

**Nevada Community School District**  
**Nevada, Iowa**

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**NEVADA COMMUNITY SCHOOL DISTRICT**

**Nevada, Iowa**

**Fiscal Year Ended June 30, 2021**

**OFFICIAL ISSUING REPORT**

**Brian Schaeffer, Board Secretary - Treasurer / Business Manager**

**OFFICE ISSUING REPORT**

**Business Office**

**Nevada Community School District**  
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## District Office

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NevadaCSD

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Superintendent  
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## Dr. Kody Asmus

Associate Superintendent  
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## Mr. David Kroese

Director of Buildings &  
Grounds  
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## Mr. Jason Sampson

Director of Transportation  
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## Mr. Brian Schaeffer, SBO

Business Manager  
Board Secretary  
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## Mrs. Billie Veach

Director of Nutrition  
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## Mr. Joe Wakeman

Director of Technology &  
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May 31, 2022

Members of the Board of Education and Residents  
Nevada Community School District  
Nevada, Iowa

The Annual Comprehensive Financial Report (ACFR) for the Nevada Community School District (District) for the fiscal year ended June 30, 2021 is submitted herewith. The District is an independent entity governed by a five- member board. Responsibility for accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District. We believe the data is accurately presented in all material respects; that the data is presented to fairly set forth the financial position and results of operation of the entire District as measured by the financial activity of the various funds; and all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs. The District is not included in any other reporting entity, nor are any other entities included within this report.

This report is prepared in conformance with generally accepted accounting principles (GAAP) for governments as promulgated by the Government Accounting Standards Board (GASB). This report is consistent with the legal reporting requirements of the State of Iowa. In addition to meeting legal requirements, this report is intended to present a comprehensive summary of significant financial data to meet the needs of citizens, taxpayers, employees, financial institutions, intergovernmental agencies, creditors, and the Board of Education.

Hunt & Associates, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2021. This firm performs the annual audit in accordance with Chapter 11 of the Code of Iowa. The independent auditor's report is located at the front of the financial section of this report.

The Annual Comprehensive Financial Report is presented in four sections: **introductory**, **financial**, **statistical**, and **compliance**. The **introductory** section, which is unaudited, includes this transmittal letter, a list of principal District officials, and an organizational chart. The **financial** section includes the independent auditor's report, Management Discussion and Analysis, audited basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules. The **statistical** section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis. The **compliance** section includes the schedules and various independent auditors' reports required by the Single Audit Act of 1996.

## THE REPORTING ENTITY

This report includes all funds and account groups of the Nevada Community School District. The District is supported financially by state aid, property taxes, state, and federal grants for special projects, and local revenue received for tuition and other services.

The District was established in 1867 and is governed by a five-member elected Board of

Education who all serve at-large four-year terms. The Board of Education is a policy-making and planning body whose decisions are carried out by school administrators. The enrollment of the District is approximately 1,474 students. The District operates a high school, a middle school, and an elementary school. The District provides a full range of educational services appropriate to students in early childhood and grades pre-kindergarten through twelve. These services include basic, regular and enriched academic education, special education for children with special needs, vocational education, and individualized programs such as specialized instruction for students at-risk.

## **ECONOMIC CONDITION AND OUTLOOK**

The District is located in central Iowa and enjoys a favorable economic environment. The city of Nevada is the county seat of Story County and is located close to the major Iowa cities of Ames and Des Moines, both sources of employment for citizens of the District. Nevada has an economic development council which cooperates with the Ames, Iowa, Economic Development Commission to employ a full-time director. This council has developed commercial and light industrial parks on the west and southeast sides of Nevada which has attracted many new businesses and industries.

With the COVID-19 pandemic, the Nevada community's employers have weathered the economic downturn well. Local retailers have taken an economic hit and the District's "Cubbie's Cupboard" food pantry has seen a major increase in requests for food.

Story County's 2020 population is estimated to be 98,537. This was an increase of 18,410 residents over the 2000 census figure. Story County's unemployment rate was at 3.7% in June 2021. This compares favorably to the state's rate of 4.5% and the national rate of 5.9%.

## **LONG-TERM FINANCIAL PLANNING**

The "solvency ratio" (Assigned and Unassigned General Fund Balance divided by Total General Fund Revenues less the AEA Flow-Through amount) used by school districts in the State of Iowa is 15.23% for the District, well above the 5% stated in the Board of Education Policy 703.3 "General Fund Financial Policies". The condition of facilities in the District is good, with both the elementary and high school facilities having undergone extensive renovations and ventilation updates (including geothermal heating and cooling systems) within the past fifteen years. A G O Bond Election for the Middle School was successful in September 2020 and extensive repair and renovation is occurring on this facility with these bond funds.

## **MAJOR INITIATIVES FOR THE YEAR**

These are the major initiatives from the Board of Education during the 2020-21 school year. After COVID 19, plans were made to safely bring students back to the classrooms in August 2020. Dr. Gray presented, in July, an extensive "Return to Learn" plan, as required by the Iowa Department of Education, to the Board. The plan for 2020-21 was to have students and teachers on-site which was successful for the entire school year. Extra emphasis on reading was approved by the Board using Federal COVID funds due to the learning loss during the Spring 2020's school shutdown.

Planning work was completed during 2020-21 for the repair and renovation of the Middle School. The election to issue G O Bonds for the facility was successful on September 8, 2020. Bids were taken on the project in December 2020 and were lower than estimated by the planners which allowed all alternative bids to be accepted. The G O bond issuance plan for this project was approved by the Board in February 2021. Plans were made to start school for the 2021-22 school year on September 7, 2021 to allow time for the summer work on the Middle School.

In conjunction with the Middle School renovation, plans were made to issue Local Option Sales Tax bonds to purchase Gates Memorial Hall from the City of Nevada. This facility is just south of the High School on 15<sup>th</sup> Street. Administrative Offices would be moved from the front of the Middle School, and other offices scattered in the High School, including Technology, would also be moved.

## FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control designed to ensure that its assets are protected from loss, theft or misuse and to ensure that accounting data are compiled to allow for the preparation of the financial statements in accordance with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. To monitor the adequacy of internal controls, independent auditors review internal control procedures as a part of their examination of financial records as year-end.

Budgetary Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, enterprise funds, expendable trust funds, and capital projects funds are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by program level for all funds combined rather than at the individual fund level.

Annually, the District's Board of Education adopts a budget and approves the appropriations for the general fund, special revenue funds, capital projects fund, debt service fund, enterprise fund, and expendable trust funds in accordance with provisions outlined in the Statutes of the State of Iowa. The budgets prepared on an accrual basis list estimates of receipts and disbursements.

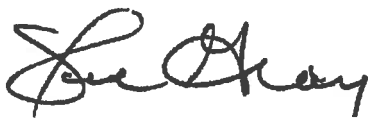
Financial Profile: As demonstrated by the statements and schedules included in the financial section of this report, the District is meeting its responsibility for sound financial management. One way this is accomplished is by adoption of a line-item budget by the Board of Education. This budget and the actual expenditures are then reviewed by the superintendent, business manager and Board of Education on a monthly basis.

Most District functions are financed through the governmental fund types, which include the general, special revenue, debt service and capital project funds. Please see the Management's Discussion and Analysis in the Financial Section of this report for detailed information.

## ACKNOWLEDGEMENT

The preparation of this report could not have been accomplished without the cooperation of all District departments. Thanks also to the Board of Education for providing the resources necessary to complete this report.

Respectfully submitted,

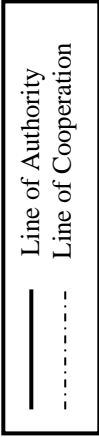
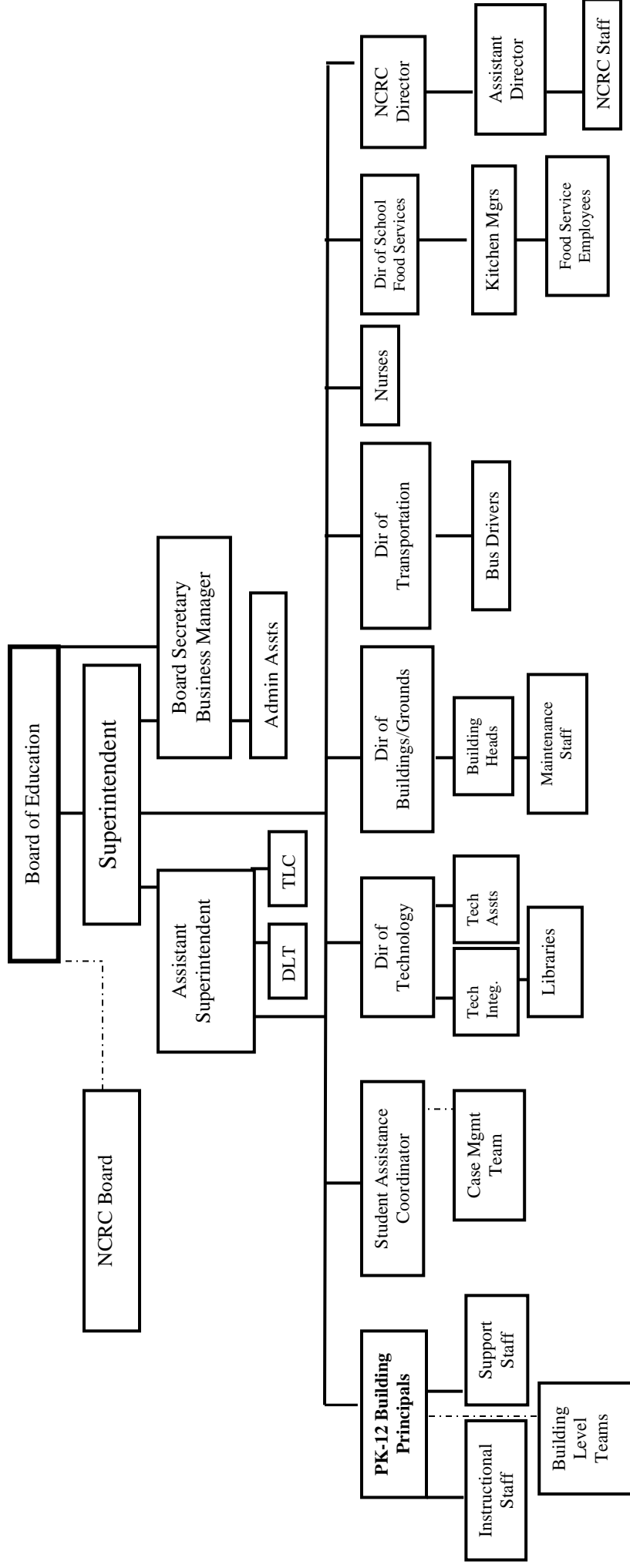


Steve Gray  
Superintendent



Brian Schaeffer  
Board Secretary / Treasurer / Business Manager





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

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<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>Board of Education</b>		
Tori Carsrud	President	2021
Tom Maier	Vice President	2023
Joe Anderson	Board Member	2021
Marty Chitty	Board Member	2023
Leanne Harter	Board Member	2023
<b>School Officials</b>		
Steve Gray	Superintendent	2021
Brian Schaeffer	Board Secretary/Treasurer & District Business Manager	2021
Ahlers & Cooney, P.C.	Attorney	Indefinite

**Nevada Community School District  
School District Administration  
Year Ended June 30, 2021**

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<u>Name</u>	<u>Position</u>
Steve Gray	Superintendent
Kody Asmus	Associate Superintendent
Brian Schaeffer	Board Secretary/Treasurer & District Business Manager
Kristian Einsweiler	High School Principal
Dustin Smith	Assistant High School Principal / Athletic Director
Tony Sneiderman	Middle School Principal
Vanessa Huber	Assistant Middle School Principal
Christina deNeui	Central Elementary Principal
Travis Temple	Assistant Elementary Principal
Christine Burling	Director of Nevada Community Resource Center
David Kroese	Director of Maintenance and Grounds
Billie Veach	Director of Food Service
Jason Sampson	Director of Transportation
Joe Wakeman	Director of Technology

**Nevada Community School District  
Consultants, Advisers, and Official Depositories  
Year Ended June 30, 2021**

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**Consultants and Advisors:**

Certified Public Accountants:

Hunt & Associates, P C  
1201 High Avenue West  
Oskaloosa, IA 52577

Bond Attorney:

Ahlers & Cooney, P C  
100 Court Avenue, Suite 600  
Des Moines, IA 50309

Financial Consultant:

Piper Sandler & Co.  
3900 Ingersoll Avenue, Suite 10  
Des Moines, IA 50312

General Counsel:

Ahlers & Cooney, P C  
100 Court Avenue, Suite 600  
Des Moines, IA 50309

Property/Casualty Insurance:

Midwest Insurance Corporation  
1601 S B Avenue  
Nevada, IA 50201

Benefits Insurance:

Benefits Source, Inc.  
4000 Westown Parkway, Suite 110  
West Des Moines, IA 50266

**Official Depositories:**

Great Western Bank  
404 Lincoln Highway  
Nevada, IA 50201

State Bank & Trust Co  
1025 6<sup>th</sup> Street  
Nevada, IA 50201

Availa Bank  
1121 S G Avenue  
Nevada, IA 50201

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of  
Nevada Community School District:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 11 of the Code of Iowa. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Nevada Community School District as of June 30, 2021, and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of a Matter

As discussed in Note 20 to the financial statements, Nevada Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. Our opinions are not modified with respect to this matter.

Other*Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 16 through 21 and 66 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 U.S. generally accepted auditing standards, 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 Nevada Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6 and on pages 124 through 125, 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), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 20, 2022 on our consideration of Nevada 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. 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 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 Nevada Community School District's internal control over financial reporting and compliance.



Oskaloosa, Iowa  
June 20, 2022

As management of the Nevada Community School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in this report.

## **2021 FINANCIAL HIGHLIGHTS**

The District's total net position for governmental activities was \$21,605,435 at June 30, 2021 compared to \$20,602,641 (not restated) at June 30, 2020, an increase of 4.87%.

At the end of the current fiscal year, unassigned fund balance in the general fund was \$2,539,389 or 13.38% of total general fund revenues compared to the prior year's unassigned fund balance of \$2,835,262 or 15.05% of total general fund revenues.

The District showed a decrease in certified enrollment of 17 students from 1,488 in 2019 to 1,471 in 2020. The total students served decreased by 18 students from 1,507 in 2019 to 1,489 in 2020.

Voters in the District approved a G O Bond issuance for renovation of the current Middle School facility with an 88.4% positive vote. Bonds for \$9,140,000 principal were issued on June 1, 2021 for this project at net interest cost of 1.0113385%.

Local Option Tax Bonds for \$1,496,000 were issued for the purchase of Gates Memorial Hall from the City of Nevada at a net interest cost of 2.0545%. These bonds also refinanced the \$520,000 principal Local Option Tax Bonds dated July 1, 2009, with old interest rates that ranged from 4.625% to 5.3%.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements.

The Basic Financial Statements include two types of statements that present different views of the District's finances. The first is the government-wide statements. These statements are presented on a full accrual basis of accounting and include the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due dates for liabilities. This statement provides a summary of the District's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the District's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statement included in the basic financial statements is the fund financial statements, which are presented for the Board's governmental funds and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statement provides information about the District as an economic unit while the fund financial statements provide information on the financial resources of the District's funds. The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. earned but unused vacation leave).



### **Government-wide statements**

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

These two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources and the liabilities and deferred inflows of resources, is one way to measure the Board's financial health or position.

- Over time, an increase or decrease in the District's net position may indicate whether its financial position is improving or deteriorating.
- To assess the District's overall financial health, one needs to consider additional non-financial factors such as changes in the condition of its school buildings and other physical assets.

The District's activities are divided into two categories on the government-wide statements:

- **Governmental activities:** Most of the District's basic services are included here, such as regular and special education, transportation and administration. Local funding, as well as state and federal aid, finances most of these activities.
- **Business type activities:** The District charges fees to cover the costs of certain services it provides. School food service is included here.

### **Fund Financial Statements**

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

The District has three types of funds:

**Governmental funds:** Most of the District's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flows in and out and the balances remaining at year-end that are available for spending. As a result of this focus, the governmental funds 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 term to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds, in the form of a reconciliation, explains the relationship (or differences) between them.

**Proprietary Funds:** Services for which the District charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same basis of accounting as the government-wide statements – full accrual. The District has three proprietary funds – the School Nutrition Fund, the Childcare Fund, and the Internal Service Fund for Partial Self-Funded Group Medical Insurance.

**Fiduciary funds:** The District is the trustee, or fiduciary, for assets that belong to others. The fiduciary fund statements are reported on the same basis of accounting as the government-wide statements – full accrual. These funds include Private-Purpose Trust and Custodial funds.

## Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's net position has increased from a year ago from \$20,571,901 (not restated) to \$21,593,357.

A significant portion of the District's total assets reflects the investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net investment in capital assets was \$40,789,578. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 below provides a summary of the District's net position as of June 30, 2021 compared to June 30, 2020.

Table 1 Condensed Statement of Net Position							
	Governmental Activities		Business-type Activities		Total District	Total Change	
	June 30,		June 30,		June 30,	June 30,	
	2021	2020 (not restated)	2021	2020 (not restated)	2021	2020 (not restated)	2020-21
Current and other assets	\$ 24,535,190	\$ 19,504,708	\$ 9,549	\$ (172,605)	\$ 24,544,739	\$ 19,332,103	26.96%
Capital assets	40,639,305	37,936,064	337,736	365,829	40,977,041	38,301,893	6.98%
Total assets	65,174,495	57,440,772	347,285	193,224	65,521,780	57,633,996	13.69%
Deferred outflows of resources	2,365,758	2,289,655	84,258	42,961	2,450,016	2,332,616	5.03%
Long-term obligations	33,739,705	27,077,484	384,354	180,237	34,124,059	27,257,721	25.19%
Other liabilities	3,438,580	2,684,599	29,433	52,009	3,468,013	2,736,608	26.73%
Total liabilities	37,178,285	29,762,083	413,787	232,246	37,592,072	29,994,329	25.33%
Deferred inflows of resources	8,756,533	9,365,703	29,834	34,679	8,786,367	9,400,382	-6.53%
Net position:							
Net investment in capital assets	24,272,204	20,685,068	337,736	365,829	24,609,940	21,050,897	16.91%
Restricted	3,590,758	5,792,404	-	-	3,590,758	5,792,404	-38.01%
Unrestricted	(6,257,527)	(5,874,831)	(349,814)	(396,569)	(6,607,341)	(6,271,400)	-5.36%
Total net position	\$ 21,605,435	\$ 20,602,641	\$ (12,078)	\$ (30,740)	\$ 21,593,357	\$ 20,571,901	4.97%

The restricted portion of the District's net position (16.63%) represents resources that are subject to external restrictions on how they may be used. These restrictions include \$794,214 for categorical funding, \$1,663,768 for debt service, \$205,912 for management levy purposes, \$249,809 for student activities, \$30,046 for student support, \$622,391 for school infrastructure and \$24,618 for physical plant and equipment. The remaining balance of unrestricted net position may be used to meet the governments' ongoing obligations to students and creditors.

