



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
of the  
NEVADA COMMUNITY SCHOOL DISTRICT  
Nevada, Iowa**

**For the Fiscal Year Ended June 30, 2022**

**1035 15<sup>th</sup> Street Nevada, Iowa 50201**

**In the county of Story, State of Iowa**





**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
of the  
NEVADA COMMUNITY SCHOOL DISTRICT  
Nevada, Iowa**

**For the Fiscal Year Ended June 30, 2022**

**Official Issuing Report  
Brian Schaeffer, Board Secretary-Treasurer/Business Manager**

**Office Issuing Report  
Business Office**



## **Introductory Section**



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## District Office

1035 15th Street  
Nevada, IA 50201

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[www.nevadacubs.org](http://www.nevadacubs.org)



NevadaCSD

## Dr. Steve Gray

Superintendent

[sgray@nevadacubs.org](mailto:sgray@nevadacubs.org)

## Dr. Kody Asmus

Associate Superintendent  
of School Improvement  
[kasmus@nevadacubs.org](mailto:kasmus@nevadacubs.org)

## Mr. David Kroese

Director of Buildings &  
Grounds

[dkroese@nevadacubs.org](mailto:dkroese@nevadacubs.org)

## Mr. Jason Sampson

Director of Transportation  
[jsampson@nevadacubs.org](mailto:jsampson@nevadacubs.org)

## 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 &  
Communications

[jwakeman@nevadacubs.org](mailto:jwakeman@nevadacubs.org)



May 15, 2023

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, 2022 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.

Bohnsack & Frommelt, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2022. 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 1,471 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.

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 2.3% in June 2022. This compares favorably to the state's rate of 2.6% and the national rate of 3.6%.

## **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 12.13% 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 was mostly complete prior to school starting in September 2021 on this facility with these bond funds.

## **MAJOR INITIATIVES FOR THE YEAR**

These are the major initiatives from the Board of Education during the 2021-22 school year. Local Option Sales Tax bonds were issued in June 2021 to purchase Gates Memorial Hall from the City of Nevada. This facility is just south of the High School on 15th Street. After a remodel project on Gates Memorial Hall, Administrative Offices were moved from the front of the Middle School, and other offices scattered in the High School, including Technology, were also moved.

Issues continued as a result of the COVID 19 pandemic that closed school in the spring of 2020. In August 2021, the Board approved an updated Return to Learn plan which also made masks in the District optional. At that same Board meeting, the Board approved the plan for expenditure of Elementary & Secondary School Emergency Relief Funds (ESSER) III for \$1,298,023.

The Board heard a report from Dr. Gray, Superintendent, in December on the "Nevada Vision 2040" Plan. This was an update to the "Nevada Vision 2020" Plan and included items for all public entities in the City. Items suggested that the District review included the Iowa Jobs for America's Graduates (iJAG) program, an early childhood learning center (including the discussion of the future of the District's Community Resource Center), leadership partnerships with students, a community newsletter (started in 2022), and safe pathways around the Schools.

During February and March, Dr. Asmus, Associate Superintendent, and staff at the Elementary and Middle Schools reviewed the math curriculum at both buildings and suggested changes for the future to better serve students.

In April, Dr. Asmus received Board approval for an Industrial Manufacturing Technician apprenticeship at ALMACO,

the local custom seed research equipment manufacturer in Nevada. The apprenticeship would be available to any student who has completed the ag mechanics course and would be the first apprenticeship program directed with an agricultural emphasis.

## **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.

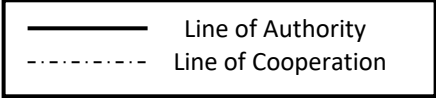
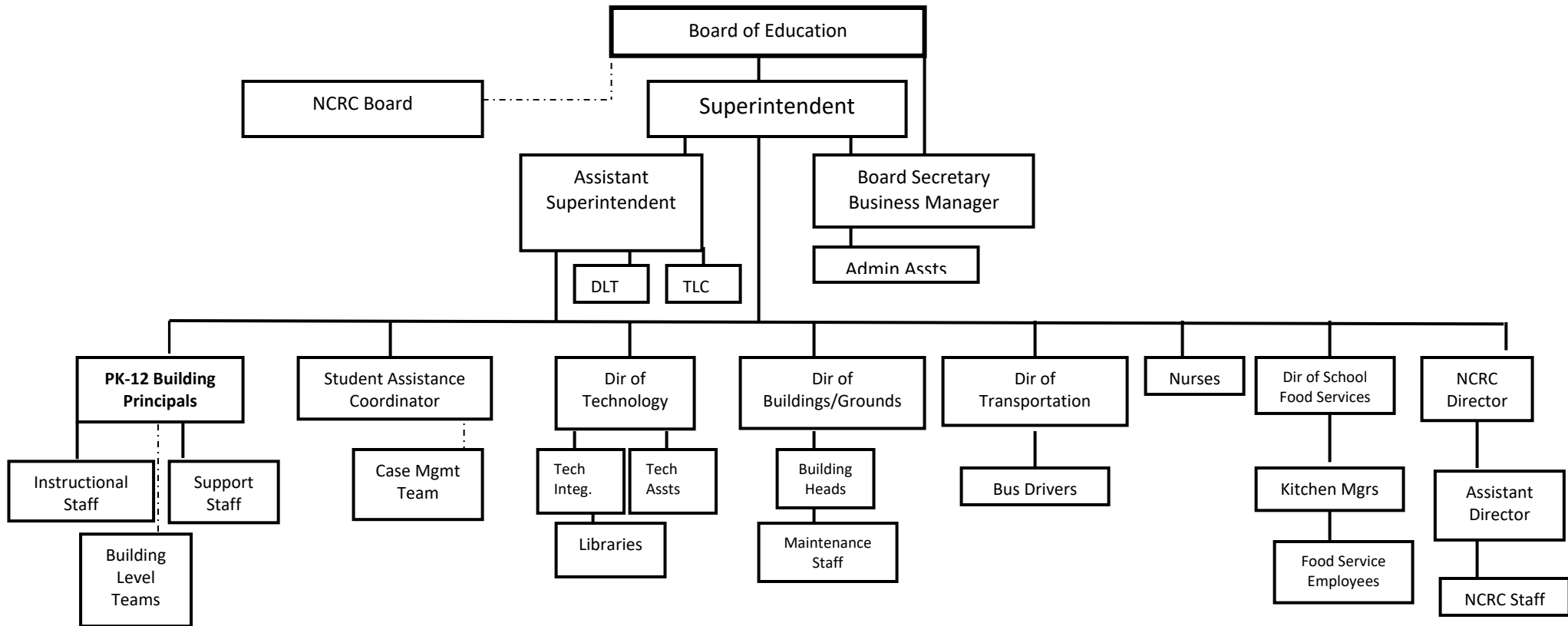
Respectfully submitted,



