.67%

College Community School District

Notes to Required Supplementary Information Year Ended June 30, 2023

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 \$8,895,000 for additional grant and capital project expenditures.

Note 2. Pension Liability

There are no significant changes in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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

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

College Community School District

**Notes to Required Supplementary Information
Year Ended June 30, 2023**

Note 2. Pension Liability (Continued)

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

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

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

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

College Community School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue		
	Student Activity	Management Levy	Total
Assets			
Cash and pooled investments	\$ 723,026	\$ 5,792,967	\$ 6,515,993
Receivables:			
Property tax:			
Delinquent	-	17,574	17,574
Succeeding year	-	4,390,000	4,390,000
Other	1,176	-	1,176
Total assets	\$ 724,202	\$ 10,200,541	\$ 10,924,743
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Accounts payable	\$ 25,190	\$ 3,333	\$ 28,523
Salaries and benefits payable	5,887	-	5,887
Early retirement	-	360,333	360,333
Total liabilities	31,077	363,666	394,743
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	-	4,390,000	4,390,000
Fund balances restricted for:			
Management levy purposes	-	5,446,875	5,446,875
Student activities	693,125	-	693,125
Total fund balances	693,125	5,446,875	6,140,000
Total liabilities, deferred inflows of resources and fund balances	\$ 724,202	\$ 10,200,541	\$ 10,924,743

College Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2023

	Special Revenue		
	Student Activity	Management Levy	Total
Revenues:			
Local sources:			
Property tax	\$ -	\$ 4,756,495	\$ 4,756,495
Utility excise tax	-	323,731	323,731
Other tax	-	5,339	5,339
Other	876,656	259,968	1,136,624
State sources	-	708	708
Total revenues	876,656	5,346,241	6,222,897
Expenditures:			
Current:			
Instruction:			
Regular	-	581,002	581,002
Other	929,835	3,000	932,835
Support services:			
Administration services	-	831,127	831,127
Operation and maintenance of plant services	-	543,349	543,349
Transportation services	34,205	211,160	245,365
Total expenditures	964,040	2,169,638	3,133,678
Excess (deficiency) of revenues over (under) expenditures	(87,384)	3,176,603	3,089,219
Other financing sources:			
Transfers in	29,425	-	29,425
Total other financing sources	29,425	-	29,425
Net change in fund balances	(57,959)	3,176,603	3,118,644
Fund balances, beginning of year	751,084	2,270,272	3,021,356
Fund balances, end of year	\$ 693,125	\$ 5,446,875	\$ 6,140,000

College Community School District

Schedule of Combining Balance Sheet

Capital Projects Fund - By Account

June 30, 2023

	Capital Projects Fund Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
Assets				
Cash and pooled investments	\$ 5,981,961	\$ 2,878,625	\$ 36,855,501	\$ 45,716,087
Restricted cash and investments	4,537,386	-	-	4,537,386
Receivables:				
Property tax:				
Delinquent	-	8,329	-	8,329
Succeeding year	-	2,607,172	-	2,607,172
Other	2,480	-	5,908	8,388
Due from other governments	494,533	-	-	494,533
Total assets	\$ 11,016,360	\$ 5,494,126	\$ 36,861,409	\$ 53,371,895
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities, accounts payable	\$ 546,470	\$ 36,347	\$ 5,079,183	\$ 5,662,000
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	-	2,607,172	-	2,607,172
Total deferred inflows of resources	-	2,607,172	-	2,607,172
Fund Balances:				
Restricted for:				
Debt service	4,537,386	-	-	4,537,386
School infrastructure	5,932,504	-	31,782,226	37,714,730
Physical plant and equipment	-	2,850,607	-	2,850,607
Total fund balances	10,469,890	2,850,607	31,782,226	45,102,723
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,016,360	\$ 5,494,126	\$ 36,861,409	\$ 53,371,895

College Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund - By Account

Year Ended June 30, 2023

	Capital Projects Fund Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Property tax	\$ -	\$ 2,377,870	\$ -	\$ 2,377,870
Utility excise tax	-	152,585	-	152,585
Other tax	-	2,517	-	2,517
Other	243,209	74,622	671,968	989,799
State sources	7,017,136	334	-	7,017,470
Federal sources	-	15,504	517,366	532,870
Total revenues	7,260,345	2,623,432	1,189,334	11,073,111
Expenditures:				
Current:				
Instruction, regular	789,070	49,202	-	838,272
Support services:				
Instructional staff	631,349	37,908	-	669,257
Operation and maintenance of plant services	-	314,347	-	314,347
Student transportation	-	865,304	-	865,304
Capital outlay	1,663,563	810,448	22,752,657	25,226,668
Debt service:				
Interest and fiscal charges	788,936	-	-	788,936
Total expenditures	3,872,918	2,077,209	22,752,657	28,702,784
(Deficiency) of revenues (under) expenditures	3,387,427	546,223	(21,563,323)	(17,629,673)
Other financing sources (uses):				
Issuance of long-term debt	33,000,000	-	-	33,000,000
Premium on issuance of long-term debt	193,878	-	-	193,878
Issuance of IT subscription obligation	19,283	-	-	19,283
Proceeds from sale of capital assets	12,986	-	-	12,986
Transfers in	-	-	30,755,748	30,755,748
Transfers out	(33,846,099)	(43,582)	-	(33,889,681)
Total other financing sources (uses)	(619,952)	(43,582)	30,755,748	30,092,214
Net change in fund balance	2,767,475	502,641	9,192,425	12,462,541
Fund balance, beginning of year	7,702,415	2,347,966	22,589,801	32,640,182
Fund balance, end of year	\$ 10,469,890	\$ 2,850,607	\$ 31,782,226	\$ 45,102,723

College Community School District

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2023

	School Nutrition	Day Care	Resale	Student Built House	Total
Assets					
Current:					
Cash and cash equivalents	\$ 1,939,423	\$ 1,703,668	\$ 201,192	\$ 10,477	\$ 3,854,760
Accounts receivable	67,210	50,400	7,320	-	124,930
Inventories	22,655	-	-	412,000	434,655
Total current assets	2,029,288	1,754,068	208,512	422,477	4,414,345
Noncurrent:					
Capital assets, net of accumulated depreciation	653,848	112,300	2,197	-	768,345
Total noncurrent assets	653,848	112,300	2,197	-	768,345
Total assets	2,683,136	1,866,368	210,709	422,477	5,182,690
Deferred Outflows of Resources:					
OPEB related deferred outflows	21,696	25,365	143	-	47,204
Pension related deferred outflows	127,933	150,679	6,439	-	285,051
	149,629	176,044	6,582	-	332,255
Liabilities					
Current:					
Accounts payable	11,490	3,170	13,502	88	28,250
Salaries and benefits payable	12,644	101,890	2,324	-	116,858
Unearned revenue	74,331	-	-	-	74,331
Compensated absences	-	138	-	-	138
Due to other funds	-	-	-	300,000	300,000
Total current liabilities	98,465	105,198	15,826	300,088	519,577
Noncurrent:					
Net pension liability	484,559	592,014	11,224	-	1,087,797
Net OPEB liability	384,041	554,906	4,882	-	943,829
Total noncurrent liabilities	868,600	1,146,920	16,106	-	2,031,626
Total liabilities	967,065	1,252,118	31,932	300,088	2,551,203
Deferred Inflows of Resources:					
OPEB related deferred inflows	78,191	95,494	606	-	174,291
Pension related deferred inflows	70,259	22,971	157	-	93,387
Total deferred inflows	148,450	118,465	763	-	267,678
Net Position					
Investment in capital assets	653,848	112,300	2,197	-	768,345
Unrestricted	1,063,402	559,529	182,399	122,389	1,927,719
Total net position	\$ 1,717,250	\$ 671,829	\$ 184,596	\$ 122,389	\$ 2,696,064

College Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year Ended June 30, 2023