At the end of the last fiscal year, the District was unable to report positive balances in all three categories of net

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position. GASB 68 and GASB 75 were implemented creating a deficit unrestricted net position. It should be noted that this is a book entry of a negative amount and not an actual deficit of cash.

The District's total net position increased by \$990,501 or 4.81%, during the current fiscal year. The governmental activities net position increased by \$971,839. Business type activities net position increased by \$18,662.

Table 2 below highlights the District's revenues and expenses for the fiscal year ended June 30, 2021 as compared to the fiscal year ended June 30, 2020. The two main components are subtracted to yield the change in net position. This table utilized the full accrual method of accounting. Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for services and sales, operating and capital grants and contributions. General Revenue includes taxes and unrestricted grants such as state foundation support.

**Table 2**  
**Changes of Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		<b>Total Change</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2020-21</b>
	<b>(not restated)</b>		<b>(not restated)</b>		<b>(not restated)</b>		
Program revenues:							
Charges for services	\$ 1,960,111	\$ 1,928,432	\$ 237,514	\$ 357,459	\$ 2,197,625	\$ 2,285,891	-3.86%
Operating grants and contributions	3,467,460	3,089,352	960,419	552,667	4,427,879	3,642,019	21.58%
Capital grants and contributions and restricted interest	-	-	5,471	-	5,471	-	100.00%
General revenues:							
Property tax	7,522,231	8,445,777	-	-	7,522,231	8,445,777	-10.94%
Income surtax	504,013	514,688	-	-	504,013	514,688	-2.07%
Statewide sales, services and use tax	1,486,199	1,536,278	-	-	1,486,199	1,536,278	-3.26%
Unrestricted state grants	7,723,885	7,532,375	-	-	7,723,885	7,532,375	2.54%
Other	362,221	253,506	584	61,983	362,805	315,489	15.00%
Total revenues	23,026,120	23,300,408	1,203,988	972,109	24,230,108	24,272,517	-0.17%
Program expenses:							
Governmental activities:							
Instructional	12,253,200	12,003,043	-	-	12,253,200	12,003,043	2.08%
Support services	7,461,512	7,513,282	300,673	-	7,762,185	7,513,282	3.31%
Non-instructional programs	-	-	849,720	755,298	849,720	755,298	12.50%
Other expenses	2,374,502	2,211,481	-	-	2,374,502	2,211,481	7.37%
Total expenses	22,089,214	21,727,806	1,150,393	755,298	23,239,607	22,483,104	3.36%
Changes in net position before transfers	936,906	1,572,602	53,595	216,811	990,501	1,789,413	-44.65%
Transfers	34,933	26,618	(34,933)	(26,618)	-	-	-
Changes in net position	971,839	1,599,220	18,662	190,193	990,501	1,789,413	-44.65%
Beginning net position, as restated	20,633,596	19,003,421	(30,740)	(220,933)	20,602,856	18,782,488	9.69%
Ending net position	\$ 21,605,435	\$ 20,602,641	\$ (12,078)	\$ (30,740)	\$ 21,593,357	\$ 20,571,901	4.97%

Expenses are shown in programs including instruction, support services, non-instructional programs, and other expenses.

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The number of certified enrolled students and students served decreased by 17 students over the prior year. This would account for some of the decrease in revenues. An increase in expenses in governmental activities was related to expenses due to grants, especially those related to the COVID 19 pandemic. Revenues in business-type activities increased due to an increase in operating grants and contributions, especially those related to the COVID 19 pandemic, and newly-stated revenues in 2021 for the Child Care Fund.

**Governmental Activities** – Table 3 below discloses the total and net cost of services for the District's major governmental activities, instruction, support services, non-instructional programs, and other expenses, for the year ended June 30, 2021 compared to the year ended June 30, 2020. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by state aid and local taxes. The difference in these two columns would represent restricted grants and services. Net cost of services is 75.4% of total costs of services in 2021.

**Table 3**  
**Total and Net Cost of Governmental Activities**

	Total Cost of Services			Net Cost of services		
	2021	2020 (not restated)	Change	2021	2020 (not restated)	Change
			2020-21			2020-21
Instruction	\$ 12,253,200	\$ 12,003,043	2.08%	\$ 8,825,264	\$ 8,471,457	4.18%
Support services	7,461,512	7,513,282	-0.69%	6,120,246	6,674,686	-8.31%
Non-instructional programs	-	-	-	-	-	-
Other expenses	2,374,502	2,211,481	7.37%	1,716,133	1,563,879	9.74%
Totals	\$ 22,089,214	\$ 21,727,806	1.66%	\$ 16,661,643	\$ 16,710,022	-0.29%

**Business Type Activities** - Revenues for business type activities during the year ended June 30, 2021 were \$1,203,988, representing a 23.85% increase over the prior year, while expenses and transfers out totaled \$1,185,326 a 51.59% increase over the prior year. Most of the increase in revenues and the increase in expenses were related to the COVID 19 pandemic and the first year of the Child Care Fund being stated as an enterprise fund. The District's business type activities include the School Nutrition Fund and the Child Care Fund.

### Individual Fund Analysis

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending balances of \$12,854,868, an increase of \$3,809,556 in comparison with the prior year as restated. Approximately 19.75% of this total amount, or \$2,539,389, constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of the fund balance is restricted or assigned. Restricted net position represent resources subject to external resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Restricted fund balances consist of \$794,214 for categorical funding, \$1,797,482 for debt service, \$286,342 for management levy purposes, \$249,809 for student activities, \$30,046 for student support, \$6,866,288 for school infrastructure and \$26,829 for physical plant and equipment.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,539,389 while total fund balance reached \$3,598,072. As a measure of the

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General Fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures. Unassigned fund balance represents 13.35% of total General Fund expenditures.

The fund balance of the District's General Fund increased \$2,224 during the current fiscal year. The increase was anticipated and reflects the desire of the Board of Education not to have expenditures exceed revenues in any budget year.

The District's other major funds include the Debt Service Fund and the Capital Projects Fund. The Debt Service fund balance decreased \$2,360,299 due to expenditure of funds for the early retirement of the General Obligation Bonds dated December 1, 2012. The Capital Projects Fund balance increased \$6,331,161 due to the receipt of bond proceeds for the Middle School Renovation Project.

### **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, except its private-purpose trust and custodial 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 on the GAAP basis. 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 individual funds are not presented in the budgetary comparison on page 66.

A comparison of the actual expenditures/expenses of the District's budgeted funds with the final budget amounts is as follows:

	Budgeted- Original	Budgeted- Final	Actual	Variance
Instruction	\$ 12,879,708	\$ 12,879,708	\$ 12,295,150	\$ 584,558
Support services	7,173,674	8,273,674	7,288,406	\$ 985,268
Non-instructional programs	678,800	768,800	849,720	\$ (80,920)
Other expenses	6,784,602	10,792,322	10,574,509	\$ 217,813
Totals	\$ 27,516,784	\$ 32,714,504	\$ 31,007,785	\$ 1,706,719

Total expenditures were less than budgeted by \$1,706,719 due primarily to the District's budget for the General Fund expenditures being less than expected. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed the actual expenditures during the year.

### **Capital Asset and Debt Administration**

**Capital Assets** – Table 4 at the top of the next page shows ending balances of capital assets invested in various categories. The District recognized a total net increase of \$2,675,148. The increase can be attributed to the construction in progress for Middle School Renovation Project.

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**Table 4**  
**Capital Assets, Net of Depreciation**

	Governmental activities		Business Type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2021	2020	2021	2020	2021	2020	2020-21
Land	\$ 231,244	\$ 231,244	\$ -	\$ -	\$ 231,244	\$ 231,244	0.00%
Construction in progress	4,214,936	1,398,872	-	-	4,214,936	1,398,872	201.31%
Buildings	30,813,077	30,683,543	-	-	30,813,077	30,683,543	0.42%
Land improvements	4,350,999	4,645,919	-	-	4,350,999	4,645,919	-6.35%
Machinery and equipment	1,029,049	976,486	337,736	365,829	1,366,785	1,342,315	1.82%
Total	\$ 40,639,305	\$ 37,936,064	\$ 337,736	\$ 365,829	\$ 40,977,041	\$ 38,301,893	6.98%

Additional information about the District's capital assets can be found in note 7 to the financial statements.

**Debt** - As of June 30, 2021, the District had general obligation bonds outstanding principal balance totaling \$10,995,000. In the current year, the District paid \$3,731,000 in principal and \$115,183 in interest. As of June 30, 2021, the District's available debt limit was \$42,448,530 which leaves a legal debt margin of \$19,839,530 once the current year applicable general obligation and capital loan debt is applied.

**Table 5**  
**Outstanding Long-Term Obligations**

	Governmental activities		Business Type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2021	2020	2021	2020	2021	2020	2020-21
General Obligation Bonds	\$ 10,995,000	\$ 5,586,000	\$ -	\$ -	\$ 10,995,000	\$ 5,586,000	96.83%
Revenue Bonds	10,856,000	10,780,000	-	-	10,856,000	10,780,000	0.71%
Capital Loan Notes	758,000	884,996	-	-	758,000	884,996	-14.35%
Early Retirement	80,430	15,884	-	-	80,430	15,884	406.36%
Compensated Absences	73,485	60,681	-	-	73,485	60,681	21.10%
Net Pension Liability	9,556,922	8,359,857	375,136	180,237	9,932,058	8,540,094	16.30%
Total OPEB Liability	1,419,868	1,390,066	9,218	-	1,429,086	1,390,066	2.81%
Total	\$ 33,739,705	\$ 27,077,484	\$ 384,354	\$ 180,237	\$ 34,124,059	\$ 27,257,721	25.19%

Additional information about the District's long-term debt can be found in note 8 to the financial statements.

**Economic Factors Bearing on the District's Future**

- The 2020 State Legislature set the rate of increase for supplemental aid for state aid and property taxes for schools for the 2020-21 school year at 2.3%. Furthermore, the Legislature set the rate of increase for supplemental aid for the 2021-22 school year at 2.4%. What happens in the future with supplement aid for state aid and property taxes will have an impact on the District's General Fund budget.
- District certified enrollment decreased in fiscal year 2021 by 18 students, 1.21% of the enrollment of 1,489 in fiscal year 2020. District funding is highly dependent upon District enrollments. Future enrollment stability is a critical element in maintaining a sound financial foundation. The Board of Education and administration of the District believe that the commitment to improving facilities and programs will be an attraction to future enrollment growth.

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- The District has a five-year contract with the Nevada Community Education Association (NCEA) which included an overall increase in salary and benefits for certified teaching staff of 2.49% for fiscal year 2021. Staff represented by NCEA make up \$8.7 million in wages and benefits or 48% of all General Fund expenditures. Settlements with employee groups that exceed the rate of growth in state funding will have an adverse impact upon the District's General Fund budget.

**Requests for Information**

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Brian Schaeffer, Business Manager, Nevada Community School District, 1035 15<sup>th</sup> Street, Nevada, Iowa, 50201.

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## **Basic Financial Statements**

**Exhibit A**

**Nevada Community School District**  
**Statement of Net Position**  
**June 30, 2021**

	Governmental Activities	Business Type Activities	Total Primary Government
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 14,972,569	197,012	\$ 15,169,581
Receivables:			
Property tax:			
Current year	31,822	-	31,822
Succeeding year	7,672,507	-	7,672,507
Income surtax	509,607	-	509,607
Accounts	1,823	3,037	4,860
Due from other governments	1,117,809	31,728	1,149,537
Internal balances	229,053	(229,053)	-
Inventories	-	6,825	6,825
Capital assets, net of accumulated depreciation	40,639,305	337,736	40,977,041
<b>Total assets</b>	<b>65,174,495</b>	<b>347,285</b>	<b>65,521,780</b>
<b>Deferred outflows of resources</b>			
Pension related deferred outflows	2,103,090	82,553	2,185,643
OPEB related deferred outflows	262,668	1,705	264,373
<b>Total deferred outflows of resources</b>	<b>2,365,758</b>	<b>84,258</b>	<b>2,450,016</b>
<b>Liabilities</b>			
Accounts payable	961,817	7,926	969,743
Due to other governments	461,042	-	461,042
Salaries and benefits payable	1,872,301	-	1,872,301
Deposits payable	5,497	-	5,497
Unearned revenue	-	21,507	21,507
Accrued interest payable	137,923	-	137,923
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	1,345,000	-	1,345,000
Revenue bonds payable	880,000	-	880,000
Capital loan notes payable	120,000	-	120,000
Early retirement payable	80,430	-	80,430
Compensated absences payable	73,485	-	73,485
Portion due after one year:			
General obligation bonds payable	9,650,000	-	9,650,000
Revenue bonds payable	9,976,000	-	9,976,000
Capital loan notes payable	638,000	-	638,000
Net pension liability	9,556,922	375,136	9,932,058
Total OPEB liability	1,419,868	9,218	1,429,086
<b>Total liabilities</b>	<b>37,178,285</b>	<b>413,787</b>	<b>37,592,072</b>

**Exhibit A**

**Nevada Community School District**  
**Statement of Net Position**  
**June 30, 2021**

	Governmental Activities	Business Type Activities	Total Primary Government
<i>Continued from previous page</i>			
<b>Deferred inflows of resources</b>			
Unavailable property tax revenue	\$ 7,672,507	\$ -	\$ 7,672,507
Pension related deferred inflows	695,825	27,314	723,139
OPEB related deferred inflows	388,201	2,520	390,721
<b>Total deferred inflows of resources</b>	<b>8,756,533</b>	<b>29,834</b>	<b>8,786,367</b>
<b>Net position</b>			
Net investment in capital assets	24,272,204	337,736	24,609,940
Restricted for:			
Categorical funding	794,214	-	794,214
Debt service	1,663,768	-	1,663,768
Capital projects	622,391	-	622,391
Physical plant and equipment levy	24,618	-	24,618
Management levy purposes	205,912	-	205,912
Student activities	249,809	-	249,809
Student support	30,046	-	30,046
Unrestricted	(6,257,527)	(349,814)	(6,607,341)
<b>Total net position</b>	<b>\$ 21,605,435</b>	<b>\$ (12,078)</b>	<b>\$ 21,593,357</b>

See notes to financial statements.

## Exhibit B

### Nevada Community School District Statement of Activities Year ended June 30, 2021

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Total
		Charges for Service	Operating Grants, Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
<b>Functions/Programs</b>							
Governmental activities:							
Instruction:							
Regular	\$ 8,529,963	\$ 899,558	\$ 1,224,450	\$ -	\$ (6,405,955)	\$ -	\$ (6,405,955)
Special	2,812,246	413,077	204,252	-	(2,194,917)	-	(2,194,917)
Other	910,991	327,646	358,953	-	(224,392)	-	(224,392)
	<u>12,253,200</u>	<u>1,640,281</u>	<u>1,787,655</u>	<u>-</u>	<u>(8,825,264)</u>	<u>-</u>	<u>(8,825,264)</u>
Support services:							
Student	772,457	1,469	79,603	-	(691,385)	-	(691,385)
Instructional staff	1,774,648	107,147	803,144	-	(864,357)	-	(864,357)
Administration	2,488,850	63,128	-	-	(2,425,722)	-	(2,425,722)
Operation and maintenance of plant	1,852,248	15,435	118,070	-	(1,718,743)	-	(1,718,743)
Transportation	573,309	132,651	20,619	-	(420,039)	-	(420,039)
	<u>7,461,512</u>	<u>319,830</u>	<u>1,021,436</u>	<u>-</u>	<u>(6,120,246)</u>	<u>-</u>	<u>(6,120,246)</u>
Other expenditures:							
Long-term debt interest and fiscal charges	594,901	-	-	-	(594,901)	-	(594,901)
AEA flowthrough	658,369	-	658,369	-	-	-	-
Depreciation (unallocated) *	1,121,232	-	-	-	(1,121,232)	-	(1,121,232)
	<u>2,374,502</u>	<u>-</u>	<u>658,369</u>	<u>-</u>	<u>(1,716,133)</u>	<u>-</u>	<u>(1,716,133)</u>
Total governmental activities	<u>22,089,214</u>	<u>1,960,111</u>	<u>3,467,460</u>	<u>-</u>	<u>(16,661,643)</u>	<u>-</u>	<u>(16,661,643)</u>
Business type activities:							
Support services:							
Student support	289,289	107,430	22,290	-	-	(159,569)	(159,569)
Administration	3,206	-	-	-	-	(3,206)	(3,206)
Operation and maintenance of plant	8,178	-	-	-	-	(8,178)	(8,178)
	<u>300,673</u>	<u>107,430</u>	<u>22,290</u>	<u>-</u>	<u>-</u>	<u>(170,953)</u>	<u>(170,953)</u>
Non-instructional programs:							
Food service operations	849,720	130,084	938,129	5,471	-	223,964	223,964
Total business type activities	<u>1,150,393</u>	<u>237,514</u>	<u>960,419</u>	<u>5,471</u>	<u>-</u>	<u>53,011</u>	<u>53,011</u>
Total primary government	<u>\$ 23,239,607</u>	<u>\$ 2,197,625</u>	<u>\$ 4,427,879</u>	<u>\$ 5,471</u>	<u>\$ (16,661,643)</u>	<u>\$ 53,011</u>	<u>\$ (16,608,632)</u>

## Exhibit B

### Nevada Community School District Statement of Activities Year ended June 30, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Charges for	Operating	Capital Grants	Governmental	Business Type		
Expenses	Service	Grants, Contributions	and Contributions	Activities	Activities	Total	
<i>Totals continued from previous page</i>	\$ 23,239,607	\$ 2,197,625	\$ 4,427,879	\$ 5,471	\$ (16,661,643)	\$ 53,011	\$ (16,608,632)
<b>General Revenues:</b>							
Property tax levied for:							
General purposes				\$ 5,543,227	\$ -	\$ 5,543,227	
Debt service				1,444,003	-	1,444,003	
Capital outlay				535,001	-	535,001	
Income surtax				504,013	-	504,013	
Statewide sales, services and use tax				1,486,199	-	1,486,199	
Unrestricted state grants				7,723,885	-	7,723,885	
Unrestricted investment earnings				117,398	584	117,982	
Other				244,823	-	244,823	
Total general revenues				17,598,549	584	17,599,133	
Change in net position before transfers				936,906	53,595	990,501	
Transfers				34,933	(34,933)	-	
Change in net position				971,839	18,662	990,501	
Net position beginning of year, as restated				20,633,596	(30,740)	20,602,856	
Net position end of year				\$ 21,605,435	\$ (12,078)	\$ 21,593,357	

\* This amount excludes the depreciation included in the direct expense of the various programs.

See notes to financial statements.