Steve Gray  
Superintendent



Brian Schaeffer  
Board Secretary / Treasurer / Business Manager



8/2018

**Nevada Community School District**

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

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Board of Education

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	Title	Term Expires
Marty Chitty	President	2023
Tom Maier	Vice President	2023
Leanne Harter	Board Member	2023
Joe Anderson	Board Member	2025
Amici Hayek	Board Member	2025

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School District Administration

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Dr. Steve Gray	Superintendent
Dr. Kody Asmus	Associate Superintendent
Brian Schaeffer	Board Secretary/Treasurer & District Business Manager
Dr. 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
Christing 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 and Advisors**

**Year Ended June 30, 2022**

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#### **Certified Public Accountants**

Bohnsack & Frommelt LLP  
1500 River Drive, Suite 200  
Moline, Illinois 61265

#### **Financial Consultants**

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

#### **Personnel Services**

Ahlers & Cooney, P.C.  
100 Court Avenue, Suite 600  
Des Moines, Iowa 50309-2231

#### **Official Depositories**

Great Western Bank  
404 Lincoln Highway  
Nevada, IA 50201

Availa Bank  
1121 S G Avenue  
Nevada, IA 50201

#### **Bond Attorneys**

Ahlers & Cooney, P.C.  
100 Court Avenue, Suite 600  
Des Moines, Iowa 50309-2231

#### **General Counsel**

Ahlers & Cooney, P.C.  
100 Court Avenue, Suite 600  
Des Moines, Iowa 50309-2231

#### **Insurance Consultants**

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

## **Financial Section**







## **Independent Auditor's Report**

To the Board of Education  
Nevada Community School District  
Nevada, Iowa

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 16 to the financial statements, Nevada Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, *Leases*. As a result, the June 30, 2021 governmental activities net position is restated by \$1,037. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the district's proportionate share of the net pension liability and schedules of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, and budgetary comparison information, on pages 4–14 and 60-69 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

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

The District's basic financial statements for the years ended June 30, 2013 through 2021, which are not presented herein, were audited by other auditors whose report thereon dated June 20, 2022 expressed unmodified opinions on the basic financial statements. Their report on the Schedule of Revenues by Source and Expenditures by Function for the years ended June 30, 2013 through 2021 stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2013 through 2021 taken as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2023 on our consideration of the 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 and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nevada Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nevada Community School District's internal control over financial reporting and compliance.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
May 15, 2023

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## **Nevada Community School District**

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

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Nevada Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2022. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

#### **2022 FINANCIAL HIGHLIGHTS**

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of \$4,670,748 during the year ended June 30, 2022.
- Total revenues for the fiscal year ended June 30, 2022 and 2021 of \$26,149,253 and \$24,230,108 were comprised of general revenues in the amount of \$18,269,253 and \$17,599,133 and program revenues totaling \$7,880,000 and \$6,630,975, respectively.
- The District's General Fund fund balance decreased by \$209,413, the unassigned fund balance decreased by \$93,686 and the nonspendable/restricted/assigned fund balance decreased by \$115,727.
- In fiscal year 2022 the District decreased long-term debt by \$3,378,600 and paid interest on long term debt of \$521,722.

#### **USING THIS ANNUAL REPORT**

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

- Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a statement of net position and a statement of activities. These provide information about the activities of Nevada Community School District as a whole and present an overall view of the District's finances.
- The fund financial statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Nevada Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Nevada Community School District acts solely as an agent or custodian for the benefit of those outside of the School District.
- Notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the schedule of the District's total OPEB liability and related ratios, and the District's proportionate share of net pension liability and related pension contributions.
- Other supplementary information provides detailed information about the nonmajor funds.

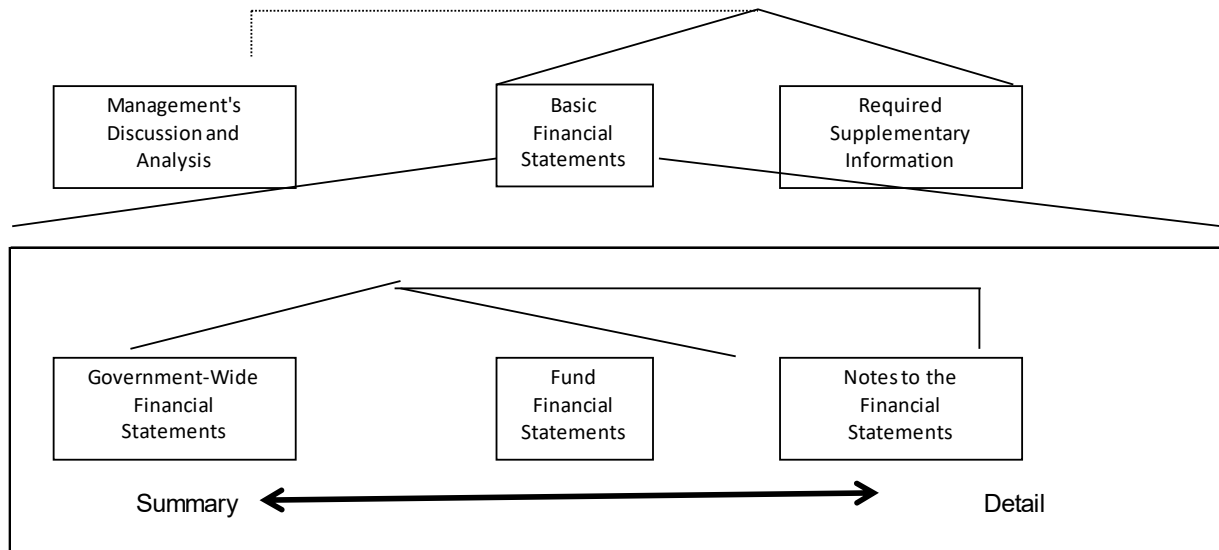
**Nevada Community School District**

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

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

Figure A-1  
Nevada Community School District Annual Financial Report



# Nevada Community School District

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

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

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

## Nevada Community School District

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

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## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources and 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 received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position is one way to measure the District's financial position. Over time, increases or decreases in the District's net position is an indicator of whether the financial position is improving or deteriorating, respectively. To assess the District's overall health, you need to consider additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities.** Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.
- **Business-type activities.** The District charges fees to help cover the costs of certain services it provides. The District's school nutrition and childcare programs are included here.