	School Nutrition	Day Care	Resale	Student Built House	Total
Operating revenues:					
Local sources:					
Charges for services	\$ 1,640,297	\$ 2,916,209	\$ 87,448	\$ -	\$ 4,643,954
Miscellaneous	216	-	90,326	-	90,542
Total operating revenues	1,640,513	2,916,209	177,774	-	4,734,496
Operating expenses:					
Salaries	1,368,253	2,031,087	15,398	-	3,414,738
Benefits	362,801	337,817	2,664	-	703,282
Services	5,058	23,432	14,756	-	43,246
Supplies	1,921,380	391,343	160,209	3,709	2,476,641
Depreciation	106,850	11,901	1,465	-	120,216
Total operating expenses	3,764,342	2,795,580	194,492	3,709	6,758,123
Operating income (loss)	(2,123,829)	120,629	(16,718)	(3,709)	(2,023,627)
Nonoperating revenues (expenses):					
State sources	22,427	99,338	-	-	121,765
Federal sources	2,263,544	155,528	-	-	2,419,072
Interest on investments	26,952	29,060	507	-	56,519
Loss on sale of capital asset	(71,050)	-	-	-	(71,050)
Total nonoperating revenues (expenses)	2,241,873	283,926	507	-	2,526,306
Income (loss) before capital contributions	118,044	404,555	(16,211)	(3,709)	502,679
Capital contributions	113,453	-	-	-	113,453
Change in net position	231,497	404,555	(16,211)	(3,709)	616,132
Net position, beginning of year	1,485,753	267,274	200,807	126,098	2,079,932
Net position, end of year	\$ 1,717,250	\$ 671,829	\$ 184,596	\$ 122,389	\$ 2,696,064

College Community School District

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2023

	School Nutrition	Day Care	Resale	Student Built House	Total
Cash flows from operating activities:					
Cash received from charges for services	\$ 2,144,459	\$ 2,760,208	\$ 172,710	\$ -	\$ 5,077,377
Cash payments to employees for services	(1,876,453)	(2,323,034)	(15,436)	-	(4,214,923)
Cash payments to suppliers for goods or services	(1,594,029)	(431,831)	(186,456)	(204,837)	(2,417,153)
Net cash provided by (used in) operating activities	(1,326,023)	5,343	(29,182)	(204,837)	(1,554,699)
Cash flows from noncapital financing activities:					
Advances from other funds	-	-	-	50,000	50,000
State grants received	22,427	99,338	-	-	121,765
Federal grants received	1,943,867	155,528	-	-	2,099,395
Net cash provided by noncapital financing activities	1,966,294	254,866	-	50,000	2,271,160
Cash flows from capital financing activities, acquisition of capital assets	-	(8,274)	-	-	(8,274)
Cash flows from investing activities, interest on investments	26,952	29,060	507	-	56,519
Net increase (decrease) in cash and cash equivalents	667,223	280,995	(28,675)	(154,837)	764,706
Cash and cash equivalents, beginning of year	1,272,200	1,422,673	229,867	165,314	3,090,054
Cash and cash equivalents, end of year	\$ 1,939,423	\$ 1,703,668	\$ 201,192	\$ 10,477	\$ 3,854,760

(Continued)

College Community School District

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year Ended June 30, 2023

	School Nutrition	Day Care	Resale	Student Built House	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (2,123,829)	\$ 120,629	\$ (16,718)	\$ (3,709)	\$ (2,023,627)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Commodities consumed	319,677	-	-	-	319,677
Depreciation	106,850	11,901	1,465	-	120,216
Change in assets and liabilities:					
Inventories	10,255	-	-	(200,604)	(190,349)
Accounts receivable	503,946	(156,001)	(5,064)	157	343,038
Accounts payable	2,477	(17,056)	(11,491)	(681)	(26,751)
Salaries and benefits payable	(113,151)	127,956	2,324	-	17,129
Compensated absences	-	(2,771)	-	-	(2,771)
Unearned revenue	74,331	-	-	-	74,331
Net OPEB liability	14,125	95,093	1,836	-	111,054
Net pension liability	(120,704)	(174,408)	(1,534)	-	(296,646)
Net cash provided by (used in) operating activities	\$ (1,326,023)	\$ 5,343	\$ (29,182)	\$ (204,837)	\$ (1,554,699)
Noncash:					
Noncapital financing activities:					
Federal commodities	\$ 319,677	\$ -	\$ -	\$ -	\$ 319,677
Capital financing activities:					
Capital contributions	\$ 113,453	\$ -	\$ -	\$ -	\$ 113,453