**Exhibit C**

**Nevada Community School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
<b>Assets</b>					
Cash and pooled investments	\$ 4,813,156	\$ 1,794,538	\$ 7,583,502	\$ 583,822	\$ 14,775,018
Receivables:					
Property tax:					
Current year	23,033	6,094	2,260	435	31,822
Succeeding year	5,550,307	1,475,599	546,599	100,002	7,672,507
Income surtax	509,607	-	-	-	509,607
Accounts	1,436	-	140	247	1,823
Interfund	235,236	-	-	321	235,557
Due from other governments	993,387	-	124,422	-	1,117,809
<b>Total assets</b>	<b>\$12,126,162</b>	<b>\$3,276,231</b>	<b>\$8,256,923</b>	<b>\$ 684,827</b>	<b>\$24,344,143</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 127,325	\$ 3,150	\$ 817,207	\$ 14,135	\$ 961,817
Due to other governments	460,802	-	-	240	461,042
Salaries and benefits payable	1,872,301	-	-	-	1,872,301
Interfund payable	2,251	-	-	4,253	6,504
Deposits payable	5,497	-	-	-	5,497
<b>Total liabilities</b>	<b>2,468,176</b>	<b>3,150</b>	<b>817,207</b>	<b>18,628</b>	<b>3,307,161</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues:					
Succeeding year property tax	5,550,307	1,475,599	546,599	100,002	7,672,507
Other	509,607	-	-	-	509,607
<b>Total deferred inflows of resources</b>	<b>6,059,914</b>	<b>1,475,599</b>	<b>546,599</b>	<b>100,002</b>	<b>8,182,114</b>
<b>Fund balances:</b>					
Restricted for:					
Categorical funding	794,214	-	-	-	794,214
Debt service	-	1,797,482	-	-	1,797,482
School infrastructure	-	-	6,866,288	-	6,866,288
Physical plant and equipment	-	-	26,829	-	26,829
Mangement levy purposes	-	-	-	286,342	286,342
Student activities	-	-	-	249,809	249,809
Student support	-	-	-	30,046	30,046
Assigned for:					
Activity based accounts	263,370	-	-	-	263,370
Wellness	1,099	-	-	-	1,099
Unassigned	2,539,389	-	-	-	2,539,389
<b>Total fund balances</b>	<b>3,598,072</b>	<b>1,797,482</b>	<b>6,893,117</b>	<b>566,197</b>	<b>12,854,868</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$12,126,162</b>	<b>\$3,276,231</b>	<b>\$8,256,923</b>	<b>\$ 684,827</b>	<b>\$24,344,143</b>

See notes to financial statements.

**Exhibit D****Nevada Community School District  
Reconciliation of the Balance Sheet  
Governmental Funds To the Statement of Net Position  
June 30, 2021**

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<b>Total fund balances of governmental funds</b>	<b>\$ 12,854,868</b>
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***Amounts reported for governmental activities in the  
Statement of Net Position are different because:***

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	40,639,305
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The Internal Service Fund is used to charge costs of the District's partial self-funded health insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included in governmental activities.	197,551
--	---------

Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore is not reported as a liability in the governmental funds.	(137,923)
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Income surtax receivable and other receivables not collected within sixty days after year end are not yet available to finance expenditures of the current period and, therefore, are recognized as deferred inflows of resources in the governmental funds.	509,607
--	---------

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	\$ 2,365,758	
Deferred inflows of resources	<u>(1,084,026)</u>	1,281,732

Long-term liabilities, including bonds and notes payable, early retirement, compensated absences, net pension liability and total OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(33,739,705)</u>
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<b>Net position of governmental activities</b>	<b><u>\$ 21,605,435</u></b>
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See notes to financial statements.

## Exhibit E

**Nevada Community School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year ended June 30, 2021**

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
Revenues:					
Local sources:					
Local tax	\$ 5,812,661	\$ 1,417,518	\$ 525,679	\$ 100,751	\$ 7,856,609
Tuition	1,054,771	-	-	-	1,054,771
Other	691,797	40,324	10,136	303,239	1,045,496
Intermediate sources	6,910	-	-	-	6,910
State sources	10,451,327	26,485	1,496,021	2,012	11,975,845
Federal sources	961,538	-	-	-	961,538
Total revenues	18,979,004	1,484,327	2,031,836	406,002	22,901,169
Expenditures:					
11					
Instruction	11,667,831	-	3,875	334,155	12,005,861
Support services:					
Student	766,984	-	-	60	767,044
Instructional staff	1,438,637	-	323,683	-	1,762,320
Administration	2,404,427	4,234	17,241	-	2,425,902
Operation and maintenance of plant	1,478,934	-	7,573	205,069	1,691,576
Transportation	599,932	-	-	30,248	630,180
	6,688,914	4,234	348,497	235,377	7,277,022
Other expenditures:					
Facilities acquisition	-	-	4,020,660	-	4,020,660
Long term debt					
Principal	-	5,277,996	-	-	5,277,996
Interest and fiscal charges	-	442,304	175,180	-	617,484
AEA flowthrough	658,369	-	-	-	658,369
	658,369	5,720,300	4,195,840	-	10,574,509
Total expenditures	19,015,114	5,724,534	4,548,212	569,532	29,857,392
Excess (deficiency) of revenues over (under) expenditures	(36,110)	(4,240,207)	(2,516,376)	(163,530)	(6,956,223)
Other financing sources (uses):					
Sale of Equipment	3,401	-	-	-	3,401
Revenue bonds issued	-	-	1,496,000	-	1,496,000
General obligation bonds issued	-	-	9,140,000	-	9,140,000
Premium on bonds issued	-	-	91,445	-	91,445
Interfund transfers in	34,933	1,879,908	-	-	1,914,841
Interfund transfers out	-	-	(1,879,908)	-	(1,879,908)
Total other financing sources (uses)	38,334	1,879,908	8,847,537	-	10,765,779
Change in fund balances	2,224	(2,360,299)	6,331,161	(163,530)	3,809,556
Fund balances beginning of year, as restated	3,595,848	4,157,781	561,956	729,727	9,045,312
Fund balances end of year	\$ 3,598,072	\$ 1,797,482	\$ 6,893,117	\$ 566,197	\$ 12,854,868

See notes to financial statements.



## Exhibit F

**Nevada Community School District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds to the Statement of Activities**  
**Year ended June 30, 2021**

<b>Change in fund balances - total governmental funds</b>		<b>\$ 3,809,556</b>
<b><i>Amounts reported for governmental activities in the Statement of Activities are different because:</i></b>		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. These costs are not reported in the Statement of Activities but they are allocated over their estimated useful lives of the capital assets as depreciation expense in the Statement of Activities. The amounts of capital outlay expenditures and depreciation expense in the year are as follows:		
Expenditures for capital assets	\$ 3,942,937	
Depreciation expense	<u>(1,239,696)</u>	2,703,241
Income surtax revenue not received until several months after the District's fiscal year end is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		30,105
The change in net position of the Internal Service Fund represents an overcharge to the governmental funds served and, therefore decreases expenses in the Statement of Activities.		33,845
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the State of Net Position and does not affect the Statement of Activities		(10,636,000)
Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position.		5,277,996
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		22,583
The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.		22,047
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Early retirement	(64,546)	
Compensated absences	(12,804)	
Pension expense	(195,978)	
OPEB expense	<u>(18,206)</u>	(291,534)
<b>Change in net position of governmental activities</b>		<b>\$ 971,839</b>

See notes to financial statements.

**Exhibit G**

**Nevada Community School District**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	Enterprise			Internal
	School	Nonmajor	Total	Service
	Nutrition			
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 197,012	\$ -	\$ 197,012	\$ 197,551
Receivables:				
Accounts	3,037	-	3,037	-
Interfund	1,930	-	1,930	-
Due from other governments	31,728	-	31,728	-
Inventories	6,825	-	6,825	-
Total current assets	240,532	-	240,532	197,551
Non-current assets:				
Capital assets:				
Machinery and equipment, net of depreciation	337,736	-	337,736	-
<b>Total assets</b>	578,268	-	578,268	197,551
<b>Deferred Outflows of Resources</b>				
Pension related deferred outflows	56,011	26,542	82,553	-
OPEB related deferred outflows	1,705	-	1,705	-
Total deferred outflows of resources	57,716	26,542	84,258	-
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	7,926	-	7,926	-
Interfund payable	162,881	68,102	230,983	-
Unearned revenue	21,507	-	21,507	-
Total current liabilities	192,314	68,102	260,416	-
Noncurrent liabilities:				
Net pension liability	254,525	120,611	375,136	-
Total OPEB liability	9,218	-	9,218	-
Total noncurrent liabilities	263,743	120,611	384,354	-
<b>Total liabilities</b>	456,057	188,713	644,770	-
<b>Deferred Inflows of Resources</b>				
Pension related deferred inflows	18,532	8,782	27,314	-
OPEB related deferred inflows	2,520	-	2,520	-
Total deferred inflows of resources	21,052	8,782	29,834	-
<b>Net Position</b>				
Investment in capital assets	337,736	-	337,736	-
Unrestricted	(178,861)	(170,953)	(349,814)	197,551
<b>Total net position</b>	\$ 158,875	\$ (170,953)	\$ (12,078)	\$ 197,551

See notes to financial statements.

## Exhibit H

**Nevada Community School District**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year ended June 30, 2021**

	Enterprise			Internal
	School	Nonmajor	Total	Service
	Nutrition			
Operating revenue:				
Local sources:				
Charges for services	\$ 130,084	\$ 107,430	\$ 237,514	\$ 135,904
Operating expenses:				
Support services:				
Student				
Salaries	-	149,072	149,072	-
Benefits	-	133,222	133,222	-
Purchased services	-	1,590	1,590	-
Supplies	-	5,405	5,405	-
Administration:			-	
Benefits	-	-	-	77,470
Purchased services	-	3,206	3,206	24,589
Operation and maintenance of plant			-	
Purchased services	-	1,018	1,018	-
Supplies	-	7,160	7,160	-
Non-instructional programs:				
Food service operations:				
Salaries	304,119	-	304,119	-
Benefits	116,258	-	116,258	-
Purchased services	8,920	-	8,920	-
Supplies	383,761	-	383,761	-
Depreciation	33,564	-	33,564	-
Other	3,098	-	3,098	-
Total operating expenses	849,720	300,673	1,150,393	102,059
Operating income (loss)	(719,636)	(193,243)	(912,879)	33,845
Non-operating revenues:				
Interest on investments	584	-	584	-
Contributions	2,000	22,290	24,290	-
Capital contributions	5,471	-	5,471	-
State sources	6,594	-	6,594	-
Federal sources	929,535	-	929,535	-
Total non-operating revenues	944,184	22,290	966,474	-
Income (loss) before transfers	224,548	(170,953)	53,595	33,845
Transfers:				
Transfers out	(34,933)	-	(34,933)	-
Change in fund net position	189,615	(170,953)	18,662	33,845
Net position beginning of year	(30,740)	-	(30,740)	163,706
Net position end of year	\$ 158,875	\$ (170,953)	\$ (12,078)	\$ 197,551

See notes to financial statements.

## Exhibit I

### Nevada Community School District Statement of Cash Flows Proprietary Funds Year ended June 30, 2021

	Enterprise			Internal Service
	School Nutrition	Nonmajor	Total	
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 108,515	\$ -	\$ 108,515	\$ -
Cash received from miscellaneous operating activities	13,394	107,430	120,824	135,904
Cash payments to employees for services	(374,346)	(179,443)	(553,789)	-
Cash payments to suppliers for goods or services	(322,467)	(18,379)	(340,846)	(102,059)
Net cash provided by (used by) operating activities	(574,904)	(90,392)	(665,296)	33,845
Cash flows from non-capital financing activities:				
Contributions received	2,000	22,290	24,290	-
State grants received	5,167	-	5,167	-
Federal grants received	883,302	-	883,302	-
Repayment of interfund loan	(154,920)	-	(154,920)	-
Indirect costs transfer	(34,933)	-	(34,933)	-
Net cash provided by non-capital financing activities	700,616	22,290	722,906	-
Cash flows from investing activities:				
Interest on investments	584	-	584	-
Net increase (decrease) in cash and cash equivalents	126,296	(68,102)	58,194	33,845
Cash and cash equivalents at beginning of year	70,716	-	70,716	163,706
Cash and cash equivalents at end of year	\$ 197,012	\$ (68,102)	\$ 128,910	\$ 197,551
<b>Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:</b>				
Operating income (loss)	\$ (719,636)	\$ (193,243)	\$ (912,879)	\$ 33,845
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	33,564	-	33,564	-
Commodities used	81,421	-	81,421	-
Decrease in accounts receivable	12	-	12	-
(Increase) in interfund receivable	(1,866)	-	(1,866)	-
(Increase) in inventories	(947)	-	(947)	-
(Decrease) in accounts payable	(7,162)	-	(7,162)	-
(Decrease) in salaries and benefits payable	(9,093)	-	(9,093)	-
(Decrease) in unearned revenue	(6,321)	-	(6,321)	-
Increase in net pension liability	74,288	120,611	194,899	-
Increase in total OPEB liability	9,218	-	9,218	-
(Increase) in deferred outflows of resources	(14,755)	(26,542)	(41,297)	-
Increase (decrease) in deferred inflows of resources	(13,627)	8,782	(4,845)	-
Net cash provided by (used by) operating activities	\$ (574,904)	\$ (90,392)	\$ (665,296)	\$ 33,845

#### Non-cash financing activities:

During the year ended June 30, 2021, the District received \$81,421 of federal commodities. In addition, the Enterprise, School Nutrition Fund received \$5,471 of equipment which was purchased and contributed by the General Fund.

See notes to financial statements.

**Exhibit J****Nevada Community School District  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2021**

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	Private Purpose Trust	
	Scholarship	Custodial
<b>Assets</b>		
Cash and pooled investments	\$ 183,211	\$ 132
Land held in scholarship trust	468,000	-
<b>Total assets</b>	<u>651,211</u>	<u>132</u>
<b>Fiduciary Net Position</b>		
Restricted for scholarships	651,211	-
Restricted for other organizations	-	132
<b>Total fiduciary net position</b>	<u>\$ 651,211</u>	<u>\$ 132</u>

See notes to financial statements.

**Exhibit K****Nevada Community School District  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year Ended June 30, 2021**

	Private Purpose Trust	
	Scholarship	Custodial
Additions:		
Local sources:		
Gifts and contributions	\$ 23,307	\$ 161
Interest	2,644	-
	<u>25,951</u>	<u>161</u>
Deductions:		
Scholarships awarded	17,950	-
Administrative	180	-
Supplies	-	111
Total deductions	<u>18,130</u>	<u>111</u>
Change in fiduciary net position	7,821	50
Fiduciary net position beginning of year, as restated	<u>643,390</u>	<u>82</u>
Fiduciary net position end of year	<u>\$ 651,211</u>	<u>\$ 132</u>

See notes to financial statements.

**(1) Summary of Significant Accounting Policies**

The Nevada 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 pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the city of Nevada, Iowa and portions of the agricultural territory in Story County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

**A. Reporting Entity**

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

Jointly Governed Organization - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Story County Assessor's Conference Board.

**B. Basis of Presentation**

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. 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 non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position are reported in the following categories:

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

*Restricted net position* results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulation of other governments or imposed by law through constitutional provisions or enabling legislation.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

*Unrestricted net position* consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are 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 government-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 other non-major governmental funds.

Fund accounting - The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, deferred inflows of resources, restrictions, fund balance/Net Position, revenues and expenditures or expenses, as appropriate. The District has the following funds:

**Governmental Fund Types:** Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities and deferred inflows is reported as fund balance. The following are the District's major governmental funds:

General Fund: The General Fund accounts for all sources used to finance District operation and maintenance, except those required to be accounted for in another fund.

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

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

The other governmental funds of the District are considered non-major and are as follows:

Special Revenue Funds: The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

**Student Activity Funds:** This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.



(1) *Summary of Significant Accounting Policies (continued from previous page)*

Management Levy Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

Non-Fiduciary Student Support Fund: This fund accounts for transactions related to donations to help support needy students which do not meet the criteria for fiduciary activities.

**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. The following are the District's proprietary funds:

Enterprise Funds: 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 fund of the District is considered major:

School Nutrition Fund: This fund accounts for transactions related to the school lunch, breakfast and summer food programs authorized by Iowa Code 283A.

The following enterprise fund of the District is considered non-major:

Childcare Fund: This fund accounts for transactions related to the childcare program offered by the District.

Additional proprietary funds reported by the District are as follows:

Internal Service, Partial Self Insurance Fund is used to account for the partial self-funded health insurance operations of the District.

**Fiduciary Fund Types:** Fiduciary funds account for assets held by the District in a trustee or custodian capacity for the benefit of others and cannot be used to support District activities. The District has the following fiduciary fund type:

Private Purpose Trust Fund: This fund accounts for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

Custodial Fund: This fund is used to account for assets held by the District as a custodian for individuals, private organizations and other governments.

C. Measurement Focus and Basis of Accounting

The government-wide, 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

(1) *Summary of Significant Accounting Policies (continued from previous page)*

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. Agency funds do not have a measurement focus due to their custodial nature.

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

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

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

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

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

The District maintains its financial records on a modified accrual basis.

D. 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 except for the investments in the Iowa Schools Joint Investment Trust (ISJIT) and money market mutual funds, which are valued at amortized cost, and non-negotiable certificates of deposit, which are stated at 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 a maturity date no longer than three months.

(1) *Summary of Significant Accounting Policies (continued from previous page)*

Property Tax Receivable - Property tax in the 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. Current year delinquent property tax receivable represents unpaid taxes for the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2020.

Income Surtax Receivable - Income surtax budgeted for the fiscal year ended June 30, 2021 will not be received by the District until several months after the fiscal year end. Accordingly, income surtax is recorded as a receivable and included in deferred inflow of resources on the modified accrual basis for the governmental funds. For the government-wide statements, on the Statement of Activities the income surtax revenue is recognized.

Interfund Receivables and Payables – During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. To the extent that certain transfers between funds had not been received as of June 30, 2021, balances of interfund amounts receivable or payable have been recorded. Any balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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

Inventories – The Enterprise Fund inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to operations when consumed or sold. The Enterprise Fund inventory consists primarily of food, with purchased food recorded at the lower of cost (first-in, first-out method) or market and food commodities which were received from the federal government recorded at the contributed value as of the date received.

Capital Assets - Capital assets, which include property, machinery, and equipment, 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. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of one year.

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

*(1) Summary of Significant Accounting Policies (continued from previous page)*

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	5,000
Machinery and equipment:	
Enterprise Fund equipment	500
Other machinery and equipment	5,000

Capital assets (with the exception of land and construction in progress, which are not depreciated) are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	20-50 years
Improvements other than buildings	20 years
Intangibles	5-20 years
Machinery and equipment	5-20 years

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period(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 and OPEB Expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and contributions from District after the measurement date but before the end of the District's reporting period.

Salaries and Benefits Payable - Payroll and related expenditures for teachers and hourly employees corresponding to the current school year, which are payable in July and August, have been accrued as liability as it is applicable to the fiscal year ended June 30, 2021.

Unearned Revenues - Unearned revenues are monies collected for meals that have not yet been served. The meal account balances will either be reimbursed or served meals. The meal account balances are reflected on the Statement of Net Position in the Proprietary, School Nutrition Fund.