### Fund Financial Statements

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

Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has three kinds of funds:

**Governmental funds.** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial position that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information in the reconciliations following each of the governmental fund statements explains the relationship or differences between the two statements.



## Nevada Community School District

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

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The District's governmental funds include the General Fund, Capital Projects Fund, and Debt Service Fund and nonmajor funds including the Management Fund, Student Activity Fund, and Non-Fiduciary Student Support Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

**Proprietary funds.** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has two enterprise funds, the School Nutrition Fund and the Childcare Fund. The District uses an internal service funds, the other kind of proprietary fund, to report activities that provide supplies and services for its other programs and activities. The District currently has one internal service fund, the Insurance Fund.

The required financial statements for proprietary funds include a statement of net position, statement of revenues, expenses and changes in net position and a statement of cash flows.

**Fiduciary funds.** The District is the trustee, or fiduciary, for the assets that belong to others. The District's fiduciary funds include the following:

The 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.

The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments.

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

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

## Nevada Community School District

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

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position – Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2022 compared to June 30, 2021.

**Figure A-3 Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total District		Total Percentage
	June 30, 2022	Restated June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	Restated June 30, 2021	Change 2021-22
Current and other assets	\$ 18,105,967	\$ 24,535,190	\$ 289,006	\$ 9,549	\$ 18,394,973	\$ 24,544,739	-25.1%
Capital assets	46,019,140	40,779,798	308,680	337,736	46,327,820	41,117,534	12.7%
<b>Total assets</b>	<b>64,125,107</b>	<b>65,314,988</b>	<b>597,686</b>	<b>347,285</b>	<b>64,722,793</b>	<b>65,662,273</b>	<b>-1.4%</b>
Deferred outflows of resources	1,872,074	2,365,758	58,588	84,258	1,930,662	2,450,016	-21.2%
Noncurrent liabilities	18,962,920	31,382,320	16,546	384,354	18,979,466	31,766,674	-40.3%
Other liabilities	5,333,672	5,937,495	130,498	29,433	5,464,170	5,966,928	-8.4%
<b>Total liabilities</b>	<b>24,296,592</b>	<b>37,319,815</b>	<b>147,044</b>	<b>413,787</b>	<b>24,443,636</b>	<b>37,733,602</b>	<b>-35.2%</b>
Deferred inflows of resources	15,722,324	8,756,533	298,092	29,834	16,020,416	8,786,367	82.3%
Net position:							
Net investment in capital assets	27,333,128	24,271,167	308,680	337,736	27,641,808	24,608,903	12.3%
Restricted	3,333,727	3,590,758	-	-	3,333,727	3,590,758	-7.2%
Unrestricted	(4,688,590)	(6,257,527)	(23,877)	(349,814)	(4,712,467)	(6,607,341)	28.7%
<b>Total net position</b>	<b>\$ 25,978,265</b>	<b>\$ 21,604,398</b>	<b>\$ 284,803</b>	<b>\$ (12,078)</b>	<b>\$ 26,263,068</b>	<b>\$ 21,592,320</b>	<b>21.6%</b>

The District's combined net position increased by 21.6 percent or \$4,670,748 from the prior year net position.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$3,032,905 or 12.3 percent. The District's capital assets increased by \$5,210,286. The District's capital-related debt decreased \$3,378,600 from principal payments.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position decreased \$257,031 from the prior year, primarily from an decrease in restrictions for debt service.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a deficit of \$6,607,341 to \$4,712,467. The increase is due to the net pension liability and related deferral of inflows and deferral of outflows of resources experiencing improved investment earnings on an actuarial basis and reducing the District's net liabilities.

## Nevada Community School District

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

Figure A-4 shows the changes in net position for the year ended June 30, 2022 compared to June 30, 2021.

**Figure A-4 Changes in Net Position From Operating Results**

	Governmental Activities		Business-Type Activities		Total District		Total
	June 30, 2022	Not Restated June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	Not Restated June 30, 2021	Percentage Change 2021-22
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 2,616,366	\$ 1,960,111	\$ 318,836	\$ 237,514	\$ 2,935,202	\$ 2,197,625	33.6%
Operating grants and contributions and restricted interest	3,931,987	3,467,460	1,009,308	960,419	4,941,295	4,427,879	11.6%
Capital grants	-	-	3,503	5,471	3,503	5,471	0.0%
General revenues:							
Property tax	7,565,565	7,373,130	-	-	7,565,565	7,373,130	2.6%
Excise tax	140,256	149,101	-	-	140,256	149,101	-5.9%
Income surtax	523,055	504,013	-	-	523,055	504,013	3.8%
Statewide sales, services and use tax	2,020,990	1,486,199	-	-	2,020,990	1,486,199	36.0%
Unrestricted state grants	7,823,003	7,583,855	-	-	7,823,003	7,583,855	3.2%
Revenue in lieu of taxes	155,234	140,030	-	-	155,234	140,030	10.9%
Other	40,432	362,221	718	584	41,150	362,805	-88.7%
<b>Total revenues</b>	<b>24,816,888</b>	<b>23,026,120</b>	<b>1,332,365</b>	<b>1,203,988</b>	<b>26,149,253</b>	<b>24,230,108</b>	<b>7.9%</b>
<b>Program expenses:</b>							
Governmental activities:							
Instruction	12,147,780	12,253,200	-	-	12,147,780	12,253,200	-0.9%
Support services	6,509,657	7,461,512	235,372	300,673	6,745,029	7,762,185	-13.1%
Noninstructional	3,503	-	800,310	849,720	803,813	849,720	-5.4%
Other expenditures	1,781,883	2,374,502	-	-	1,781,883	2,374,502	-25.0%
<b>Total expenses</b>	<b>20,442,823</b>	<b>22,089,214</b>	<b>1,035,682</b>	<b>1,150,393</b>	<b>21,478,505</b>	<b>23,239,607</b>	<b>-7.6%</b>
<b>Excess of revenues over expenses before transfers</b>	<b>4,374,065</b>	<b>936,906</b>	<b>296,683</b>	<b>53,595</b>	<b>4,670,748</b>	<b>990,501</b>	<b>371.6%</b>
Transfers	(198)	34,933	198	(34,933)	-	-	0.0%
<b>Change in net position</b>	<b>4,373,867</b>	<b>971,839</b>	<b>296,881</b>	<b>18,662</b>	<b>4,670,748</b>	<b>990,501</b>	<b>371.6%</b>
Beginning net position	21,604,398	20,633,596	(12,078)	(30,740)	21,592,320	20,602,856	4.8%
Ending net position	\$ 25,978,265	\$ 21,605,435	\$ 284,803	\$ (12,078)	\$ 26,263,068	\$ 21,593,357	21.6%