College Community School District

Combining Statement of Net Position

Internal Service Funds

June 30, 2023

	Dental Flex Benefits	Print Shop	Total
Assets			
Current:			
Cash and cash equivalents	\$ 311,940	\$ 185,762	\$ 497,702
Accounts receivable	-	2,244	2,244
Inventories	-	32,974	32,974
Total current assets	311,940	220,980	532,920
Noncurrent:			
Capital assets, net of accumulated depreciation	-	2,170	2,170
Total noncurrent assets	-	2,170	2,170
Total assets	311,940	223,150	535,090
Liabilities			
Current:			
Accounts payable	-	777	777
Net Position			
Investment in capital assets	-	2,170	2,170
Unrestricted	311,940	220,203	532,143
Total net position	\$ 311,940	\$ 222,373	\$ 534,313

College Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year Ended June 30, 2023

	Dental Flex Benefits	Print Shop	Total
Operating revenues:			
Local sources, charges for services	\$ 421,032	\$ 90,034	\$ 511,066
Total operating revenues	421,032	90,034	511,066
Operating expenses:			
Supplies	-	114,885	114,885
Services	392,180	-	392,180
Depreciation	-	620	620
Total operating expenses	392,180	115,505	507,685
Operating income (loss)	28,852	(25,471)	3,381
Nonoperating revenues:			
Interest on investments	2,472	-	2,472
Total nonoperating revenues	2,472	-	2,472
Change in net position	31,324	(25,471)	5,853
Net position, beginning of year	280,616	247,844	528,460
Net position, end of year	\$ 311,940	\$ 222,373	\$ 534,313

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College Community School District

Combining Statement of Cash Flows

Internal Service Fund

Year Ended June 30, 2023

	Dental Flex		
	Benefits	Print Shop	Total
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ -	\$ 88,223	\$ 88,223
Cash received from employees	421,032	-	421,032
Cash payments to suppliers for goods or services	(392,180)	(122,098)	(514,278)
Net cash provided by (used in) operating activities	28,852	(33,875)	(5,023)
Cash flows from investing activities, interest on investments	2,472	-	2,472
Net increase (decrease) in cash and cash equivalents	31,324	(33,875)	(2,551)
Cash and cash equivalents, beginning of year	280,616	219,637	500,253
Cash and cash equivalents, end of year	<u>\$ 311,940</u>	<u>\$ 185,762</u>	<u>\$ 497,702</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 28,852	\$ (25,471)	\$ 3,381
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	620	620
Accounts receivable	-	(1,811)	(1,811)
Inventories	-	(7,990)	(7,990)
Accounts payable	-	777	777
Net cash provided by (used in) operating activities	\$ 28,852	\$ (33,875)	\$ (5,023)

College Community School District

Combining Statement of Net Position
 Fiduciary Funds
 June 30, 2023

	Custodial Funds		Total
	Foundation	Parent Groups	
Assets			
Cash and cash equivalents	\$ 57,406	\$ 185,194	\$ 242,600
Other receivables	-	1,370	1,370
Total current assets	<u>57,406</u>	<u>186,564</u>	<u>243,970</u>
Liabilities			
Accounts payable	-	8,950	8,950
Net Position			
Restricted	57,406	177,614	235,020
Total net position	<u>\$ 57,406</u>	<u>\$ 177,614</u>	<u>\$ 235,020</u>

College Community School District

Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2023

	Custodial Funds		Total
	Foundation	Parent Groups	
Additions			
Local sources:			
Donations	\$ 43,564	\$ 388,215	\$ 431,779
Total additions	43,564	388,215	431,779
Deductions:			
Administrative expenses	36,857	382,937	419,794
Total deductions	36,857	382,937	419,794
Change in net position	6,707	5,278	11,985
Net position, beginning of year	50,699	172,336	223,035
Net position, end of year	<u>\$ 57,406</u>	<u>\$ 177,614</u>	<u>\$ 235,020</u>

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College Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