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

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation Benefits payable to employees. Compensated absences are reported in governmental funds only if they have matured. The cost of vacation payments expected to be liquidated currently is recorded as a long-term liability on the Statement of Net Position and will be paid in the future out of the General Fund. There are currently 31 members of the District's Management Team, administrative staff, and maintenance department who are paid out for their unused vacation days at their daily pay rate. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund. The full balance is shown as due within a year using the first-in, first-out basis.

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 pension of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net

(1) *Summary of Significant Accounting Policies (continued from previous page)*

position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net position liability attributable to government activities will be paid primarily by the General Fund.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information has been determined based on the 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 governmental activities will be paid primarily by the General Fund.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to a future period(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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax receivables that will not be recognized until the year for which it is levied.

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

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

*Nonspendable* – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained 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 amount cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

*Assigned* – Amounts the Board of Education intends to use for specific purposes.

*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 General Fund is the only fund that reports a positive unassigned fund balance.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications within the same fund, the order in which resources will be expended is as follows:

*(1) Summary of Significant Accounting Policies (continued from previous page)*

restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

**(2) Budgets and Budgetary Control**

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 statement 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.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District expenditures 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 February 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 preceding years. The budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the function 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 from the County Auditor.
4. Management is authorized to transfer budgeted amounts between departments within any function, however, any revisions that alter the total expenditures or expenses of any function must be approved by the Board of Education.
5. The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.
6. Encumbrances are not recognized in the budgetary process and appropriations lapse at the end of each fiscal year.
7. The budget cannot be amended without the approval of the Board of Education.
8. Unexpended budgetary balances lapse at June 30 and are not available to finance expenditures or expenses of the following year.

**(3) Deposits and Pooled Investments**

The District's deposits in banks at June 30, 2021 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 there will be no loss of public funds.

The District is authorized by statute to invest public funds not currently needed for operating expenses in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured Iowa 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.

(3) *Deposits and Pooled Investments (continued from previous page)*

At June 30, 2021, the District had investments as follows:

<u>Investment</u>	<u>Amortized Cost</u>
Iowa Schools Joint Investment Trust (ISJIT), Diversified Portfolio	\$ 58,297
Money Market Mutual Fund	<u>8,828</u>
	<u>\$ 67,125</u>

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT, Diversified Portfolio or the money market mutual fund investments.

Interest rate risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy requires operating funds to be invested in investments that mature within 397 days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within 15 months of receipt. The maturity of the District's position in an external investment pool is based on the average maturity of the pool's investments.

Credit risk - The investment in the ISJIT, Diversified Portfolio and Money Market Mutual Fund were rated AAAM by Standard & Poor's Rating Service. The Iowa Schools Joint Investment Trust is sponsored by the Iowa Association of School Boards, governed by a representative board of trustees. The board of trustees serves as the regulatory oversight of the pool. The District's investment policy does not formally address credit risk.

Custodial credit risk for deposits - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2020, the carrying amount of the District's bank deposits totaled \$15,290,850. Of the bank balances, \$250,000 was covered by federal depository insurance and \$15,040,850 was uninsured and collateralized with securities held by the pledging financial institution or its agent but not in the District's name. These amounts are included in the cash and pooled investments on the combined balance sheet.

Custodial credit risk for investments - For an investment, this is the risk that, in the event of the failure of the counterpart, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy relating to custodial credit risk of investments is to allow the treasurer to invest funds in excess of current needs in depositories authorized by the Board. The amount that can be held by counterparties is established annually by the Board. As of June 30, 2021, the carrying amount of the District's investments totaled \$67,125. The entire amount is exposed to custodial custody risk because the related securities are uninsured, unregistered and held by the District's investment firm which is also the counterparty for the securities held.

The District does not have a policy regarding concentration risk.

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**(4) Interfund Receivables and Payables**

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

Receivable Fund	Payable Fund	Amount
Interfund balances between governmental funds:		
Other receivables:		
General	Special Revenue, Student Activity	\$ 4,253
Special Revenue, Student Activity	General	<u>321</u>
		<u>4,574</u>
Interfund balances between governmental and proprietary funds:		
Pooled cash balances:		
General	Enterprise, Childcare	68,102
Other receivables:		
General	Enterprise, School Nutrition	162,881
Enterprise, School Nutrition	General	<u>1,930</u>
		<u>232,913</u>
Total		<u>\$ 237,487</u>

Pooled cash balances are temporary financing between funds which is necessary due to the timing of expected revenues and the related expenses. The other receivable interfund balances are due to timing differences involved in payroll and other reimbursements at year end.

The balance between governmental funds are not included on the government-wide Statement of Net Position. The balances between governmental and proprietary funds have been eliminated on the face of the government-wide Statement of Net Position.

**(5) Transfers**

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

Transfer to	Transfer from	Amount
Debt Service Fund	Capital Projects, Statewide Sales, Services and Use Tax	\$ 1,722,240
Debt Service Fund	Capital Projects, Physical Plant and Equipment Levy	157,668
General Fund	Enterprise, School Nutrition Fund	<u>34,933</u>
		<u>\$ 1,914,841</u>

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

The Capital Projects, Statewide Sales, Services and Use Tax Fund is transferring money to finance revenue bond payments made from the Debt Service Fund. The Capital Projects, Physical Plant and Equipment Levy Fund is transferring money to finance capital loan note payments made from the Debt Service Fund. The Enterprise, School Nutrition Fund transferred money to the General Fund to reimburse indirect costs.



**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

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**(6) Due from Other Governments**

Details of amounts due from various other governments by fund as of June 30, 2021, are as follows:

Governmental Funds:

General Fund:

Tuition from other Districts	\$ 536,170
Sharing agreements with other Districts	90,010
Title I grants	120,641
ESSER II grants	188,938
Other	<u>57,628</u>
	<u>993,387</u>

Capital Projects Fund:

Statewide sales, services and use tax	<u>124,422</u>
	<u>1,117,809</u>

Proprietary Funds:

Enterprise, School Nutrition Fund:

Child nutrition grants	<u>31,728</u>
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Total due from other governments	<u>\$1,149,537</u>
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**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**(7) Capital Assets**

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

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 231,244	\$ -	\$ -	\$ 231,244
Construction in progress	1,398,872	2,816,064	-	4,214,936
Total capital assets not being depreciated	1,630,116	2,816,064	-	4,446,180
Capital assets being depreciated:				
Buildings	41,470,841	910,012	-	42,380,853
Improvements other than buildings	6,251,289	-	-	6,251,289
Furniture and equipment	2,818,932	216,861	-	3,035,793
Total capital assets being depreciated	50,541,062	1,126,873	-	51,667,935
Less accumulated depreciation for:				
Buildings	10,787,298	780,478	-	11,567,776
Improvements other than buildings	1,605,370	294,920	-	1,900,290
Furniture and equipment	1,842,446	164,298	-	2,006,744
Total accumulated depreciation	14,235,114	1,239,696	-	15,474,810
Total capital assets being depreciated, net	36,305,948	(112,823)	-	36,193,125
Governmental activities capital assets, net	\$ 37,936,064	\$ 2,703,241	\$ -	\$ 40,639,305
	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Business-type activities:</b>				
Furniture and equipment	\$ 786,604	\$ 5,471	\$ -	\$ 792,075
Less accumulated depreciation	420,775	33,564	-	454,339
Business-type activities capital assets, net	\$ 365,829	\$ (28,093)	\$ -	\$ 337,736

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**(7) Capital Assets (continued from previous page)**

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular \$ 24,621

Support services:

Administration 4,494

Operation and maintenance of plant 3,273

Transportation 86,076

118,464

Unallocated depreciation 1,121,232

Total depreciation expense - governmental activities \$ 1,239,696

Business-type activities:

Food service operations \$ 33,564

**(8) Long-Term Liabilities**

Changes in long-term liabilities for the year ended June 30, 2021 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
<b>Governmental activities:</b>					
General obligations bonds	\$ 5,190,000	\$ 9,140,000	\$ 3,335,000	\$ 10,995,000	\$ 1,345,000
General obligations bonds - direct placement	396,000	-	396,000	-	-
Revenue bonds	560,000	-	560,000	-	-
Revenue bonds - direct placement	10,220,000	1,496,000	860,000	10,856,000	880,000
Capital loan notes - direct placement	884,996	-	126,996	758,000	120,000
Early retirement	15,884	80,430	15,884	80,430	80,430
Compensated absences	60,681	73,485	60,681	73,485	73,485
Net pension liability	8,359,857	1,197,065	-	9,556,922	-
Total OPEB liability	1,390,066	29,802	-	1,419,868	-
Total governmental activities	\$ 27,077,484	\$ 12,016,782	\$ 5,354,561	\$ 33,739,705	\$ 2,498,915
	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
<b>Business-type activities:</b>					
Net pension liability	\$ 180,237	\$ 194,899	\$ -	\$ 375,136	\$ -
Total OPEB liability	-	9,218	-	9,218	-
Total business-type activities	\$ 180,237	\$ 204,117	\$ -	\$ 384,354	\$ -

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

*(8) Long-Term Liabilities (continued from previous page)*

Bonded Debt

On December 1, 2012, the District issued General Obligation Bonds of \$6,400,000 for the high school remodel construction. On June 1, 2021, the District issued General Obligation Bonds of \$9,140,000 for the middle school remodel construction. The General Obligation Bonds will be paid with property taxes collected in the Debt Service Fund. Details of the District's June 30, 2021 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of December 1, 2012			
	Interest Rates	Principal	Interest	Total
2022	2.00%	\$ 425,000	\$ 37,100	\$ 462,100
2023	2.00%	435,000	28,600	463,600
2024	2.00%	440,000	19,900	459,900
2025	2.00%	450,000	11,100	461,100
2026	2.00%	105,000	2,100	107,100
Total		\$ 1,855,000	\$ 98,800	\$ 1,953,800

Year Ending June 30,	Bond Issue of June 1, 2021			
	Interest Rates	Principal	Interest	Total
2022	1.00%	\$ 920,000	\$ 92,650	\$ 1,012,650
2023	1.00%	720,000	83,450	803,450
2024	1.00%	730,000	76,250	806,250
2025	1.00%	735,000	68,950	803,950
2026	1.00%	1,100,000	61,600	1,161,600
2027-2030	1.00%-1.10%	4,935,000	128,950	5,063,950
Total		\$ 9,140,000	\$ 511,850	\$ 9,651,850

Year Ending June 30,	Total		
	Principal	Interest	Total
2022	\$ 1,345,000	\$ 129,750	\$ 1,474,750
2023	1,155,000	112,050	1,267,050
2024	1,170,000	96,150	1,266,150
2025	1,185,000	80,050	1,265,050
2026	1,205,000	63,700	1,268,700
2027-2030	4,935,000	128,950	5,063,950
Total	\$ 10,995,000	\$ 610,650	\$ 11,605,650

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**(8) Long-Term Liabilities (continued from previous page)**  
**Bonded Debt (continued from previous page)**

On December 8, 2015, the District issued \$8,415,000 of statewide sales, services and use tax revenue bonds for the partial refunding of the July 1, 2009 statewide sales, services and use tax revenue bonds. On April 13, 2016, the District issued statewide sales, services and use tax revenue bonds of \$4,710,000 to pay the costs of athletic facility improvements and other capital improvement projects.

On June 2, 2021, the District issued \$1,496,000 of statewide sales, services and use tax revenue bonds, with interest rates of 1.05% to 1.85%, to purchase and remodel Gates Hall as an administration building and to refund the July 1, 2009 statewide sales, services and use tax revenue bonds with interest rates from 2.00% to 2.30%. As a result of the current refunding, the District decreased its total debt service requirements by \$94,903, which resulted in a net present value economic gain of \$48,620.

The Revenue Bonds will be paid with the statewide sales, services, and use taxes collection in the Capital Projects Fund. Details of the District's June 30, 2021 statewide sales, services, and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of December 8, 2015 - Direct Placement			
	Interest Rates	Principal	Interest	Total
2022	2.60%	\$ 550,000	\$ 145,470	\$ 695,470
2023	2.60%	565,000	130,975	695,975
2024	2.60%	575,000	116,155	691,155
2025	2.60%	595,000	100,945	695,945
2026	2.60%	605,000	85,345	690,345
2027-30	2.60%	2,980,000	179,400	3,159,400
Total		\$ 5,870,000	\$ 758,290	\$ 6,628,290

Year Ending June 30,	Bond Issue of April 13, 2016 - Direct Placement			
	Interest Rates	Principal	Interest	Total
2022	2.67%	\$ 330,000	\$ 88,777	\$ 418,777
2023	2.67%	340,000	79,833	419,833
2024	2.67%	350,000	70,622	420,622
2025	2.67%	360,000	61,143	421,143
2026	2.67%	370,000	51,398	421,398
2027-30	2.67%	1,740,000	100,258	1,840,258
Total		\$ 3,490,000	\$ 452,031	\$ 3,942,031

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

*(8) Long-Term Liabilities (continued from previous page)*  
*Bonded Debt (continued from previous page)*

Year Ending June 30,	Bond Issue of June 2, 2021 - Direct Placement			
	Interest Rates	Principal	Interest	Total
2022	0.00%	\$ -	\$ 13,987	\$ 13,987
2023	1.05%	95,000	23,594	118,594
2024	1.15%	101,000	22,515	123,515
2025	1.25%	97,000	21,328	118,328
2026	1.35%	103,000	20,026	123,026
2027-31	1.45-1.85%	1,100,000	71,179	1,171,179
Total		\$ 1,496,000	\$ 172,629	\$ 1,668,629

Year Ending June 30,	Total - Direct Placement		
	Principal	Interest	Total
2022	\$ 880,000	\$ 248,234	\$ 1,128,234
2023	1,000,000	234,402	1,234,402
2024	1,026,000	209,292	1,235,292
2025	1,052,000	183,416	1,235,416
2026	1,078,000	156,769	1,234,769
2027-31	5,820,000	350,837	6,170,837
Total	\$ 10,856,000	\$ 1,382,950	\$ 12,238,950

The District has pledged future statewide sales, services and use tax revenues to repay the bonds. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District in accordance with Chapter 423E of the Code of Iowa and are payable through 2030. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 76 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid is \$12,238,950. For the current year, \$1,420,000 in principal and \$295,819 in interest was paid on the bonds and total statewide sales, services and use tax revenues were \$1,486,199.

The resolutions providing for the issuance of the statewide sales, services and use tax revenue bonds include the following provision:

- a) The bonds will only be redeemed from the future earnings of the statewide sales, services and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.

**Capital Loan Notes:**

On June 26, 2018, the District issued capital loan notes of \$1,113,000 for a baseball stadium project. The Capital Loan Notes will be paid with property taxes collected in the Capital Projects, Physical Plant and Equipment Levy

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**(8) Long-Term Liabilities (continued from previous page)**  
*Capital Loan Notes (continued from previous page)*

Fund. Details of the District's June 30, 2021 capital loan notes indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2022	3.50%	\$ 120,000	\$ 26,530	\$ 146,530
2023	3.50%	125,000	22,330	147,330
2024	3.50%	125,000	17,955	142,955
2025	3.50%	130,000	13,580	143,580
2026	3.50%	130,000	9,030	139,030
2027	3.50%	128,000	4,480	132,480
Total		<u>\$ 758,000</u>	<u>\$ 93,905</u>	<u>\$ 851,905</u>

**Early Retirement**

The District offers a voluntary early retirement plan to its certified and support staff employees. Eligible employees must be at least 55 years old on June 30 and employees must have completed 15 years of full-time service to the District. Employees must complete an application which is required to be approved by the Board of Education. The early retirement incentive for each eligible employee is equal to 45% of the employee's base salary. The employee's base salary is calculated by using the current year regular salary schedule, excluding any other additional pay. Early retirement benefits will be paid to a tax-sheltered annuity in annual payments not to exceed three years.

At June 30, 2021, the District has obligations to 3 participants with a total liability of \$80,430. Early retirement benefits paid from the Special Revenue, Management Levy Fund during the year ending June 30, 2021, totaled \$15,884. The long-term portion of early retirement is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

**(9) Pension Plan**

Plan Description - Iowa Public Employees' Retirement System (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 IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://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

*(9) Pension Plan (continued from previous page)*

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. (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.)

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

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2021 were \$1,100,497.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the District reported a liability of \$9,932,058 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the District's proportion was 0.141378 percent, which was a decrease of 0.006094 from its proportion measured as of June 30, 2019.



**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

*(9) Pension Plan (continued from previous page)*

For the year ended June 30, 2021, the District recognized pension expense of \$1,422,370. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,972	\$ 235,415
Changes of assumptions	509,809	-
Net difference between projected and actual earnings on pension plan investments	558,340	-
Changes in proportion and differences between District contributions and proportionate share of contributions	6,025	487,724
Entity contributions subsequent to the measurement date	1,100,497	-
Total	<u>\$ 2,185,643</u>	<u>\$ 723,139</u>

\$1,100,497 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 ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2022	\$ 10,162
2023	73,135
2024	67,447
2025	236,596
2026	(25,333)
Total	<u>\$ 362,007</u>

Actuarial Assumptions - The total pension liability in the June 30, 2020 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
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7 percent, compounded annually, net of investment expense, including inflation

(9) *Pension Plan (continued from previous page)*

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on IPERS investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.0%	4.43%
International Equity	17.5%	5.15%
Global Smart Beta Equity	6.0%	4.87%
Core Plus Fixed Income	28.0%	-0.29%
Public Credit	4.0%	2.29%
Cash	1.0%	-0.78%
Private Equity	11.0%	6.54%
Private Real Assets	7.5%	4.48%
Private Credit	3.0%	3.11%
Total	100.0%	

Discount Rate - The discount rate used to measure the total pension liability was 7.0 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 that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the IPERS'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 IPERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**(9) Pension Plan (continued from previous page)**

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 16,560,869	\$ 9,932,058	\$ 4,373,902

IPERS Fiduciary Net Position - Detailed information about the IPERS's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS's website at [www.ipers.org](http://www.ipers.org).

Payable to IPERS - At June 30, 2021, the District reported payables to IPERS of \$169,509 for legally required District contributions and legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

**(10) Other Post-Employment Benefits (OPEB)**

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2021, the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefit payments	8
Active employees	197
Total	205

Total OPEB Liability - The District's total OPEB liability of \$1,429,086 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation (effective June 30, 2020)	3.00% per annum.
Rates of salary increase (effective June 30, 2020)	4.00% per annum.
Discount rate (effective June 30, 2020)	3.50% per annum.
Healthcare cost trend rate (effective June 30, 2020)	5.00% per annum.

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**(10) Other Post-Employment Benefits (OPEB) (continued from previous page)**

Discount Rate - The discount rate used to measure the total OPEB liability was 3.50% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RP2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational projection of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover rates are based on Scale T-6 of the Actuary's Pension Handbook.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability beginning of year	\$ 1,390,066
Changes for the year:	
Service cost	75,378
Interest	49,783
Benefit payments	(86,141)
Net changes	39,020
Total OPEB liability end of year	1,429,086

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following represents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.50%) or 1% higher (4.50%) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 1,544,231	\$ 1,429,086	\$ 1,323,719

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following represents the 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% lower (4.00%) or 1% higher (6.00%) than the current healthcare cost trend rate.