#### Governmental activities:

Local tax (property tax, excise tax, income surtax) and unrestricted state grants account for 64.6 percent of the total governmental activities revenue. The District's governmental activities expenses primarily relate to instructional and support services which account for 91.2 percent of the total governmental activities expenses.

The increase in total revenue is primarily due to the increases in charges for services, operating grants, and statewide sales, services and use tax. The charges for services increased due to fiscal year 2022 being the first full year of in-person learning since the COVID-19 pandemic. Operating grants increased from the District receiving federal Education Stabilization Fund program funding for COVID-19 pandemic expenditures. The statewide sales, services and use tax increased due to a statewide recovery from the pandemic and the state increasing distributions to local governments.

## Nevada Community School District

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

Total expenses for governmental activities decreased by \$1,646,391. The decrease is primarily reflected in instruction and support services due to a net decrease in expenses related to pension and the related deferrals applicable to the pension liability. The Iowa Public Employee Retirement pension experienced improved investment earnings on an actuarial basis and reduced the District's net liabilities.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services and other expenses:

**Figure A-5 Net Cost of Governmental Activities**

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
			Change			Change
	June 30, 2022	June 30, 2021	2021-2022	June 30, 2022	June 30, 2021	2021-2022
Instruction	\$ 12,147,780	\$ 12,253,200	-0.87%	\$ 7,363,890	\$ 8,825,264	-16.6%
Support services	6,509,657	7,461,512	-14.62%	5,422,366	6,120,246	-11.4%
Noninstructional	3,503	-	n/a	(7,330)	-	n/a
Other expenses	1,781,883	2,374,502	-33.26%	1,115,544	1,716,133	-35.0%
<b>Total</b>	<b>\$ 20,442,823</b>	<b>\$ 22,089,214</b>	<b>-8.05%</b>	<b>\$ 13,894,470</b>	<b>\$ 16,661,643</b>	<b>-16.6%</b>

The cost financed by users of the District's programs for the year ended June 30, 2022 was \$2,616,366 compared to year ended June 30, 2021 \$1,960,111.

Federal and state governments subsidized certain programs with grants and contributions totaling \$3,931,987 for the year ended June 30, 2022 compared to year ended June 30, 2021 \$3,467,460.

The net cost of governmental activities was financed respectively for the years ended June 30, 2022 and 2021 with \$10,249,866 and \$9,512,443 in property tax, income surtax and statewide sales, services and other taxes, \$7,823,003 and \$7,583,855 in unrestricted state and federal revenue, \$155,234 and \$140,030 in revenue in lieu of taxes, and \$40,432 and \$362,221 in unrestricted investment earnings and other general revenues.

### Business-Type Activities

Revenues of the District's business-type activities were \$1,332,365 and expenses were \$1,035,682. The District's business-type activities include the School Nutrition Fund and the nonmajor Child Care Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, and investment income.

The School Nutrition Fund revenues increased due to an increase in federal programs for the nutrition program. Operating expenses reflected an decrease of \$8,701 over 2021. After nonoperating revenues and expenses, which include federal nutrition grants, the School Nutrition Fund increased net position by \$254,760.

## **Nevada Community School District**

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

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#### **INDIVIDUAL FUND ANALYSIS**

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

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$6,430,922; a decrease of \$6,423,946 from last year's ending fund balances of \$12,854,868. The decrease is primarily due to the Capital Projects Fund and planned spending for capital related projects. The District spent \$5,683,174 for facilities acquisition in 2022 compared to \$4,020,660 in 2021.

#### **Governmental Fund Highlights**

The District's General Fund financial position decreased by \$209,413. The District's General Fund revenues of \$20,168,394 reflect a \$1,189,390 increase from prior year revenue of \$18,979,004. All sources of revenue have increased primarily due to increases in assessed valuations, increases in state and federal funding and due to fiscal year 2022 being the first full year of in-person learning.

Expenditures reflected an increase from \$19,015,114 in 2021 to \$20,353,099 in 2022. The increase in expenditures is primarily due to general wage increases and the timing of purchases due to supply coupled with increased costs.

The General Fund fund balance decreased from \$3,598,072 to \$3,388,659.

The Capital Projects Fund fund balance decreased from \$6,893,117 in fiscal year 2021 to \$1,901,261 in fiscal year 2022. The District expended \$5,683,174 for facilities purchases and improvements in 2022 compared to \$4,020,660 in 2021 as explained above. In addition, the Capital Projects Fund transferred \$1,383,489 to the Debt Service Fund for payment of principal and interest on the District's revenue bonds.

The Debt Service Fund fund balance decreased from \$1,797,482 to \$798,875 primarily due to required principal and interest payments exceeding the amount transferred from the Capital Projects Fund and property taxes collected.

#### **Proprietary Fund Highlights**

Enterprise funds net position increased from \$(12,078) deficit in 2021 to \$284,803 in 2022. The School Nutrition Fund net position increased from \$158,875 in 2021 to \$413,635 in fiscal 2022. This is primarily due to increased federal funding of the school nutrition program.