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 Agriculture:				
Direct:				
Local Food for Schools Cooperative Agreement	10.185	FY23 4911	\$ -	\$ 7,846
Child & Adult Care Food Program	10.558	FY23 4554	-	6,990
Indirect:				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY23 4552	-	298,617
National School Lunch Program	10.555	FY23 4553	-	1,423,798
National School Lunch Program- Supply Chain Assistance	10.555	FY23 4014	-	137,501
Commodities-DOD (Noncash)	10.555	FY23	-	153,739
Commodities (Noncash)	10.555	FY23	-	165,938
			-	1,880,976
Summer Food Service Program for Children	10.559	FY23 4556	-	69,114
Total Child Nutrition Cluster			-	2,248,707
Pass-Through Iowa Department of Natural Resources:				
Community Forestry Grant Program	10.664	FY23 4683	-	9,980
Total U.S. Department of Agriculture			-	2,273,523
U.S. Department of Education:				
Pass-Through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY23 4501	-	550,325
Education for Homeless Children and Youth	84.196	FY23 4565	-	40,221
Supporting Effective Instruction State Grants	84.367	FY23 4643	-	97,360
Student Support and Academic Enrichment Program	84.424	FY23 4669	-	39,493
Education Stabilization Fund:				
COVID-19 Governor's Emergency Education Relief (GEER II) Fund	84.425C	FY23 4054	-	161,529
COVID-19 ARP- Elementary and Secondary School Emergency Relief (ARP-ESSER)	84.425U	FY23 4049	-	10,000
COVID-19 ARP- Elementary and Secondary School Emergency Relief (ARP-ESSER)	84.425U	FY23 4045	-	2,127,471
			-	2,137,471
COVID-19 ARP-Elementary and Secondary School Emergency Relief Homeless Children and Youth (ARP-HCY)	84.425W	FY23 4044	-	84,339
Total Education Stabilization Fund			-	2,383,339
Pass-Through Grant Wood Area Education Agency:				
Special Education Cluster,				
Special Education Grants to States (IDEA, Part B)	84.027	FY23 4521	-	241,417
Career and Technical Education- Basic Grants to States	84.048	FY23 4531	-	41,888
English Language Acquisition State Grants	84.365	FY23 4644	-	26,207
Total U.S. Department of Education			-	3,420,250

(Continued)

College Community School District

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

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	FY23 4616	-	100,800
COVID-19 Child Care and Development Block Grant	93.575	FY23 3398	-	517,366
Total 477 Cluster Program			-	618,166
Headstart Cluster, Headstart	93.600	FY23 4321	-	54,728
Foster Care Title IV-E	93.658	FY23 4623	-	916
Total U.S. Department of Health & Human Services			-	673,810
Total expenditures of federal awards			\$ -	\$ 6,367,583

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, 2023

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, 2023. 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.

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College Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023**

	Findings	Status	Corrective Action Plan or Other Explanation
Findings Pertaining to Statutory Reporting:			
IV-A-22	The District exceeded its amended budget in the instruction, non-instructional, and other expenditures functions.	Corrected.	
IV-H-22	There were variances in certified enrollment certified to the state in October 2021.	Not corrected.	See response and corrective action plan at IV-H-23.
IV-I-22	The District identified variances in supplementary weighting submitted to the state in October 2021.	Corrected.	

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

To the Board of Education
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, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated (ReportDate).

Our report includes an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 96.

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, 2023 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.

SIGNATURE

Moline, Illinois
(ReportDate)



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, 2023. 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, 2023.

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.

SIGNATURE

Moline, Illinois
(ReportDate)

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College Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

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
84.425U	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, 2023**

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-23

Certified Budget – Expenditures for the year ended June 30, 2023 did not exceed the amounts budgeted at year-end.

IV-B-23

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-23

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-23

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

IV-E-23

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

IV-F-23

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-23

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

(Continued)

College Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

IV-H-23

Certified Enrollment-

Finding: The District identified variances in certified enrollment submitted to the state in October 2022.

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-23

Supplementary Weighting – No variances in the basic enrollment data certified to the Iowa Department of Education were noted.

IV-J-23

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-23

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

IV-L-23

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, 2023**

IV-M-23

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, 2023, 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	\$ 7,702,415
Revenue / transfers in:	
Statewide sales and services tax revenue	7,017,136
Other local sources	243,209
Issuance of long term debt	33,000,000
Premium on issuance of long term debt	193,878
Proceeds from sale of capital assets	32,269
Expenditures/transfers out:	
Transfers out	(33,846,099)
Capital outlay for facilities and property and equipment	(3,872,918)
Ending balance	<u><u>\$ 10,469,890</u></u>



College Community School District

Corrective Action Plan
Year Ended June 30, 2023

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Pertaining to Statutory Reporting:				
IV-H-23	There were variances in certified enrollment certified to the state in October 2022.	See response and corrective action plan at IV-H-23	June 30, 2024	Angie Morrison