	1% Decrease (4.00%)	Healthcare Cost Trend Rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 1,286,101	\$ 1,429,086	\$ 1,596,970

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**(10) Other Post-Employment Benefits (OPEB) (continued from previous page)**

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2021, the District recognized OPEB expense of \$114,380. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 142,948	\$ -
Changes in assumptions	121,425	390,721
	<u>\$ 264,373</u>	<u>\$ 390,721</u>

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

Year Ending June 30,	Amount
2022	\$ (10,781)
2023	\$ (10,781)
2024	\$ (10,781)
2025	\$ (10,781)
2026	\$ (10,781)
Thereafter	<u>\$ (72,443)</u>
Total	<u>\$ (126,348)</u>

The OPEB actuarial report was completed for the District by Silverstone Group, Michael S. Vech, ASA, MAAA. The report may be obtained by contacting the Business Office of the District.

A stand-alone financial report has not been issued for the OPEB plan.

**(11) Short-Term Debt Activity**

During the year ended June 30, 2021, the District entered into a short-term interfund loan from the General Fund to the Enterprise, School Nutrition Fund. The loan was necessary to provide financing of payroll expenses.

A summary of the short-term debt activity for the year ended June 30, 2021 is as follows:

	Balance Beginning of Year	Interfund Loan Received	Interfund Loan Repaid	Balance End of Year
School Nutrition Fund	\$ 317,801	\$ 421,234	\$ 576,154	\$ 162,881

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**(12) Risk Management**

The District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

Partial Self-Funded Health Insurance: The District has a partially self-funded insurance plan. The District purchases a base plan from Wellmark with a \$8,000 single and \$15,000 family deductible and \$8,150 single and \$16,300 family out of pocket maximums. The District self-funds down to a \$2,500 single and \$5,000 family deductible plan with a maximum out of pocket of \$4,000 for single and \$8,000 for family. Payments to Wellmark are made for the premiums and deposits into the Internal Service Fund are monthly for the self-funded portion. The plan is administered through a service agreement with Employee Benefit Systems of Burlington, Iowa.

As of June 30, 2021, the District has accumulated \$197,551 in its Internal Service Fund to cover future employee health care claims. Actual claims paid for the year ended June 30, 2021 were \$77,469.

**(13) Categorical Funding**

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

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2021:

<u>Program</u>	<u>Amount</u>
Limited English proficient	\$ 53,652
Home school assistance program	91,090
At-risk programs	336
Gifted and talented programs	116,813
Returning dropouts and dropout prevention programs	196,504
Teacher leadership state aid	31,992
Four year old preschool state aid	31,190
Beginning teacher mentoring and induction program	7,622
Iowa early intervention supplement	778
Successful progression for early readers	135,061
Professional development	125,776
Project Lead The Way	3,400
	<hr/>
Total categorical funding	<u>\$ 794,214</u>

**Nevada Community Nevada Community School District**  
**Notes to Financial Statements**  
**June 30, 2021**

**(14) 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 \$658,369 for the year ended June 30, 2021 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

**(15) Budget Overexpenditure**

Per the Code of Iowa, expenditures/expenses may not legally exceed budgeted appropriations at the functional level. During the year ended June 30, 2021, expenditures/expenses in the non-instructional programs function exceeded the certified budget.

**(16) Deficit Balances**

The Enterprise, School Nutrition Fund had a deficit unrestricted net position of \$178,861 at June 30, 2021. The Enterprise, Childcare Fund had a deficit unrestricted net position of \$170,953 at June 30, 2021.

**(17) Construction Commitments**

The District has two active construction projects as of June 30, 2021. The projects are the baseball stadium project and a middle school remodel/renovation project. The District has entered into contracts totaling \$8,699,182. As of June 30, 2021, costs of \$3,262,633 had been incurred against the contracts. The balance of \$5,436,549 remaining at June 30, 2021 will be paid as work on the projects progresses.

**(18) Reconciliation of Governmental Fund Balances to Net Position**

A reconciliation of certain governmental fund balances to net position is as follows:

	Net investment in Capital Assets	Debt Service	Capital Projects	Management Levy	Assigned and Unassigned/ Unrestricted
<b>Fund Balance (Exhibit C)</b>	\$ -	\$ 1,797,482	\$ 6,893,117	\$ 286,342	\$ 2,803,858
Capital assets, net of accumulated depreciation	40,639,305	-	-	-	-
General obligation bond capitalized indebtedness	(10,995,000)	-	-	-	-
Revenue bond capitalized indebtedness	(10,856,000)	-	-	-	-
Capital loan note capitalized indebtedness	(758,000)	-	-	-	-
Accrued interest payable	-	(133,714)	(4,199)	-	-
Early retirement	-	-	-	(80,430)	-
Compensated absences	-	-	-	-	(73,485)
Pension related deferred outflows	-	-	-	-	2,103,090
Pension related deferred inflows	-	-	-	-	(695,825)
Net pension liability	-	-	-	-	(9,556,922)
OPEB related deferred outflows	-	-	-	-	262,668
OPEB related deferred inflows	-	-	-	-	(388,201)
Total OPEB liability	-	-	-	-	(1,419,868)
Recognition of income surtax deferred inflows of resources	-	-	-	-	509,607
Internal Service Fund net position	-	-	-	-	197,551
Unspent bond proceeds	6,241,899	-	(6,241,899)	-	-
<b>Net position (Exhibit A)</b>	<b>\$ 24,272,204</b>	<b>\$ 1,663,768</b>	<b>\$ 647,019</b>	<b>\$ 205,912</b>	<b>\$ (6,257,527)</b>

**(19) Tax Abatements**

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities – Other entities within the District provide tax abatements for urban renewal and economic projects pursuant to Chapters 15 and 403 of the Code of Iowa.

Property tax revenues of the District were reduced by the following amount for the year ended June 30, 2021 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Nevada	Urban renewal and economic development projects	\$ 143,098

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2021, this reimbursement amounted to \$73,173.

**(20) Accounting Change/Restatement**

Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities, was implemented during fiscal year 2021. The new requirements change the definition of fiduciary activity and establish new financial reporting requirements for state and local governments which report fiduciary activity. Beginning net position was restated to retroactively report the change in net position, as follows:

	Governmental Activities	General Fund	Special Revenue Non-fiduciary Student Support	Fiduciary Private Purpose Trust Fund	Fiduciary Custodial Fund
Net position June 30, 2020, as previously reported	\$ 20,602,641	\$ 3,594,749	\$ -	\$ 648,981	\$ -
Change to implement GASB No. 84	30,955	1,099	29,856	(5,591)	82
Net position July 1, 2020, as restated	\$ 20,633,596	\$ 3,595,848	\$ 29,856	\$ 643,390	\$ 82

**(21) COVID-19**

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economics, including that of the District, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of the District. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the District.



**(22) Prospective Accounting Change**

The Governmental Accounting Standards Board has issued Statement No. 87, Leases. This statement will be implemented for the fiscal year ending June 30, 2022. The revised requirements of this statement will require reporting of certain potentially significant lease liabilities that are not currently reported.

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## **Required Supplementary Information**

**Nevada Community School District**  
**Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances**  
**Budget and Actual – All Governmental Funds and Proprietary Fund**  
**Required Supplementary Information**  
**Year ended June 30, 2021**

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 9,956,876	\$ 267,859	\$ 10,224,735	\$ 10,391,798	\$ 10,391,798	\$ (167,063)
Immediate sources	6,910	-	6,910	-	-	6,910
State sources	11,975,845	6,594	11,982,439	12,130,743	12,130,743	(148,304)
Federal sources	961,538	929,535	1,891,073	992,300	992,300	898,773
Total revenues	22,901,169	1,203,988	24,105,157	23,514,841	23,514,841	590,316
Expenditures/Expenses:						
Instruction	12,005,861	289,289	12,295,150	12,879,708	12,879,708	584,558
Support services	7,277,022	11,384	7,288,406	7,173,674	8,273,674	985,268
Non-instructional programs	-	849,720	849,720	678,800	768,800	(80,920)
Other expenditures	10,574,509	-	10,574,509	6,784,602	10,792,322	217,813
Total expenditures/expenses	29,857,392	1,150,393	31,007,785	27,516,784	32,714,504	1,706,719
Excess (deficiency) of revenues over (under) expenditures/expenses	(6,956,223)	53,595	(6,902,628)	(4,001,943)	(9,199,663)	2,297,035
Other financing sources (uses), net	10,765,779	(34,933)	10,730,846	8,000,000	8,000,000	2,730,846
Changes in fund balances	3,809,556	18,662	3,828,218	3,998,057	(1,199,663)	5,027,881
Balances beginning of year	9,045,312	(30,740)	9,014,572	8,376,536	8,376,536	638,036
Balances end of year	\$ 12,854,868	\$ (12,078)	\$ 12,842,790	\$ 12,374,593	\$ 7,176,873	\$ 5,665,917

See accompanying independent auditor's report.

**Nevada Community School District**  
**Notes to Required Supplementary Information – Budgetary Reporting**  
**Year ended June 30, 2021**

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This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governmental 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 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 GAAP basis. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures/expenses by \$5,197,720.

During the year ended June 30, 2021, expenditures/expenses in the non-instructional programs function exceeded the certified budget.

**Nevada Community School District**  
**Schedule of District's Proportionate Share of the Net Pension Liability**  
**Iowa Public Employees' Retirement System**  
**Last Seven Fiscal Years\***  
**(In Thousands)**  
**Required Supplementary Information**

	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.141387%	0.147481%	0.153857%	0.152699%	0.153653%	0.153905%	0.151095%
District's proportionate share of the net pension liability	\$ 9,932	\$ 8,540	\$ 9,736	\$ 10,172	\$ 9,670	\$ 7,604	\$ 5,992
District's covered payroll	\$ 11,221	\$ 11,224	\$ 11,541	\$ 11,404	\$ 11,027	\$ 10,553	\$ 9,880
District's proportionate share of the net pension liability as a percentage of its covered payroll	88.51%	76.09%	84.36%	89.20%	87.69%	72.06%	60.65%
IPERS' net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

See accompanying independent auditor's report.

**Note:** GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

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

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	2021	2020	2019	2018
Statutorily required contribution	\$ 1,100	\$ 1,059	\$ 1,060	\$ 1,031
Contributions in relation to the statutorily required contribution	(1,100)	(1,059)	(1,060)	(1,031)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 11,658	\$ 11,221	\$ 11,224	\$ 11,541
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	8.93%
See accompanying independent auditor's report.				



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2017	2016	2015	2014	2013	2012
\$ 1,018	\$ 985	\$ 942	\$ 882	\$ 818	\$ 739
(1,018)	(985)	(942)	(882)	(818)	(739)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 11,404	\$ 11,027	\$ 10,553	\$ 9,880	\$ 9,433	\$ 9,151
8.93%	8.93%	8.93%	8.93%	8.67%	8.07%

Changes of benefit terms:

There were no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest of member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period

**Nevada Community School District**  
**Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes**  
**For the Last Four Years**  
**Required Supplementary Information**

	2021	2020	2019	2018
Service cost	\$ 75,378	\$ 72,479	\$ 91,301	\$ 87,790
Interest	49,783	48,225	59,714	57,733
Differences between expected and actual experience	-	143,963	-	38,581
Changes in assumptions	-	(477,549)	-	186,185
Benefit payments	(86,141)	(71,994)	(105,507)	(81,871)
Net change in total OPEB liability	39,020	(284,876)	45,508	288,418
Total OPEB liability beginning of year	1,390,066	1,674,942	1,629,434	1,341,016
Total OPEB liability end of year	\$ 1,429,086	\$ 1,390,066	\$ 1,674,942	\$ 1,629,434
Covered-employee payroll	\$ 10,967,549	\$ 10,545,720	\$ 10,781,747	\$ 10,367,064
Total OPEB liability as a percentage of covered-employee payroll	13.03%	13.18%	15.53%	15.72%

See accompanying independent auditor's report.

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

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Changes in benefits terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period, a change in the actuarial cost method, and a change in the mortality table. The following are the discount rates used in each period.

Year ended June 30, 2021	3.50%
Year ended June 30, 2020	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	4.50%

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## **Supplementary Information**

### **Nonmajor Governmental Funds**

**Special Revenue Funds** account for and report the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

**Management Levy Fund:** This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

**Student Activity Fund:** This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extracurricular or cocurricular activities. Under State law, the Board retains responsibility for the Student Activity Fund's ultimate disposition.

**Non-Fiduciary Student Support Fund:** This fund accounts for transactions related to donations to help support needy students which do not meet the criteria for fiduciary activities.

## Schedule 1

**Nevada Community School District  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2021**

	Special Revenue			Total
	Management Levy	Student Activity	Non-fiduciary Student Support	
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 285,907	\$ 267,869	\$ 30,046	\$ 583,822
Receivables:				
Property tax:				
Current year	435	-	-	435
Succeeding year	100,002	-	-	100,002
Accounts	-	247	-	247
Interfund	-	321	-	321
<b>Total assets</b>	<b>\$ 386,344</b>	<b>\$ 268,437</b>	<b>\$ 30,046</b>	<b>\$ 684,827</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Current liabilities:				
Accounts payable	\$ -	\$ 14,135	\$ -	\$ 14,135
Due to other governments	-	240	-	240
Interfund payable	-	4,253	-	4,253
Total liabilities	-	18,628	-	18,628
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	100,002	-	-	100,002
Fund balances:				
Restricted for:				
Management levy purposes	286,342	-	-	286,342
Student activities	-	249,809	-	249,809
Student support	-	-	30,046	30,046
Total fund balances	286,342	249,809	30,046	566,197
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 386,344</b>	<b>\$ 268,437</b>	<b>\$ 30,046</b>	<b>\$ 684,827</b>

See accompanying independent auditor's report.

## Schedule 2

**Nevada Community School District**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year Ended June 30, 2021**

	Special Revenue			
	Management Levy	Student Activity	Non-fiduciary Student Support	Total
Revenues:				
Local sources:				
Local tax	\$ 100,751	\$ -	\$ -	\$ 100,751
Other	5,305	297,684	250	303,239
State sources	2,012	-	-	2,012
Total revenues	108,068	297,684	250	406,002
Expenditures:				
Current				
Instruction	26,041	308,114	-	334,155
Support services:				
Student	-	-	60	60
Operation and maintenance of plant	201,365	3,704	-	205,069
Transportation	30,248	-	-	30,248
Total expenditures	257,654	311,818	60	569,532
Excess (Deficiency) of revenues over (under) expenditures	(149,586)	(14,134)	190	(163,530)
Fund balances beginning of year, as restated	435,928	263,943	29,856	729,727
Fund balances end of year	\$ 286,342	\$ 249,809	\$ 30,046	\$ 566,197

See accompanying independent auditor's report.

### Schedule 3

**Nevada Community School District  
Combining Balance Sheet  
Capital Projects Fund Accounts  
June 30, 2021**

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 781,246	\$ 40,847	\$ 6,761,409	\$ 7,583,502
Receivables:				
Property tax:				
Current year	-	2,260	-	2,260
Succeeding year	-	546,599	-	546,599
Accounts	-	140	-	140
Due from other governments	124,422	-	-	124,422
<b>Total assets</b>	<b>\$ 905,668</b>	<b>\$ 589,846</b>	<b>\$ 6,761,409</b>	<b>\$ 8,256,923</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Current liabilities:				
Accounts payable	\$ 8,746	\$ 16,418	\$ 792,043	\$ 817,207
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	546,599	-	546,599
Fund balances:				
Restricted for:				
School infrastructure	896,922	-	5,969,366	6,866,288
Physical plant and equipment	-	26,829	-	26,829
Total fund balances	896,922	26,829	5,969,366	6,893,117
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 905,668</b>	<b>\$ 589,846</b>	<b>\$ 6,761,409</b>	<b>\$ 8,256,923</b>

See accompanying independent auditor's report.



#### Schedule 4

**Nevada Community School District**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Capital Projects Fund Accounts**  
**Year Ended June 30, 2021**

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 525,679	\$ -	\$ 525,679
Other	-	-	10,136	10,136
State sources	1,486,199	9,822	-	1,496,021
Total revenues	1,486,199	535,501	10,136	2,031,836
Expenditures:				
Current				
Instruction	-	3,875	-	3,875
Support services:				
Instructional staff	273,356	50,327	-	323,683
Administration	-	-	17,241	17,241
Operation and maintenance of plant	-	7,573	-	7,573
Transportation				
Capital outlay:				
Facilities acquisition	927,562	356,423	2,736,675	4,020,660
Debt service:				
Interest and fiscal charges	30,995	-	144,185	175,180
Total expenditures	1,231,913	418,198	2,898,101	4,548,212
Excess (Deficiency) of revenues over (under) expenditures	254,286	117,303	(2,887,965)	(2,516,376)
Other financing uses:				
Revenue bonds issued	1,496,000	-	-	1,496,000
General obligation bonds issued	-	-	9,140,000	9,140,000
Premium on bonds issued	-	-	91,445	91,445
Interfund transfers out	(1,722,240)	(157,668)	-	(1,879,908)
Total other financing sources (uses)	(226,240)	(157,668)	9,231,445	8,847,537
Change in fund balances	28,046	(40,365)	6,343,480	6,331,161
Fund balances beginning of year	868,876	67,194	(374,114)	561,956
Fund balances end of year	\$ 896,922	\$ 26,829	\$ 5,969,366	\$ 6,893,117

See accompanying independent auditor's report.

## Schedule 5

### Nevada Community School District Schedule of Changes in Special Revenue Fund, Student Activity Accounts Year ended June 30, 2021

Account	Balance beginning of Year	Transfers	Revenues	Expenditures	Balance End of Year
Investment Interest	\$ 2,722	\$ -	\$ 2,319	\$ 1,228	\$ 3,813
<b><u>Nevada High School:</u></b>					
Drama	8,667	-	10,120	11,614	7,173
Speech	20,683	-	-	450	20,233
Music Trips	59,940	-	4,033	63,177	796
Vocal Music	4,667	-	400	40	5,027
Band	4,025	-	2,501	1,859	4,667
Basketball Camp	98	-	595	-	693
Cross Country	5	-	817	394	428
Cheerleaders	1,510	-	5,455	3,436	3,529
Drill Team	2,992	-	1,392	2,805	1,579
Boys' Basketball	2,670	-	2,227	2,383	2,514
Football	6,605	-	15,042	9,440	12,207
Boys' Soccer	3,323	-	348	250	3,421
Baseball	926	-	2,828	4,913	(1,159)
Boys' Track	33	-	402	274	161
Boys' Golf	376	-	3,526	2,550	1,352
Wrestling	3,621	-	272	536	3,357
Girls' Basketball	795	-	1,188	1,009	974
Volleyball	3,616	-	2,434	3,240	2,810
Girls' Soccer	8,449	-	389	443	8,395
Softball	3,064	-	6,588	3,779	5,873
Girls' Track	798	-	690	889	599
Girls' Tennis	188	-	176	218	146
Girls' Golf	3,664	-	2,402	3,329	2,737
Athletics	16,832	-	112,892	103,061	26,663
FFA	40,321	-	78,437	69,379	49,379
Key Club	647	-	991	831	807
Yearbook	11,123	-	6,505	1,771	15,857
Student Council	3,142	-	201	867	2,476
Nat'l Honor Society	2,486	-	1,034	4,155	(635)
R S V P	115	-	-	-	115
Prom	12,500	-	344	1,160	11,684
Cub Colors	103	-	-	34	69
NHS Coffee Shop	385	-	-	-	385
Esports	-	-	1,916	2,847	(931)

(Continued on the following page.)