## Nevada Community School District

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

#### 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 internal service and fiduciary 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.

The District had one budget amendment on May 16, 2022, which increased overall expenditures by \$800,000. The District's total actual revenues were \$1,848,460 more than the total budgeted revenues due to receiving more in federal funding.

Total expenditures were more than budgeted by \$311,069, primarily due to the District expending more in instruction and support services functions by \$400,821 and \$323,258, respectively.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### Capital Assets

As of June 30, 2022, the District had invested \$46,327,820 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. See Figure A-6. This amount represents a net increase of \$5,210,286 from last year. More detailed information about capital assets is available in Note 5 for the financial statements. Depreciation expense for the year was \$1,446,227. The District's increase is due to the construction for the middle school renovation.

The original cost of the District's capital assets was \$63,734,735. Governmental activities account for \$62,939,157 with the remainder of \$795,578 accounted for in the proprietary School Nutrition Fund.

Figure A-6 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	Restated		Restated		Restated		2021-22
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	
Land and construction in progress	\$ 9,375,600	\$ 4,446,180	\$ -	\$ -	\$ 9,375,600	\$ 4,446,180	110.9%
Buildings	31,369,951	30,813,077	-	-	31,369,951	30,813,077	1.8%
Land improvements	4,056,079	4,350,999	-	-	4,056,079	4,350,999	-6.8%
Machinery and equipment	1,111,423	1,029,049	308,680	337,736	1,420,103	1,366,785	3.9%
Right to use, leased equipment	106,087	140,493	-	-	106,087	140,493	-24.5%
<b>Total</b>	<b>\$ 46,019,140</b>	<b>\$ 40,779,798</b>	<b>\$ 308,680</b>	<b>\$ 337,736</b>	<b>\$ 46,327,820</b>	<b>\$ 41,117,534</b>	<b>12.7%</b>

## Nevada Community School District

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

#### Long-Term Debt

As of June 30, 2022, the District had \$19,371,930 in long-term obligations outstanding. See Figure A-7.

**Figure A-7 Outstanding Long-Term Obligations**

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	Restated				Restated		
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	2021-22
General obligation bonds	\$ 9,650,000	\$ 10,995,000	\$ -	\$ -	\$ 9,650,000	\$ 10,995,000	-13.9%
Revenue bonds	8,976,000	10,856,000	-	-	8,976,000	10,856,000	-20.9%
Capital loan notes	638,000	758,000	-	-	638,000	758,000	-15.8%
Lease obligation	107,930	141,530	-	-	107,930	141,530	-23.7%
<b>Total</b>	<b>\$ 19,371,930</b>	<b>\$ 22,750,530</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,371,930</b>	<b>\$ 22,750,530</b>	<b>-14.9%</b>

More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements. The District paid \$3,378,600 in principal and \$521,722 in interest during the year ended June 30, 2022. As of June 30, 2022, the District's available debt limit was \$43,463,538 which leaves a legal debt margin of \$33,067,608.

#### ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- District certified enrollment decreased in fiscal year 2022 by 67 students from 1,471 to 1,404. The District's certified enrollment decreased in fiscal year 2023 to 1,399. 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 the commitment to improving facilities and programs will be an attraction to future enrollment growth.
- The state legislature set the rate of increase for supplemental aid for the 2022-2023 school year at 2.50 percent and for the 2023-2024 school year at 3.00 percent.

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Brian Schaeffer, Business Manager, Nevada Community School District, 1035 15<sup>th</sup> Street, Nevada, Iowa 50201.

**Nevada Community School District**

**Statement of Net Position**

**June 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 7,791,782	\$ 327,964	\$ 8,119,746
Restricted cash equivalents	169,183	-	169,183
Receivables:			
Property tax:			
Delinquent	29,666	-	29,666
Succeeding year	7,913,480	-	7,913,480
Income surtax	477,417	-	477,417
Accounts	609	265	874
Due from other governments	1,650,250	23,473	1,673,723
Inventories	-	10,884	10,884
Internal balances	73,580	(73,580)	-
<b>Total current assets</b>	<b>18,105,967</b>	<b>289,006</b>	<b>18,394,973</b>
Noncurrent assets:			
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	9,375,600	-	9,375,600
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	31,369,951	-	31,369,951
Improvements other than buildings	4,056,079	-	4,056,079
Machinery and equipment	1,111,423	308,680	1,420,103
Right to use leased equipment	106,087	-	106,087
<b>Total noncurrent assets</b>	<b>46,019,140</b>	<b>308,680</b>	<b>46,327,820</b>
<b>Total assets</b>	<b>64,125,107</b>	<b>597,686</b>	<b>64,722,793</b>
<b>Deferred Outflows of Resources:</b>			
OPEB related deferred outflows	465,936	4,257	470,193
Pension related deferred outflows	1,406,138	54,331	1,460,469
<b>Total deferred outflows of resources</b>	<b>1,872,074</b>	<b>58,588</b>	<b>1,930,662</b>

See Notes to Basic Financial Statements.



	Governmental Activities	Business-Type Activities	Total
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	790,400	8,041	798,441
Salaries and benefits payable	1,992,513	22,940	2,015,453
Claims payable	9,700	-	9,700
Accrued interest	11,198	-	11,198
Unearned revenue	6,374	25,852	32,226
Compensated absences	80,414	73,665	154,079
Early retirement	102,795	-	102,795
General obligation bonds	1,155,000	-	1,155,000
Revenue bonds	1,026,000	-	1,026,000
Capital loan notes	125,000	-	125,000
Lease obligation	34,278	-	34,278
<b>Total current liabilities</b>	<b>5,333,672</b>	<b>130,498</b>	<b>5,464,170</b>
Noncurrent liabilities:			
General obligation bonds	8,495,000	-	8,495,000
Revenue bonds	7,950,000	-	7,950,000
Capital loan notes	513,000	-	513,000
Lease obligation	73,652	-	73,652
Net OPEB liability	1,734,481	13,168	1,747,649
Net pension liability	196,787	3,378	200,165
<b>Total noncurrent liabilities</b>	<b>18,962,920</b>	<b>16,546</b>	<b>18,979,466</b>
<b>Total liabilities</b>	<b>24,296,592</b>	<b>147,044</b>	<b>24,443,636</b>
<b>Deferred inflows of resources:</b>			
Succeeding year property tax	7,913,480	-	7,913,480
OPEB related deferred inflows	345,325	1,982	347,307
Pension related deferred inflows	7,463,519	296,110	7,759,629
<b>Total deferred inflows of resources</b>	<b>15,722,324</b>	<b>298,092</b>	<b>16,020,416</b>
<b>Net position:</b>			
Net investment in capital assets	27,333,128	308,680	27,641,808
Restricted for:			
Categorical funding	730,136	-	730,136
Debt service	798,875	-	798,875
School infrastructure	1,266,004	-	1,266,004
Management levy	35,518	-	35,518
Physical plant and equipment levy	196,585	-	196,585
Student support	36,266	-	36,266
Student activities	270,343	-	270,343
Unrestricted	(4,688,590)	(23,877)	(4,712,467)
<b>Total net position</b>	<b>\$ 25,978,265</b>	<b>\$ 284,803</b>	<b>\$ 26,263,068</b>