## Schedule 5

**Nevada Community School District**  
**Schedule of Changes in Special Revenue Fund, Student Activity Accounts (Continued)**  
**Year ended June 30, 2021**

Account	Balance beginning of Year	Transfers	Revenues	Expenditures	Balance End of Year
<b><u>Nevada Middle School:</u></b>					
Vocal Music	\$ 4,367	\$ -	\$ 2,550	\$ 2,036	4,881
Band	5,406	-	1,146	1,587	4,965
Vending	2,106	-	3,744	2,394	3,456
Football	34	-	-	-	34
Wrestling	5	-	-	-	5
Athletics	552	-	5,747	1,065	5,234
Yearbook	537	-	-	-	537
Student Council	771	-	-	163	608
Fifth Grade	4,225	-	1,650	1,088	4,787
Sixth Grade	3,000	-	1,500	210	4,290
Seventh Grade	4,564	-	1,500	376	5,688
Eighth Grade	2,300	-	1,500	537	3,263
Multiage Students	207	-	-	-	207
Student Magazine	4,703	-	9,883	-	14,586
<b><u>Nevada Central Elementary School:</u></b>					
Elementary Account	75	-	-	-	75
Total	\$ 263,943	\$ -	\$ 297,681	\$ 311,818	\$ 249,809

See accompanying independent auditor's report.

## Schedule 6

**Nevada Community School District**  
**Schedule of Revenues by Source and Expenditures by Function**  
**All Governmental Funds**  
**For the Last Ten Years**

	Modified Accrual Basis				
	2021	2020	2019	2018	2017
Revenues:					
Local sources:					
Local tax	\$ 7,856,609	\$ 8,728,648	\$ 7,633,753	\$ 7,474,183	\$ 7,140,462
Tuition	1,054,771	1,092,593	1,165,678	1,256,586	1,048,829
Other	1,045,496	1,045,734	919,794	1,177,819	938,838
Intermediate sources	6,910	-	-	-	-
State sources	11,975,845	11,902,828	12,032,983	12,298,964	12,075,172
Federal sources	961,538	495,165	611,801	619,208	604,294
Total	<u>\$ 22,901,169</u>	<u>\$ 23,264,968</u>	<u>\$ 22,364,009</u>	<u>\$ 22,826,760</u>	<u>\$ 21,807,595</u>
Expenditures:					
Instruction	\$ 12,005,861	\$ 11,825,456	\$ 12,018,262	\$ 11,938,561	\$ 12,247,780
Support services:					
Student	767,044	1,045,279	886,446	926,739	894,537
Instructional staff	1,762,320	1,522,520	1,537,038	1,528,462	1,561,101
Administration	2,425,902	2,257,073	2,085,227	2,187,694	2,062,161
Operation and maintenance of plant	1,691,576	1,657,998	1,618,376	1,635,833	1,515,769
Transportation	630,180	561,116	503,261	595,065	537,826
Non-instructional programs	-	-	18,041	-	2,178
Other expenditures:					
Capital outlay:					
Facilities acquisition	4,020,660	498,037	1,033,382	1,140,877	2,588,753
Debt Service:					
Principal	5,277,996	561,004	1,390,000	1,241,000	3,582,000
Interest and other charges	617,484	322,943	490,893	485,660	675,033
AEA flowthrough	658,369	647,602	645,590	650,598	620,355
Total	<u>\$ 29,857,392</u>	<u>\$ 20,899,028</u>	<u>\$ 22,226,516</u>	<u>\$ 22,330,489</u>	<u>\$ 26,287,493</u>

See accompanying independent auditor's report.

2016	2015	2014	2013	2012
\$ 6,903,579	\$ 6,405,154	\$ 6,150,262	\$ 7,411,008	\$ 7,024,048
1,073,341	780,934	877,552	802,661	805,606
947,654	904,258	956,125	1,328,460	4,209,427
-	-	-	354	11,843
11,901,230	11,239,925	10,411,671	8,666,541	8,686,429
586,418	623,954	508,619	439,632	1,084,570
<u>\$ 21,412,222</u>	<u>\$ 19,954,225</u>	<u>\$ 18,904,229</u>	<u>\$ 18,648,656</u>	<u>\$ 21,821,923</u>
\$ 12,097,185	\$ 11,674,783	\$ 10,356,121	\$ 10,364,216	\$ 10,354,718
1,068,493	1,022,009	980,105	889,923	767,385
1,438,892	937,604	809,535	902,037	680,026
1,822,260	1,695,007	1,449,247	1,288,736	1,253,032
1,451,006	1,363,901	1,367,412	1,345,642	1,160,057
577,414	499,511	671,788	688,525	516,590
-	-	970	-	-
4,064,860	664,763	3,260,324	3,362,682	5,499,364
810,000	1,045,000	1,205,000	1,265,900	2,834,821
1,770,067	681,025	721,163	799,180	706,112
623,500	605,478	563,800	533,548	508,759
<u>\$ 25,723,677</u>	<u>\$ 20,189,081</u>	<u>\$ 21,385,465</u>	<u>\$ 21,440,389</u>	<u>\$ 24,280,864</u>

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# Nevada Community School District

## Statistical Section

(Unaudited)

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This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>86-102</b>
<b>Revenue Capacity</b> These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	<b>103-106</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	<b>107-112</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's operations take place and to help make comparisons over time and with other governments.	<b>113-114</b>
<b>Operating Information</b> These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	<b>116-121</b>

**Schedule 1**  
**Nevada Community School District**

**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
Governmental activities:					
Net investment in capital assets	\$ 24,272,204	\$ 20,685,068	\$ 21,066,357	\$ 20,517,038	\$ 19,556,639
Restricted	3,590,758	5,792,404	3,713,705	2,962,133	2,319,779
Unrestricted	(6,257,527)	(5,874,831)	(5,776,641)	(5,430,943)	(4,300,514)
<b>Total governmental activities net position</b>	<b>\$ 21,605,435</b>	<b>\$ 20,602,641</b>	<b>\$ 19,003,421</b>	<b>\$ 18,048,228</b>	<b>\$ 17,575,904</b>
Business-type activities:					
Net investment in capital assets	\$ 337,736	\$ 365,829	\$ 399,804	\$ 416,371	\$ 450,514
Restricted	-	-	-	-	-
Unrestricted	(349,814)	(396,569)	(620,737)	(628,545)	(532,880)
<b>Total business-type activities net position</b>	<b>\$ (12,078)</b>	<b>\$ (30,740)</b>	<b>\$ (220,933)</b>	<b>\$ (212,174)</b>	<b>\$ (82,366)</b>
Primary government:					
Net investment in capital assets	\$ 24,609,940	\$ 21,050,897	\$ 21,466,161	\$ 20,933,409	\$ 20,007,153
Restricted	3,590,758	5,792,404	3,713,705	2,962,133	2,319,779
Unrestricted	(6,607,341)	(6,271,400)	(6,397,378)	(6,059,488)	(4,833,394)
<b>Total primary government net position</b>	<b>\$ 21,593,357</b>	<b>\$ 20,571,901</b>	<b>\$ 18,782,488</b>	<b>\$ 17,836,054</b>	<b>\$ 17,493,538</b>

**Source:** School District financial records.

**Notes:** The District adopted GASB Statement No. 68 in fiscal year 2015. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2015.

The District adopted GASB Statement No. 75 in fiscal year 2018. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2018.

The District adopted GASB Statement No. 84 in fiscal year 2021. Although beginning net position on the basic financial statements was restated, this schedule has not been adjusted for years prior to 2021.



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Fiscal Year				
2016	2015	2014	2013	2012
\$ 18,539,454	\$ 16,986,240	\$ 16,280,078	\$ 15,986,691	\$ 14,567,782
3,184,971	4,650,933	4,394,978	3,907,390	3,760,529
(4,650,918)	(4,948,186)	1,821,446	1,861,420	2,083,344
<u>\$ 17,073,507</u>	<u>\$ 16,688,987</u>	<u>\$ 22,496,502</u>	<u>\$ 21,755,501</u>	<u>\$ 20,411,655</u>
\$ 481,567	\$ 504,806	\$ 498,340	\$ 72,840	\$ 66,647
-	-	-	-	-
(445,604)	(339,948)	(6,596)	(13,817)	61,705
<u>\$ 35,963</u>	<u>\$ 164,858</u>	<u>\$ 491,744</u>	<u>\$ 59,023</u>	<u>\$ 128,352</u>
\$ 19,021,021	\$ 17,491,046	\$ 16,778,418	\$ 16,059,531	\$ 14,634,429
3,184,971	4,650,933	4,394,978	3,907,390	3,760,529
(5,096,522)	(5,288,134)	1,814,850	1,847,603	2,145,049
<u>\$ 17,109,470</u>	<u>\$ 16,853,845</u>	<u>\$ 22,988,246</u>	<u>\$ 21,814,524</u>	<u>\$ 20,540,007</u>

**Schedule 2**  
**Nevada Community School District**

**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>Expenses:</b>					
Governmental Activities:					
Instruction	\$ 12,253,200	\$ 12,003,043	\$ 12,242,644	\$ 12,346,197	\$ 12,189,329
Student services	772,457	1,082,762	906,583	955,818	908,293
Instructional staff services	1,774,648	1,552,758	1,560,158	1,567,400	1,569,432
Administration services	2,488,850	2,326,797	2,143,756	2,317,454	2,104,474
Operation and maintenance of plant	1,852,248	1,979,133	1,776,565	1,851,351	1,975,352
Pupil transportation services	573,309	571,832	557,706	553,672	554,198
Non-instructional programs	-	-	18,041	-	2,178
Facilities acquisitions	-	-	-	-	-
Interest on long-term debt	594,901	455,160	491,813	484,690	534,828
AEA flowthrough	658,369	647,602	645,590	650,598	620,355
Depreciation (unallocated)	1,121,232	1,108,719	1,103,648	1,088,384	966,610
Total governmental activities expenses	22,089,214	21,727,806	21,446,504	21,815,564	21,425,049
Business-Type activities:					
Student support	289,289	-	-	-	-
Administration services	3,206	-	-	-	-
Operation and maintenance of plant	8,178	-	-	-	3,901
Food Service Operations	849,720	755,298	859,480	942,265	953,825
Total business-type activities expenses	1,150,393	755,298	859,480	942,265	957,726
Total primary government expenses	\$ 23,239,607	\$ 22,483,104	\$ 22,305,984	\$ 22,757,829	\$ 22,382,775
Program revenues:					
Governmental activities:					
Charges for services:					
Instruction	\$ 1,640,281	\$ 1,738,607	\$ 1,698,137	\$ 1,834,325	\$ 1,829,041
Support services	319,830	189,825	352,198	490,574	234,466
Operating grants and contributions	3,467,460	3,089,352	3,031,753	2,985,975	3,003,524
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	5,427,571	5,017,784	5,082,088	5,310,874	5,067,031

(Continued on the following page.)

Fiscal Year				
2016	2015	2014	2013	2012
\$ 11,607,305	\$ 11,291,330	\$ 10,348,540	\$ 10,344,934	\$ 9,845,207
1,054,442	989,300	982,690	894,291	767,057
1,431,634	927,240	855,627	916,823	1,197,317
1,869,827	1,654,129	1,471,692	1,331,779	1,245,889
1,648,647	1,569,297	1,741,410	1,495,870	1,162,153
515,648	529,605	607,470	650,381	567,134
-	-	435,656	-	-
-	-	-	-	212,015
1,696,651	670,085	706,685	795,901	658,890
623,500	605,478	563,800	533,548	508,759
490,444	475,455	460,378	352,429	373,519
20,938,098	18,711,919	18,173,948	17,315,956	16,537,940
-	-	-	-	-
-	-	-	-	194
4,653	4,949	4,244	6,116	13,059
946,413	948,243	768,146	772,810	771,782
951,066	953,192	772,390	778,926	785,035
\$ 21,889,164	\$ 19,665,111	\$ 18,946,338	\$ 18,094,882	\$ 17,322,975
\$ 1,776,673	\$ 1,640,322	\$ 1,513,912	\$ 1,409,639	\$ 1,293,350
142,045	87,703	73,263	103,627	79,110
3,019,796	2,531,339	2,661,300	2,342,535	2,308,371
84,915	-	-	476,612	4,136,811
5,023,429	4,259,364	4,248,475	4,332,413	7,817,642

**Schedule 2**  
**Nevada Community School District**

**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
Business-type activities:					
Support services:					
Charges for services:	107,430	-	-	-	-
Operating grants and contributions	22,290	-	-	-	-
FoodService Operations:					
Charges for services:	130,084	357,459	469,959	473,913	439,044
Operating grants and contributions	938,129	552,667	388,272	380,254	398,835
Capital grants and contributions	5,471	-	17,811	-	1,284
Total governmental activities program revenues	1,203,404	910,126	876,042	854,167	839,163
Total primary government program revenues	\$ 6,630,975	\$ 5,927,910	\$ 5,958,130	\$ 6,165,041	\$ 5,906,194
Net (expense) revenue:					
Governmental activities	\$(16,661,643)	\$(16,710,022)	\$(16,364,416)	\$(16,504,690)	\$(16,358,018)
Business-type activities	53,011	154,828	16,562	(88,098)	(118,563)
Total primary government net expense	\$(16,608,632)	\$(16,555,194)	\$(16,347,854)	\$(16,592,788)	\$(16,476,581)

**Source:** School District financial records.

(Continued on the following page.)

Fiscal Year				
2016	2015	2014	2013	2012
-	-	-	-	-
-	-	-	-	-
448,928	393,815	393,612	353,840	375,585
373,138	390,345	376,625	340,062	343,378
-	38,603	434,686	15,407	-
822,066	822,763	1,204,923	709,309	718,963
\$ 5,845,495	\$ 5,082,127	\$ 5,453,398	\$ 5,041,722	\$ 8,536,605
\$ (15,914,669)	\$ (14,452,555)	\$ (13,925,473)	\$ (12,983,543)	\$ (8,720,298)
(129,000)	(130,429)	432,533	(69,617)	(66,072)
\$ (16,043,669)	\$ (14,582,984)	\$ (13,492,940)	\$ (13,053,160)	\$ (8,786,370)

**Schedule 2**  
**Nevada Community School District**

**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>Net (Expense) Revenue:</b>					
Total governmental activities net expense	\$ (16,661,643)	\$ (16,710,022)	\$ (16,364,416)	\$ (16,504,690)	\$ (16,358,018)
Total business-type activities net revenue (expense)	53,011	154,828	16,562	(88,098)	(118,563)
Total primary government net expense	(16,608,632)	(16,555,194)	(16,347,854)	(16,592,788)	(16,476,581)
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Property tax levied for:					
General purposes	5,543,227	6,493,137	5,418,153	5,257,729	5,756,691
Debt service	1,444,003	1,425,365	1,388,120	1,344,462	567,902
Capital Outlay	535,001	527,275	516,017	498,264	482,795
Income surtax	504,013	514,688	481,681	461,541	446,752
Sales tax	1,486,199	1,536,278	1,532,470	1,441,575	1,472,870
Unrestricted grants and contributions	7,723,885	7,532,375	7,777,835	8,183,587	7,916,067
Nonspecific program federal grants	-	-	-	-	-
Miscellaneous	244,823	54,087	29,991	258,735	174,610
Investment earnings	117,398	199,419	149,033	83,154	42,728
Transfers	34,933	26,618	26,309	25,943	-
Total governmental activities general revenues	17,633,482	18,309,242	17,319,609	17,554,990	16,860,415
Business-type activities:					
Miscellaneous	-	60,847	-	-	-
Investment earnings	584	1,136	988	762	234
Transfers	(34,933)	(26,618)	(26,309)	(25,943)	-
Total business-type activities general revenues	(34,349)	35,365	(25,321)	(25,181)	234
Total primary government	17,599,133	18,344,607	17,294,288	17,529,809	16,860,649
<b>Changes in Net Position</b>					
Governmental activities	971,839	1,599,220	955,193	1,050,300	502,397
Business-type activities	18,662	190,193	(8,759)	(113,279)	(118,329)
Total primary government	\$ 990,501	\$ 1,789,413	\$ 946,434	\$ 937,021	\$ 384,068

**Source:** School District financial records.

Fiscal Year				
2016	2015	2014	2013	2012
\$ (15,914,669)	\$ (14,452,555)	\$ (13,925,473)	\$ (12,983,543)	\$ (8,720,298)
(129,000)	(130,429)	432,533	(69,617)	(66,072)
(16,043,669)	(14,582,984)	(13,492,940)	(13,053,160)	(8,786,370)
5,358,339	4,830,959	4,519,309	4,163,355	4,218,791
821,603	810,088	798,646	804,333	409,776
457,891	411,725	389,827	372,276	356,414
439,358	494,014	451,403	380,484	395,075
1,500,122	1,466,392	1,298,640	1,683,338	1,658,000
7,653,422	7,666,125	7,139,410	6,803,318	6,652,762
-	-	-	-	213,809
36,242	139,383	28,427	152,973	34,134
32,212	25,359	40,812	58,759	77,023
-	-	-	-	-
16,299,189	15,844,045	14,666,474	14,418,836	14,015,784
-	-	-	-	-
105	117	188	288	604
-	-	-	-	-
105	117	188	288	604
16,299,294	15,844,162	14,666,662	14,419,124	14,016,388
384,520	1,391,490	741,001	1,435,293	5,295,486
(128,895)	(130,312)	432,721	(69,329)	(65,468)
\$ 255,625	\$ 1,261,178	\$ 1,173,722	\$ 1,365,964	\$ 5,230,018

**Schedule 3**  
**Nevada Community School District**

**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
General Fund:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	794,214	549,186	444,037	391,700	365,330
Committed	-	-	-	-	-
Assigned	264,469	210,301	171,864	160,268	153,885
Unassigned	2,539,389	2,835,262	2,481,801	2,508,404	2,217,135
<b>Total General Fund</b>	<b>\$ 3,598,072</b>	<b>\$ 3,594,749</b>	<b>\$ 3,097,702</b>	<b>\$ 3,060,372</b>	<b>\$ 2,736,350</b>
All other governmental funds:					
Reserved					
Debt service	\$ 1,797,482	\$ 4,157,781	\$ 2,232,288	\$ 1,370,460	\$ 555,769
School infrastructure	6,866,288	868,876	926,614	1,450,694	1,098,978
Physical plant and equipment	26,829	67,194	6,779	4,093	234,988
Management levy purposes	286,342	435,928	335,729	316,413	82,828
Student activities	249,809	263,943	206,136	242,609	180,892
Student support	30,046	-	-	-	-
Unassigned	-	(374,114)	(195,505)	-	(87,839)
<b>Total all other governmental funds</b>	<b>\$ 9,256,796</b>	<b>\$ 5,419,608</b>	<b>\$ 3,512,041</b>	<b>\$ 3,384,269</b>	<b>\$ 2,065,616</b>

**Source:** School District financial records.



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Fiscal Year				
2016	2015	2014	2013	2012
\$ 7,609	\$ 97,878	\$ 5,817	\$ -	\$ -
381,457	379,972	432,818	255,106	401,934
26,962	26,962	26,962	26,962	26,961
186,303	174,038	181,780	171,040	102,280
1,528,024	1,354,933	1,612,155	1,564,549	1,686,656
<u>\$ 2,130,355</u>	<u>\$ 2,033,783</u>	<u>\$ 2,259,532</u>	<u>\$ 2,017,657</u>	<u>\$ 2,217,831</u>

\$ 1,207,674	\$ 1,786,730	\$ 1,825,093	\$ 2,019,211	\$ 2,013,206
3,224,808	2,451,628	2,543,453	5,074,048	1,175,513
401,464	380,166	319,207	298,086	250,564
164,884	13,566	-	-	175,466
165,221	186,410	179,546	147,113	140,174
-	-	-	-	-
(43,478)	-	(49,851)	(2,024)	(47,759)
<u>\$ 5,120,573</u>	<u>\$ 4,818,500</u>	<u>\$ 4,817,448</u>	<u>\$ 7,536,434</u>	<u>\$ 3,707,164</u>

**Schedule 4**  
**Nevada Community School District**

**Governmental Funds Revenues**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
Federal sources:					
Federal sources	\$ 961,538	\$ 495,165	\$ 611,801	\$ 619,208	\$ 604,294
State sources:					
State sources	\$ 10,451,327	\$ 11,902,828	\$ 12,032,983	\$ 12,298,964	\$ 12,075,172
Intermediate sources:					
Intermediate sources	\$ 6,910	\$ -	\$ -	\$ -	\$ -
Local sources:					
Local taxes	\$ 5,812,661	\$ 8,728,648	\$ 7,633,753	\$ 7,474,183	\$ 7,140,462
Tuition	1,054,771	1,092,593	1,165,678	1,256,586	1,048,829
Other revenues	691,797	1,045,734	919,794	1,177,819	938,838
<b>Total local sources</b>	<b>7,559,229</b>	<b>10,866,975</b>	<b>9,719,225</b>	<b>9,908,588</b>	<b>9,128,129</b>
<b>Total revenues</b>	<b>\$ 18,979,004</b>	<b>\$ 23,264,968</b>	<b>\$ 22,364,009</b>	<b>\$ 22,826,760</b>	<b>\$ 21,807,595</b>

**Source:** School District financial records.

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Fiscal Year				
2016	2015	2014	2013	2012
\$ 586,418	\$ 623,954	\$ 508,619	\$ 439,632	\$ 1,084,570
\$ 11,901,230	\$ 11,239,925	\$ 10,411,671	\$ 8,666,541	\$ 8,686,429
\$ -	\$ -	\$ -	\$ 354	\$ 11,843
\$ 6,903,579	\$ 6,405,154	\$ 6,150,262	\$ 7,411,008	\$ 7,024,048
1,073,341	780,934	877,552	802,661	805,606
947,654	904,258	956,125	1,328,460	4,209,427
8,924,574	8,090,346	7,983,939	9,542,129	12,039,081
\$ 21,412,222	\$ 19,954,225	\$ 18,904,229	\$ 18,648,656	\$ 21,821,923

**Schedule 5**  
**Nevada Community School District**

**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
Instruction	\$ 12,005,861	\$ 11,825,456	\$ 12,018,262	\$ 11,938,561	\$ 12,247,780
Student services	767,044	1,045,279	886,446	926,739	894,537
Instructional staff services	1,762,320	1,522,520	1,537,038	1,528,462	1,561,101
Administration services	2,425,902	2,257,073	2,085,227	2,187,694	2,062,161
Operation and maintenance of plant services	1,691,576	1,657,998	1,618,376	1,635,833	1,515,769
Pupil transportation services	630,180	561,116	503,261	595,065	537,826
Non-instructional programs	-	-	18,041	-	2,178
AEA flowthrough	658,369	647,602	645,590	650,598	620,355
Capital outlay:					
Facilities acquisition/construction	4,020,660	498,037	955,671	1,090,021	2,410,291
Debt service:					
Principal	5,277,996	561,004	1,390,000	1,241,000	3,582,000
Interest and fiscal charges	617,484	322,943	490,893	485,660	675,033
<b>Total expenditures</b>	<b>\$ 29,857,392</b>	<b>\$ 20,899,028</b>	<b>\$ 22,148,805</b>	<b>\$ 22,279,633</b>	<b>\$ 26,109,031</b>
Debt service as a percentage of noncapital expenditures	22.82%	4.33%	8.88%	8.15%	17.96%

**Source:** School District financial records.

Fiscal Year				
2016	2015	2014	2013	2012
\$12,097,185	\$11,674,783	\$10,356,121	\$10,364,216	\$ 9,837,427
1,068,493	1,022,009	980,105	889,923	767,385
1,438,892	937,604	809,535	902,037	1,197,317
1,822,260	1,695,007	1,449,247	1,288,736	1,253,032
1,451,006	1,363,901	1,367,412	1,345,642	1,160,057
577,414	499,511	671,788	688,525	516,590
-	-	970	-	-
623,500	605,478	563,800	533,548	508,759
4,343,352	584,296	2,587,909	3,358,638	5,296,370
810,000	1,045,000	1,205,000	1,265,900	2,834,821
1,770,067	681,025	721,163	799,180	706,112
<u>\$26,002,169</u>	<u>\$20,108,614</u>	<u>\$20,713,050</u>	<u>\$21,436,345</u>	<u>\$24,077,870</u>
11.91%	8.84%	10.63%	11.42%	18.85%

**Schedule 6**  
**Nevada Community School District**

**Other Financing Sources and Uses and Net Change in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
Excess of revenues over (under) expenditures	\$ (6,956,223)	\$ 2,365,940	\$ 137,493	\$ 496,271	\$ (4,479,898)
Other financing sources (uses):					
Issuance of general obligation bonds	9,140,000	-	-	-	1,912,000
Issuance of revenue bonds	1,496,000	-	-	-	-
Issuance of Capital Loan Notes	-	-	-	1,113,000	-
Payments to Escrow Agent	-	-	-	-	-
Issuance of anticipatory warrants	-	-	-	-	-
Redemption of anticipatory warrants	-	-	-	-	-
Premium on bonds	91,445	-	-	-	-
Sale of capital assets	3,401	546	1,300	7,461	118,936
Compensation for loss of capital assets	-	11,510	-	-	-
Transfers in	1,914,841	1,378,806	1,371,397	1,224,059	1,142,651
Transfers out	(1,879,908)	(1,352,188)	(1,345,088)	(1,198,116)	(1,142,651)
<b>Total other financing sources (uses)</b>	<b>10,765,779</b>	<b>38,674</b>	<b>27,609</b>	<b>1,146,404</b>	<b>2,030,936</b>
<b>Net change in fund balances</b>	<b>\$ 3,809,556</b>	<b>\$ 2,404,614</b>	<b>\$ 165,102</b>	<b>\$ 1,642,675</b>	<b>\$ (2,448,962)</b>

**Source:** School District financial records.

		Fiscal Year			
2016	2015	2014	2013	2012	
\$ (4,311,455)	\$ (234,856)	\$ (2,481,236)	\$ (2,787,689)	\$ (2,255,947)	
-	-	-	6,400,000	-	
13,125,000	-	-	-	-	
-	-	-	-	-	
(8,415,000)	-	-	-	-	
-	-	-	-	1,000,000	
-	-	-	-	(1,000,000)	
-	-	-	112,236	-	
100	10,159	4,125	40	25	
-	-	-	-	-	
1,108,270	868,002	947,055	1,152,080	1,252,989	
(1,108,270)	(868,002)	(947,055)	(1,152,080)	(1,252,989)	
4,710,100	10,159	4,125	6,512,276	25	
\$ 398,645	\$ (224,697)	\$ (2,477,111)	\$ 3,724,587	\$ (2,255,922)	

**Schedule 7**  
**Nevada Community School District**

**Financial Solvency Ratio**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Unassigned General Fund Balance	Actual Revenues	Financial Solvency Ratio*
2021	\$ 2,539,389	\$ 18,979,004	13.38%
2020	2,835,262	18,836,351	15.05%
2019	2,481,801	18,069,666	13.73%
2018	2,508,404	18,450,005	13.60%
2017	2,217,135	18,610,251	11.91%
2016	1,528,024	17,697,926	8.63%
2015	1,354,933	16,288,031	8.32%
2014	1,612,155	15,484,799	10.41%
2013	1,564,549	14,737,105	10.62%
2012	1,686,656	14,503,169	11.63%

**Source:** School District financial records.

**Notes:** \* = (Unassigned General Fund Balance) / (Actual Revenues)

Target Solvency Position = Between 5.0 and 10.0 Percent  
Acceptable Solvency Position = Between 0.0 and 4.99 Percent  
Solvency Alert = Between -3.0 and 0.0 Percent  
Solvency Concern = Below -3.0 Percent



**Schedule 8**  
**Nevada Community School District**

**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Actual Value			Less Exemptions	Total Taxable Value	Total Direct Rate (a)
	Residential Property	Commercial Property	Other Property			
2021	\$ 505,664,600	\$ 78,581,700	\$ 264,724,290	327,238,040	\$ 521,732,550	\$ 14.71656
2020	457,367,100	75,292,000	315,790,195	332,923,042	515,526,253	16.81278
2019	452,428,400	74,459,400	299,224,394	324,943,903	501,168,291	16.81478
2018	419,977,400	69,400,000	310,128,959	316,777,397	482,728,962	16.81507
2017	412,408,700	68,703,500	255,378,450	269,106,401	467,384,249	16.81007
2016	395,813,100	76,400,200	235,218,429	265,440,932	441,990,797	16.80944
2015	363,477,756	46,713,712	176,449,424	181,863,991	404,776,901	16.75171
2014	378,413,000	64,611,500	193,095,960	248,421,490	387,698,970	15.71000
2013	374,910,200	62,826,600	183,901,861	251,116,027	370,522,637	15.61527
2012	371,578,600	46,348,330	149,325,107	212,636,319	354,615,718	15.61389
2011	353,353,416	47,196,143	90,826,200	199,641,447	291,734,312	17.03265

**Source:** Story County Auditor

**Notes:** Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following fiscal year. Assessed value equals estimated actual value.

(a) Per \$1,000 of assessed value.

**Schedule 9**  
**Nevada Community School District**

**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
*(rate per \$1,000 of assessed value)*  
**(Unaudited)**

Fiscal Year Ended June 30	District Direct Rates					Overlapping Rates						
	General Purposes	Capital Purposes	Debt Service	Management	Total	City of Nevada	Story County	County Assessor	Ag Extension	Community College	County Med Center	State of Iowa
2021	\$ 10.81514	\$ 1.00000	\$ 2.69655	\$ 0.20487	\$ 14.71656	\$ 14.61800	5.02778	\$ 0.44753	\$ 0.07960	\$ 0.63533	\$ 0.90891	\$ 0.00270
2020	12.08923	1.00000	2.69165	1.03190	16.81278	14.61800	5.12714	0.47087	0.07784	0.65249	0.94500	0.00280
2019	12.20887	1.00000	2.69007	0.91584	16.81478	14.61800	5.06487	0.49808	0.08154	0.69468	0.85000	0.00290
2018	11.80853	1.00000	2.69829	1.30825	16.81507	14.61800	5.08816	0.47310	0.08331	0.67458	0.75000	0.00310
2017	14.14610	1.00000	1.17628	0.48769	16.81007	14.61800	5.09972	0.49755	0.08268	0.72334	0.63884	0.00330
2016	12.96372	1.00000	1.79432	1.05140	16.80944	14.61800	5.68249	0.52709	0.08447	0.67574	0.58000	0.00330
2015	12.75772	1.00000	1.96787	1.02612	16.75171	14.99653	5.38987	0.52405	0.08157	0.65724	0.58000	0.00330
2014	11.97183	1.00000	2.04872	0.68945	15.71000	15.32974	5.50349	0.52422	0.07196	0.69120	0.58000	0.00330
2013	12.24324	1.00000	2.16058	0.21145	15.61527	15.42934	5.52837	0.51701	0.08100	0.58466	0.57240	0.00330
2012	12.18541	1.00000	1.14972	1.27876	15.61389	15.00435	5.49054	0.53755	0.08340	0.59018	0.42050	0.00320

**Source:** Story County Auditor

**Notes:** Assessed value equals estimated actual value.

**Schedule 10**  
**Nevada Community School District**

**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Taxpayer	2021			2012		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Interstate Power & Light	\$ 36,516,145	1	7.00%	\$ -	-	-
Union Pacific Corporation	30,754,200	2	5.89%	10,579,041	2	3.85%
Burke Marketing Corporation	19,390,500	3	3.72%	5,363,700	4	1.95%
Lincolnway Energy LLC	11,769,100	4	2.26%	10,870,282	1	3.95%
Van Houweling Property LLC	7,869,500	5	1.51%	-	-	-
Flummerfelts Country Club Est	7,190,600	6	1.38%	1,496,900	10	0.55%
Key Cooperative	6,689,100	7	1.28%	6,418,800	3	2.33%
Vetter Equipment Company	5,952,700	8	1.14%	-	-	-
Iowa Falls Nursing Corp.	5,378,400	9	1.03%	-	-	-
Verbio Nevada LLC	5,296,600	10	1.02%	-	-	-
Flexi-Coil Inc-Ctr	-	-	-	2,483,200	5	0.90%
PR Investments LLC	-	-	-	2,147,900	6	0.78%
General Financial Supply Inc	-	-	-	1,749,000	7	0.64%
Evergreen Lane Inc	-	-	-	1,723,588	8	0.63%
Paragon International	-	-	-	1,540,000	9	0.56%
<b>Total</b>	<b>\$ 136,806,845</b>		<b>19.22%</b>	<b>\$ 44,372,411</b>		<b>16.14%</b>

**Source:** Story County Auditor

**Schedule 11**  
**Nevada Community School District**

**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 7,323,050	\$ 7,182,602	98.08%	\$ 22,510	\$ 7,205,112	98.39%
2020	8,215,140	8,040,707	97.88%	12,143	8,052,850	98.02%
2019	7,125,552	7,162,151	100.51%	947	7,163,098	100.53%
2018	6,898,162	7,018,342	101.74%	770	7,019,112	101.75%
2017	6,548,883	6,512,724	99.45%	2,114	6,514,838	99.48%
2016	6,423,192	6,458,638	100.55%	2,004	6,460,642	100.58%
2015	5,942,559	5,936,524	99.90%	1,043	5,937,567	99.92%
2014	5,673,313	5,705,454	100.57%	757	5,706,210	100.58%
2013	5,311,216	5,339,964	100.54%	853	5,340,817	100.56%
2012	4,847,252	4,843,492	99.92%	1,212	4,844,704	99.95%

**Source:** Story County Treasurer and District records.

**Schedule 12**  
**Nevada Community School District**

**Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Governmental Activities				Total Primary Government	Percentage of Personal Income (a) Per Capita (a)	
	General Obligation Bonds	Revenue Bonds	Capital Loan Notes	Capital Leases			
2021	\$ 10,995,000	\$ 10,856,000	\$ 758,000	\$ -	\$22,609,000	0.49%	227
2020	5,586,000	10,780,000	884,996	-	17,250,996	0.41%	178
2019	5,994,000	10,820,000	998,000	-	17,812,000	0.43%	182
2018	6,394,000	11,695,000	1,113,000	-	19,202,000	0.49%	196
2017	6,785,000	12,545,000	-	-	19,330,000	0.52%	198
2016	7,165,000	13,835,000	-	-	21,000,000	0.56%	216
2015	7,755,000	9,345,000	-	-	17,100,000	0.48%	178
2014	8,330,000	9,815,000	-	-	18,145,000	0.47%	193
2013	8,885,000	10,465,000	-	-	19,350,000	0.48%	209
2012	3,090,000	11,100,000	-	25,900	14,215,900	0.42%	156

**Source:** School District financial records.

**Notes:** Details of the District's outstanding debt can be found in Note 8 in the notes to the financial statements.

- (a) See Schedule 17 for personal income and population data. These ratios are calculated using personal income and population for the prior year calendar year.

**Schedule 13**  
**Nevada Community School District**

**Ratio of Net Bonded Debt to Assessed Values**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Year (Of Collection)	Population (a)	Assessed Property Value	Legal Debt Limit	Bonded Debt (b)	Ratio Of Bonded Debt To Assessed Value	Bonded Debt Per Capita
2020-21	99,472	\$ 848,970,590	\$ 42,448,530	\$ 11,753,000	1.38%	\$ 118.15
2019-20	97,117	848,449,295	42,422,465	6,470,996	0.76%	66.63
2018-19	98,105	826,112,194	41,305,610	6,992,000	0.85%	71.27
2017-18	97,502	799,506,359	39,975,318	7,507,000	0.94%	76.99
2016-17	97,090	736,490,650	39,278,530	6,785,000	0.92%	69.88
2015-16	96,021	707,431,729	35,371,586	7,165,000	1.01%	74.62
2014-15	94,073	586,640,892	35,371,586	7,755,000	1.32%	82.44
2013-14	92,406	636,120,460	29,332,045	8,330,000	1.31%	90.15
2012-13	91,140	621,638,661	31,806,023	8,885,000	1.43%	97.49
2011-12	89,663	567,252,037	28,362,602	3,115,900	0.55%	34.75

**Source:** School District financial records.

**Notes:** Assessed Property Value is total of Residential, Commercial, and Other Property Values on Schedule 8.

(a) U S Census Web Site

(b) For 2017-18 and 2018-19, amounts externally restricted for repayment of principal are deducted from bonded debt.

**Schedule 14**  
**Nevada Community School District**

**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2021**  
**(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Direct and Overlapping Debt
Story County	\$ 8,053,388	9.70%	\$ 781,469
City of Nevada	26,270,000	100.00%	26,270,000
Area XI Community College	42,056,686	1.06%	444,957
<b>Subtotal, overlapping debt</b>			<b>\$ 27,496,425</b>
District direct debt			<b>\$ 22,609,000</b>
<b>Total direct and overlapping debt</b>			<b>\$ 50,105,425</b>

**Source:** Taxable value data used to estimate applicable percentages provided by the County Auditor. Debt outstanding data provided by each governmental unit.