**Nevada Community School District**

**Statement of Activities**

**Year Ended June 30, 2022**

Functions/Programs	Expenses
Governmental activities:	
Instruction:	
Regular	\$ 6,882,959
Special	2,976,892
Other	2,287,929
	<u>12,147,780</u>
Support services:	
Student	1,137,797
Instructional staff	1,575,669
Administration	2,255,439
Operation and maintenance of plant	747,373
Transportation	793,379
	<u>6,509,657</u>
Noninstructional programs	<u>3,503</u>
Other:	
AEA flowthrough	666,339
Interest	394,997
Depreciation (unallocated)*	720,547
	<u>1,781,883</u>
<b>Total governmental activities</b>	<u><b>20,442,823</b></u>
Business-type activities:	
Support services:	
Student	194,537
Administration	40,709
Operation and maintenance of plant	126
	<u>235,372</u>
Noninstructional programs	
Food service operations	800,310
<b>Total business-type activities</b>	<u><b>1,035,682</b></u>
<b>Total</b>	<u><b>\$ 21,478,505</b></u>
General revenues and transfers:	
General revenues:	
Property tax levied for:	
General purposes	
Capital outlay	
Other	
Income surtax	
Excise tax	
Statewide sales and services tax	
Revenue in lieu of taxes	
Unrestricted state grants	
Unrestricted investment earnings	
Gain on sale of capital assets	
Transfers	
<b>Total general revenues and transfers</b>	
<b>Change in net position</b>	
Net position, beginning of year, as restated	
Net position, end of year	

\* This amount excludes the depreciation included in the direct expense of the various functions/programs.  
See Notes to Basic Financial Statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 1,107,387	\$ 2,659,683	\$ -	\$ (3,115,889)	\$ -	\$ (3,115,889)
384,998	584,412	-	(2,007,482)	-	(2,007,482)
30,442	16,968	-	(2,240,519)	-	(2,240,519)
1,522,827	3,261,063	-	(7,363,890)	-	(7,363,890)
552,890	-	-	(584,907)	-	(584,907)
92,173	-	-	(1,483,496)	-	(1,483,496)
433,793	-	-	(1,821,646)	-	(1,821,646)
-	-	-	(747,373)	-	(747,373)
8,435	-	-	(784,944)	-	(784,944)
1,087,291	-	-	(5,422,366)	-	(5,422,366)
6,248	4,585	-	7,330	-	7,330
-	666,339	-	-	-	-
-	-	-	(394,997)	-	(394,997)
-	-	-	(720,547)	-	(720,547)
-	666,339	-	(1,115,544)	-	(1,115,544)
2,616,366	3,931,987	-	(13,894,470)	-	(13,894,470)
230,487	6,297	-	-	42,247	42,247
-	-	-	-	(40,709)	(40,709)
-	-	-	-	(126)	(126)
230,487	6,297	-	-	1,412	1,412
88,349	1,003,011	3,503	-	294,553	294,553
318,836	1,009,308	3,503	-	295,965	295,965
\$ 2,935,202	\$ 4,941,295	\$ 3,503	(13,894,470)	295,965	(13,598,505)

5,474,036	-	5,474,036
538,732	-	538,732
1,552,797	-	1,552,797
523,055	-	523,055
140,256	-	140,256
2,020,990	-	2,020,990
155,234	-	155,234
7,823,003	-	7,823,003
39,942	718	40,660
490	-	490
(198)	198	-
18,268,337	916	18,269,253
4,373,867	296,881	4,670,748
21,604,398	(12,078)	21,592,320
\$ 25,978,265	\$ 284,803	\$ 26,263,068

**Nevada Community School District**

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

	General	Capital Projects
<b>Assets</b>		
Cash and pooled investments	\$ 4,645,833	\$ 1,902,250
Restricted cash and investments	-	-
Receivables:		
Property tax:		
Delinquent	21,788	2,023
Succeeding year	5,589,023	555,409
Income surtax	477,417	-
Accounts	119	-
Due from other governments	1,278,375	371,595
Due from other funds	85,033	19,248
<b>Total assets</b>	<b>\$ 12,097,588</b>	<b>\$ 2,850,525</b>
<b>Liabilities, Deferred Inflow of Resources and Fund Balances</b>		
Liabilities:		
Accounts payable	\$ 623,589	\$ 146,609
Salaries and benefits payable	1,992,513	-
Unearned revenue	6,374	-
Due to other funds	20,013	-
<b>Total liabilities</b>	<b>2,642,489</b>	<b>146,609</b>
Deferred inflows of resources, unavailable revenue:		
Succeeding year property tax	5,589,023	555,409
Income surtax	477,417	-
Statewide sales and services tax	-	247,246
<b>Total deferred inflow of resources</b>	<b>6,066,440</b>	<b>802,655</b>
Fund balances:		
Restricted for:		
Categorical funding	730,136	-
Debt service	-	-
Management levy purposes	-	-
Student activities	-	-
School infrastructure	-	1,704,676
Physical plant and equipment levy	-	196,585
Student support	-	-
Assigned for special purposes	212,820	-
Unassigned	2,445,703	-
<b>Total fund balances</b>	<b>3,388,659</b>	<b>1,901,261</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 12,097,588</b>	<b>\$ 2,850,525</b>

See Notes to Basic Financial Statements.