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (a) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

**Schedule 15**  
**Nevada Community School District**

**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2021	2020	2019	2018	2017
Debt limit	\$ 42,448,530	\$ 42,422,465	\$ 41,305,610	\$ 39,975,318	\$ 39,278,530
Total net debt applicable to limit	22,609,000	17,250,996	17,812,000	19,202,000	19,330,000
Legal debt margin	\$ 19,839,530	\$ 25,171,469	\$ 23,493,610	\$ 20,773,318	\$ 19,948,530
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	53.26%	40.66%	43.12%	48.03%	49.21%

**Source:** School District financial records and Story County Auditor.

**Notes:**

- (a) Actual assessed value includes Tax Increment Financing
- (b) Code of Iowa Section 296.1



**Legal Debt Margin Calculation for Fiscal Year 2021**

Actual assessed value (a)	\$ 848,970,590
Debt limit (5% of assessed value) (b)	\$ 42,448,530
Debt applicable to limit	22,609,000
Legal debt margin	\$ 19,839,530

2016	2015	2014	2013	2012
\$ 35,371,586	\$ 29,332,045	\$ 31,806,023	\$ 31,081,933	\$ 28,362,602
21,000,000	17,100,000	18,145,000	19,350,000	14,215,900
\$ 14,371,586	\$ 12,232,045	\$ 13,661,023	\$ 11,731,933	\$ 14,146,702
59.37%	58.30%	57.05%	62.25%	50.12%

**Schedule 16**  
**Nevada Community School District**

**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Sales Tax Revenue Bonds				
	Revenue	Debt Service		Coverage	
		Principal	Interest		
2021	\$ 1,486,199	\$ 900,000	\$ 284,384	1.25	
2020	1,536,278	40,000	163,282	7.56	
2019	1,411,115	40,000	175,998	6.53	
2018	1,448,364	35,000	188,251	6.49	
2017	1,479,798	520,000	336,399	1.73	
2016	1,500,122	430,000	441,475	1.72	
2015	1,466,392	470,000	459,475	1.58	
2014	1,298,640	650,000	481,875	1.15	
2013	1,683,338	635,000	507,575	1.47	
2012	1,658,000	785,000	594,770	1.20	

**Source:** School District financial records.

**Notes:** Details regarding the District's outstanding debt can be found in Note 8 of the notes to the financial statements.

**Schedule 17**  
**Nevada Community School District**

**Demographic and Economic Statistics**  
**Last Ten Calendar Years**  
**(Unaudited)**

Calendar Year	Population (a)	Personal Income (b) <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate (c)
2020	99,472	4,570,838	45,951	3.70%
2019	97,117	4,238,524	43,643	2.00%
2018	98,105	4,109,112	41,885	2.30%
2017	97,502	3,885,260	39,848	2.00%
2016	97,090	3,734,930	38,469	2.60%
2015	96,021	3,764,438	39,204	3.20%
2014	94,073	3,573,861	37,990	3.70%
2013	92,406	3,820,886	41,349	3.80%
2012	91,140	4,061,918	44,568	4.60%
2011	89,663	3,356,023	37,429	4.50%

**Notes:**

The data provided is for Story County, Iowa

- (a) U S Census Web Site
- (b) Bureau of Economic Analysis Web Site
- (c) Iowa Workforce Development Web Site

**Schedule 18**  
**Nevada Community School District**

**Principal Employers**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Employer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Burke Marketing	350	1	10.48%	350	2	3.53%
Story County	290	2	8.69%	373	1	3.77%
Nevada Community School District	283	3	8.48%	220	3	2.22%
ALMACO	201	4	6.02%	150	6	1.51%
Story County Medical Center	200	5	5.99%	200	4	2.02%
General Financial Supply	157	6	4.70%	115	5	1.16%
Mid-America Manufacturing	75	7	2.25%	75	7	0.76%
Printgraphics	55	8	1.65%	55	9	0.56%
City of Nevada	45	9	1.35%	45	10	0.45%
Paragon International	40	10	1.20%	56	8	0.57%
Total	1,346		40.31%	1,289		13.02%

**Source:** Nevada Economic Development Council & Employers' websites.

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**Schedule 19**  
**Nevada Community School District**

**Full-Time Equivalent District Employees by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	Full-Time Equivalent Employees as of June 30				
	2021	2020	2019	2018	2017
Supervisory:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Principals	3.0	3.0	3.0	3.0	3.0
Assistant principals	3.0	3.0	2.0	3.0	3.0
All other administrators	7.0	7.0	7.0	7.0	6.0
<b>Total supervisory</b>	<b>14.0</b>	<b>14.0</b>	<b>13.0</b>	<b>14.0</b>	<b>13.0</b>
Instruction:					
Teachers	110.7	106.1	106.1	112.8	112.1
Teachers' Aides	55.0	55.0	49.5	47.0	48.0
Other	0.0	0.0	0.0	0.0	0.0
<b>Total instruction</b>	<b>165.7</b>	<b>161.1</b>	<b>155.6</b>	<b>159.8</b>	<b>160.1</b>
Student services:					
Counselors	4.0	5.0	6.0	4.0	4.0
Nurses	2.0	2.0	2.0	2.0	2.0
Librarians	0.1	0.1	0.1	1.1	1.1
<b>Total student services</b>	<b>6.1</b>	<b>7.1</b>	<b>8.1</b>	<b>7.1</b>	<b>7.1</b>
Support and administration:					
Office/Clerical	10.0	9.4	9.0	9.4	9.2
Operative	17.5	21.0	18.0	27.0	21.0
Service	14.0	12.0	14.6	10.0	22.0
Other support	5.0	7.0	0.0	7.0	8.5
<b>Total support and administration</b>	<b>46.5</b>	<b>49.4</b>	<b>41.6</b>	<b>53.4</b>	<b>60.7</b>
<b>Total</b>	<b>232.3</b>	<b>231.6</b>	<b>218.3</b>	<b>234.3</b>	<b>240.9</b>

**Source:** District records

Full-Time Equivalent Employees as of June 30					Percentage Change 2012-21
2016	2015	2014	2013	2012	
1.0	1.0	1.0	1.0	1.0	-
3.0	3.0	3.0	3.0	3.0	-
2.5	2.5	1.2	0.7	0.7	328.6%
7.5	6.5	6.3	7.0	4.8	45.8%
14.0	13.0	11.5	11.7	9.5	47.4%
111.4	106.1	104.5	112.4	102.8	7.7%
46.5	50.5	46.0	43.5	43.0	27.9%
0.0	0.0	0.0	0.0	0.0	-
157.9	156.6	150.5	155.9	145.8	13.6%
4.0	4.0	3.5	5.0	5.0	-20.0%
2.0	2.0	2.0	2.0	2.0	-
1.0	1.0	1.0	2.0	2.0	-95.0%
7.0	7.0	6.5	9.0	9.0	-32.2%
10.0	9.0	9.0	9.0	8.0	25.0%
21.0	19.0	19.0	19.0	25.0	-30.0%
19.0	15.0	17.0	34.0	22.0	-36.4%
8.5	7.5	4.5	1.5	0.0	-
58.5	50.5	49.5	63.5	55.0	-15.5%
237.4	227.1	218.0	240.1	219.3	5.9%

**Schedule 20**  
**Nevada Community School District**

**Operating Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Enrollment (1)	Operating Expenditures (2)	Cost Per Pupil	Percentage Change
2021	1,474	\$ 19,584,646	13,287	4.66%
2020	1,504	19,094,336	12,696	(0.50)%
2019	1,482	18,910,378	12,760	0.37%
2018	1,491	18,955,204	12,713	5.04%
2017	1,548	18,735,543	12,103	1.14%
2016	1,537	18,393,390	11,967	7.41%
2015	1,551	17,280,894	11,142	7.23%
2014	1,533	15,928,251	10,390	(1.43)%
2013	1,482	15,622,108	10,541	5.34%
2012	1,461	14,619,994	10,007	4.85%
2011	1,481	14,134,506	9,544	(0.81)%

**Source:** School District financial records and Iowa Department of Education.

(1) Average daily membership

(2) Operating expenditures are total governmental expenditures less debt service and capital outlays.



Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Priced Meals
\$ 29,857,392	20,256	45.77%	110.70	13.32	35.0%
20,899,028	13,896	(7.68)%	106.10	14.18	34.3%
22,305,984	15,051	(1.39)%	106.10	13.97	35.0%
22,757,829	15,263	5.56%	112.80	13.22	31.0%
22,382,775	14,459	1.53%	112.10	13.81	34.0%
21,889,164	14,241	12.32%	111.40	13.80	33.0%
19,665,111	12,679	2.59%	106.10	14.62	36.0%
18,946,338	12,359	1.22%	104.50	14.67	36.0%
18,094,882	12,210	2.98%	112.40	13.19	35.0%
17,322,975	11,857	6.65%	102.80	14.21	35.0%
16,465,920	11,118	1.74%	100.70	14.71	32.0%

**Schedule 21**  
**Nevada Community School District**

**School Building Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

School	Fiscal Year				
	2021	2020	2019	2018	2017
<b>Elementary:</b>					
Central (2006)					
Square feet	103,000	103,000	103,000	103,000	103,000
Capacity	800	800	800	800	800
Enrollment	554	594	594	594	615
North Central (2006)					
Square feet	12,000	12,000	12,000	12,000	12,000
Capacity	200	200	200	200	200
Enrollment	15	15	15	15	15
<b>Middle:</b>					
Nevada Middle School (1991)					
Square feet	73,000	73,000	73,000	73,000	73,000
Capacity	600	600	600	600	600
Enrollment	454	452	452	452	479
<b>High:</b>					
Nevada High School (1962 / 2011 / 2013)					
Square feet	148,574	148,574	148,574	148,574	148,574
Capacity	870	870	870	870	870
Enrollment	479	460	460	460	454
<b>Other District Facilities:</b>					
Bus Garage (1988)					

**Source:** District records

Fiscal Year				
2016	2015	2014	2013	2012
103,000	103,000	103,000	103,000	103,000
800	800	800	800	800
639	639	617	617	688
12,000	12,000	12,000	12,000	12,000
200	200	200	200	200
15	15	15	15	15
73,000	73,000	73,000	73,000	73,000
600	600	600	600	600
462	462	450	450	431
148,574	148,574	148,574	148,574	125,790
870	870	870	870	870
447	447	421	421	438

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## **Single Audit Compliance Section**

**Nevada Community School District**

**Schedule of Expenditures of Federal Awards  
Year ended June 30, 2021**

Grantor / Program	Assistance Listing Number	Pass-through Entity Identifying Number	Expenditures
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program (non-cash)	10.555	4617-21	\$ 81,421
COVID-19 - National School Lunch Program	10.555	4617-21	139,816
			<u>221,237</u>
Summer Food Service Program for Children	10.559	4617-21	708,298
			<u>929,535</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4617-21 G	120,641
Title I Grants to Local Educational Agencies	84.010	4617-21 GC	1,793
			<u>122,434</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	4617-21	33,674
Student Support and Academic Enrichment Program	84.424	4617-21	<u>10,803</u>
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES) Cluster:			
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	4617-21	36,762
COVID-19 Elementary and Secondary School Relief (ESSER I) Funds	84.425D	4617-21	134,573
COVID-19 Elementary and Secondary School Relief (ESSER II) Funds	84.425D	4617-21	303,738
			<u>475,073</u>
Heartland Area Education Agency:			
Special Education Cluster:			
Special Education Grants to States	84.027	FY21	<u>66,700</u>
Ames Community School District:			
Career and Technical Education - Basic Grants to States	84.048	FY21	<u>4,402</u>
U. S. Department of Health and Human Services:			
Iowa Department of Education:			
Foster Care Title IV-E	93.658	FY21	<u>3,779</u>
Total			<u>\$ 1,646,400</u>

## **Nevada Community School District**

### **Schedule of Expenditures of Federal Awards Year ended June 30, 2021**

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

Summary of Significant Accounting Policies Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. 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.

Indirect Cost Rate- Nevada Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of  
Nevada Community School District:

We have audited in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Chapter 11 of the Code of Iowa, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Nevada Community School District as of and for the year ended June 30, 2021, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Nevada Community School District's internal control over financial reporting as a basis for designing audit procedures 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 Nevada Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Nevada Community School District's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over financial reporting, described in Part II of the accompanying Schedule of Findings and Questioned Costs, that we consider to be a material weakness.



### Compliance

As part of obtaining reasonable assurance about whether Nevada 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, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters which are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

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

### Nevada Community School District's Responses to the Findings

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

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

*Hunt & Associates, P.C.*

Oskaloosa, Iowa  
June 20, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education of  
Nevada Community School District:

Report on Compliance for the Major Federal Program

We have audited Nevada Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2021. Nevada Community School District's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Nevada Community School District's compliance.

Opinion on the Major Federal Program

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

### Report on Internal Control Over Compliance

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

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

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

### Purpose of this Report

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.

*Hunt & Associates, P.C.*

Oskaloosa, Iowa  
June 20, 2022

**Nevada Community School District  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2021**

**Part I: Summary of the Independent Auditor's Results:**

- (a) Unmodified opinions were issued on all opinion units.
- (b) A material weakness in internal control over financial reporting was reported.
- (c) The audit did not report any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were reported.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program was as follows:  
-Child Nutrition Cluster
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Nevada Community School District did not qualify as a low-risk auditee.

**Part II: Findings Related to the Basic Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**INTERNAL CONTROL DEFICIENCIES:**

II-A-21      Financial Reporting  
(2021-001)

Criteria – A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the District's financial statements.

Condition – Material amounts of required transfers to the Debt Service Fund from the Capital Projects: Physical Plant and Equipment Fund for the capital loan note payments and from the Capital Projects: Statewide Sales, Services and Use Tax Fund for the revenue bond refunding were not recorded in the District's financial statements. Adjustments were subsequently made by the District to properly include these amounts in the financial statements.

Cause – District policies do not require and procedures have not been established to require independent review of debt service required transfers to ensure the District's financial statements are accurate and reliable.

**Nevada Community School District  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2021**

**Part II: Findings Related to the Basic Financial Statements (continued):**

**Internal Control Deficiencies (continued):**

Effect - Lack of policies and procedures resulted in District employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the District's financial statements were necessary

Recommendation – The District should implement procedures to ensure all debt service required transfers are properly recorded in the District's financial statements.

Response – We will implement procedures to double check these in the future to avoid misstating any debt service required transfers.

Conclusion – Response accepted.

**Part III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NON-COMPLIANCE:**

No matters were reported.

**INTERNAL CONTROL DEFICIENCIES:**

No matters were reported.

**Nevada Community School District  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2021**

**Part IV: Other Findings Related to Statutory Reporting:**

IV-A-21 Certified Budget – Expenditures/expenses for the year ended June 30, 2021, exceeded the amounts budgeted in the non-instructional programs function.

Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures/expenses were allowed to exceed the budget.

Response – We will amend our budget in sufficient amounts before expenditures/expenses exceed the budget in the future.

Conclusion – Response accepted.

IV-B-21 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-21 Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-21 Business Transactions – No business transactions between the District and District officials or employees were noted.

IV-E-21 Restricted Donor Activity – No transactions were noted between the District, District officials, or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

IV-F-21 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

IV-G-21 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-H-21 Certified Enrollment – No variances in the basic enrollment data certified to the Iowa Department of Education were noted.

IV-I-21 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-J-21 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.

IV-K-21 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and, except as noted in comment II-A-21, we noted no significant deficiencies in the amounts reported.

IV-L-21 Categorical Funding – No instances of categorical funding being used to supplant rather than supplement other funds were noted.

**Nevada Community School District**  
**Schedule of Findings and Questioned Costs**  
**Year ended June 30, 2021**

**Part IV: Other Findings Related to Statutory Reporting (continued):**

- IV-M-21 Statewide Sales, Services and Use Tax – No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2021, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 868,876
Revenues/other financing sources:		
Statewide sales, services and use tax	\$ 1,486,199	
Revenue bonds issued	<u>1,496,000</u>	2,982,199
Expenditures/transfers out		
School infrastructure construction	17,550	
Building purchased	910,012	
Equipment	273,356	
Other	30,995	
Transfers to other funds:		
Debt Service Fund	<u>1,722,240</u>	<u>2,954,153</u>
Ending balance		<u>\$ 896,922</u>

For the year ended June 30, 2021, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

- IV-N-21 Financial Condition – At June 30, 2021, the governmental activities, business-type activities, the Enterprise, School Nutrition Fund and the Enterprise, Childcare Fund had deficit unrestricted net positions of \$6,257,527, \$349,814, \$178,861 and \$170,953, respectively. In addition, the business-type activities and the Childcare Fund had deficit total net positions of \$12,078 and \$170,953, respectively. The recognition of the District's proportionate share of the IPERS pension liability and the related deferred outflows of resources and deferred inflows of resources in the District's financial statements caused the deficits in the governmental activities, business-type activities, and the School Nutrition Fund and exacerbated the deficit in the Childcare Fund. In addition, three individual scholarships within the Private-Purpose Trust, Scholarship Fund had deficit balances.

Recommendation – Even though some of the deficits arose due to the net pension liability, deferred outflows of resources, and deferred inflows of resources, the District should investigate ways to return the governmental activities, business-type activities, the School Nutrition Fund and the Childcare Fund to sound financial conditions. The District should also investigate ways to eliminate the deficit scholarship accounts within the Scholarship Fund. No scholarship should be awarded and paid unless there is sufficient money available in that scholarship account.

**Nevada Community School District**  
**Schedule of Findings and Questioned Costs**  
**Year ended June 30, 2021**

**Part IV: Other Findings Related to Statutory Reporting (continued):**

IV-N-21 Financial Condition (continued)

Response – We are unsure of what steps can be taken at this time to alleviate the strain of the District’s proportionate share of the IPERS liability and the related deferred outflows of resources and deferred inflows of resources since actions related to this area are controlled by the Iowa Legislature. However, we will look into this situation and investigate ways to return the governmental activities, business-type activities, the School Nutrition Fund and the Childcare Fund to sound financial conditions. We will also investigate ways to eliminate the scholarship account deficits.

Conclusion – Response accepted.

- IV-O-21 Interfund Loans – We noted that the Board had approved an interfund loan between the General Fund and the Enterprise, School Nutrition Fund, including the interest rate to be charged. However, no interest was actually charged and the interfund loan was not repaid timely. In addition, the maximum interfund amount was exceeded during the fiscal year. Also, the District had an implicit interfund loan between the Enterprise, Childcare Fund and the General Fund to cover the negative cash balance in the Childcare Fund for the entire fiscal year.

According to declaratory order number 4672 issued by the Iowa Department of Education to the Iowa Auditor of State, interfund loans must be approved by Board resolution, include interest on the unpaid balance, and be repaid by October 1 of the following year.

Recommendation – The negative cash balance in the Childcare Fund should have been covered by an interfund loan. All interfund loans should be approved in sufficient amounts to cover the actual loan needed, include interest charged at the approved rate, and be repaid timely to comply with the declaratory order.

Response – We will try to follow the Iowa Department of Education’s declaratory order for all interfund loans, including interfund loans for negative cash balances, in the future.

Conclusion – Response accepted.