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		Nonmajor Governmental			
Debt Service		Funds		Total	
\$	625,481	\$	370,603	\$	7,544,167
	169,183		-		169,183
	5,461		394		29,666
	1,499,050		269,998		7,913,480
	-		-		477,417
	-		490		609
	-		280		1,650,250
	-		680		104,961
\$	2,299,175	\$	642,445	\$	17,889,733

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\$	1,250	\$	18,952	\$	790,400
	-		-		1,992,513
	-		-		6,374
	-		11,368		31,381
	1,250		30,320		2,820,668

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	1,499,050		269,998		7,913,480
	-		-		477,417
	-		-		247,246
	1,499,050		269,998		8,638,143

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	-		-		730,136
	798,875		-		798,875
	-		35,518		35,518
	-		270,343		270,343
	-		-		1,704,676
	-		-		196,585
	-		36,266		36,266
	-		-		212,820
	-		-		2,445,703
	798,875		342,127		6,430,922

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\$	2,299,175	\$	642,445	\$	17,889,733
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**Nevada Community School District**

**Reconciliation of Total Governmental Fund Balances to Net Position of  
Governmental Activities**

**June 30, 2022**

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Total fund balances of governmental funds	\$ 6,430,922
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.	46,019,140
The Internal Service Fund is used to charge costs of the District's self-funded insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included under governmental activities.	237,915
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	724,663
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:	
OPEB related deferred outflows of resources	465,936
OPEB related deferred inflows of resources	(345,325)
Pension related deferred outflows of resources	1,406,138
Pension related deferred inflows of resources	(7,463,519)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
General obligation bonds, current	(1,155,000)
General obligation bonds, noncurrent	(8,495,000)
Revenue bonds, current	(1,026,000)
Revenue bonds, noncurrent	(7,950,000)
Capital loan notes, current	(125,000)
Capital loan notes, noncurrent	(513,000)
Lease obligation, current	(34,278)
Lease obligation, noncurrent	(73,652)
Accrued interest	(11,198)
Early retirement	(102,795)
Compensated absences	(80,414)
Net OPEB liability	(1,734,481)
Net pension liability	(196,787)
<b>Net position of governmental activities</b>	<b>\$ 25,978,265</b>

See Notes to Basic Financial Statements.

**Nevada Community School District**

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

	General	Capital Projects
Revenues:		
Local sources:		
Property tax	\$ 5,474,036	\$ 538,732
Income surtax	555,245	-
Excise tax	102,319	9,730
Tuition	1,522,827	-
Other	645,778	130,828
State appropriations	10,544,406	1,784,525
Federal appropriations	1,323,783	-
<b>Total revenues</b>	<b>20,168,394</b>	<b>2,463,815</b>
Expenditures:		
Current:		
Instruction:		
Regular	7,529,341	-
Special	2,910,879	-
Other	1,928,343	6,885
	<b>12,368,563</b>	<b>6,885</b>
Support services:		
Student	1,230,806	-
Instructional staff	1,462,075	253,779
Administration	2,428,610	-
Operation and maintenance of plant	1,575,330	5,300
Transportation	585,252	119,541
	<b>7,282,073</b>	<b>378,620</b>
Noninstructional programs	-	3,503
Other expenditures:		
Capital outlay facilities acquisition	-	5,683,174
Current, AEA flowthrough	666,339	-
Debt service:		
Principal	33,600	-
Interest and fiscal fees	2,524	-
	<b>702,463</b>	<b>5,683,174</b>
<b>Total expenditures</b>	<b>20,353,099</b>	<b>6,072,182</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(184,705)</b>	<b>(3,608,367)</b>
Other financing sources (uses):		
Proceeds from sale of capital assets	490	-
Transfers in	-	-
Transfers (out)	(25,198)	(1,383,489)
<b>Total other financing sources (uses)</b>	<b>(24,708)</b>	<b>(1,383,489)</b>
<b>Net change in fund balances</b>	<b>(209,413)</b>	<b>(4,991,856)</b>
Fund balances, beginning of year	3,598,072	6,893,117
Fund balances, end of year	<b>\$ 3,388,659</b>	<b>\$ 1,901,261</b>

See Notes to Basic Financial Statements.



		Nonmajor Governmental			
Debt Service		Funds		Total	
\$	1,454,361	\$	98,436	\$	7,565,565
	-		-		555,245
	26,268		1,939		140,256
	-		-		1,522,827
	-		356,875		1,133,481
	29,106		2,148		12,360,185
	-		-		1,323,783
	1,509,735		459,398		24,601,342
	-		-		7,529,341
	-		81,321		2,992,200
	-		353,952		2,289,180
	-		435,273		12,810,721
	-		-		1,230,806
	-		-		1,715,854
	27,633		32,252		2,488,495
	-		204,769		1,785,399
	-		36,174		740,967
	27,633		273,195		7,961,521
	-		-		3,503
	-		-		5,683,174
	-		-		666,339
	3,345,000		-		3,378,600
	519,198		-		521,722
	3,864,198		-		10,249,835
	3,891,831		708,468		31,025,580
	(2,382,096)		(249,070)		(6,424,238)
	-		-		490
	1,383,489		25,000		1,408,489
	-		-		(1,408,687)
	1,383,489		25,000		292
	(998,607)		(224,070)		(6,423,946)
	1,797,482		566,197		12,854,868
\$	798,875	\$	342,127	\$	6,430,922

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**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 2022**

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Net change in fund balances - total governmental funds \$ (6,423,946)

Amounts reported for governmental activities in the statement of  
activities are different because:

Capital outlays to purchase or build capital assets are reported in  
governmental funds as expenditures. However, those costs are  
reported in the statement of net position and are allocated over  
their estimated useful lives as depreciation expense in the statement  
of activities. The amounts of capital outlays and depreciation expense  
in the year are as follows:

Capital outlay	\$ 6,653,010	
Depreciation expense	<u>(1,413,668)</u>	5,239,342
Proceeds from sale of capital assets	(490)	
Gain on sale of capital assets	<u>490</u>	-

The increase in net position of the Internal Service Fund represents  
an overcharge to the governmental funds and is incorporated into the  
change in net position of governmental activities.

40,364

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

Income surtax	(32,190)	
Statewide sales and services tax	<u>247,246</u>	215,056

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal of long-term debt  
consumes the current financial resources of governmental funds. The  
issuance of long-term debt increases liabilities in the statement of net  
position, while the repayment of long-term debt reduces long-term  
liabilities. The following is the detail of the net effect of these  
differences in the treatment of long-term debt and related items:

Payment of principal on revenue bonds	3,378,600
Change in accrued interest payable	126,725

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	(22,365)
Compensated absences	(6,929)
Net OPEB liability	(68,469)
Pension expense	<u>1,895,489</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 4,373,867</u></b>

See Notes to Basic Financial Statements.

**Nevada Community School District**

**Statement of Net Position**

**Proprietary Funds**

**June 30, 2022**

	Business-Type Activities, Enterprise Funds			Governmental
	School	Nonmajor	Total	Activities, Internal Service Fund
	Nutrition			
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 327,964	\$ -	\$ 327,964	\$ 247,615
Receivables:				
Accounts	265	-	265	-
Due from other governments	22,769	704	23,473	-
Due from other funds	85	-	85	-
Inventories	10,884	-	10,884	-
<b>Total current assets</b>	<b>361,967</b>	<b>704</b>	<b>362,671</b>	<b>247,615</b>
Noncurrent assets:				
Capital assets being depreciated, net of accumulated depreciation:				
Machinery and equipment	308,680	-	308,680	-
<b>Total noncurrent assets</b>	<b>308,680</b>	<b>-</b>	<b>308,680</b>	<b>-</b>
<b>Total assets</b>	<b>670,647</b>	<b>704</b>	<b>671,351</b>	<b>247,615</b>
<b>Deferred Outflows of Resources:</b>				
OPEB related deferred outflows	4,257	-	4,257	-
Pension related deferred outflows	36,867	17,464	54,331	-
<b>Total deferred outflows     of resources</b>	<b>41,124</b>	<b>17,464</b>	<b>58,588</b>	<b>-</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	6,753	1,288	8,041	-
Salaries and benefits payable	5,867	17,073	22,940	-
Claims payable	-	-	-	9,700
Unearned revenue	25,852	-	25,852	-
Due to other funds	41,276	32,389	73,665	-
<b>Total current liabilities</b>	<b>79,748</b>	<b>50,750</b>	<b>130,498</b>	<b>9,700</b>
Noncurrent liabilities:				
Net OPEB liability	13,168	-	13,168	-
Net pension liability	2,469	909	3,378	-
<b>Total noncurrent liabilities</b>	<b>15,637</b>	<b>909</b>	<b>16,546</b>	<b>-</b>
<b>Total liabilities</b>	<b>95,385</b>	<b>51,659</b>	<b>147,044</b>	<b>9,700</b>
<b>Deferred Inflows of Resources:</b>				
OPEB related deferred inflows	1,982	-	1,982	-
Pension related deferred inflows	200,769	95,341	296,110	-
<b>Total deferred inflows     of resources</b>	<b>202,751</b>	<b>95,341</b>	<b>298,092</b>	<b>-</b>
<b>Net Position</b>				
Investment in capital assets	308,680	-	308,680	-
Unrestricted	104,955	(128,832)	(23,877)	237,915
<b>Total net position (deficit)</b>	<b>\$ 413,635</b>	<b>\$ (128,832)</b>	<b>\$ 284,803</b>	<b>\$ 237,915</b>

See Notes to Basic Financial Statements.

**Nevada Community School District**

**Statement of Revenues, Expenses and Changes in Net Position**

**Proprietary Funds**

**Year Ended June 30, 2022**

	Business-Type Activities, Enterprise Funds			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor	Total	
Operating revenues:				
Local sources:				
Charges for service	\$ 86,422	\$ 230,487	\$ 316,909	\$ 149,494
Miscellaneous	1,927	-	1,927	-
<b>Total operating revenues</b>	<b>88,349</b>	<b>230,487</b>	<b>318,836</b>	<b>149,494</b>
Operating expenses:				
Support services:				
Student:				
Salaries	-	170,569	170,569	-
Benefits	-	10,061	10,061	-
Services	-	3,476	3,476	-
Supplies	-	10,431	10,431	-
Administration:				
Salaries	29,571	-	29,571	-
Benefits	11,004	-	11,004	97,104
Services	-	-	-	12,026
Other	134	-	134	-
Operation and maintenance of plant				
Services	-	126	126	-
Noninstructional programs:				
Salaries	323,084	-	323,084	-
Benefits	14,582	-	14,582	-
Services	9,826	-	9,826	-
Supplies	417,361	-	417,361	-
Other	2,898	-	2,898	-
Depreciation	32,559	-	32,559	-
<b>Total operating expenses</b>	<b>841,019</b>	<b>194,663</b>	<b>1,035,682</b>	<b>109,130</b>
<b>Operating income (loss)</b>	<b>(752,670)</b>	<b>35,824</b>	<b>(716,846)</b>	<b>40,364</b>
Nonoperating revenues (expenses):				
State sources	5,758	-	5,758	-
Federal sources	917,573	6,297	923,870	-
Federal commodities	79,680	-	79,680	-
Interest on investments	718	-	718	-
<b>Total nonoperating revenues (expenses)</b>	<b>1,003,729</b>	<b>6,297</b>	<b>1,010,026</b>	<b>-</b>
<b>Income before capital contributions and transfers</b>	<b>251,059</b>	<b>42,121</b>	<b>293,180</b>	<b>40,364</b>
Capital contributions	3,503	-	3,503	-
Transfer in	198	-	198	-
<b>Change in net position</b>	<b>254,760</b>	<b>42,121</b>	<b>296,881</b>	<b>40,364</b>
Net position (deficit), beginning of year	158,875	(170,953)	(12,078)	197,551
Net position (deficit), end of year	<b>\$ 413,635</b>	<b>\$ (128,832)</b>	<b>\$ 284,803</b>	<b>\$ 237,915</b>

See Notes to Basic Financial Statements.

**Nevada Community School District**

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

	Business-Type Activities, Enterprise Fund			Governmental Activities, Internal Service Fund
	School Nutrition	Nonmajor	Total	
Cash flows from operating activities:				
Cash received from:				
Charges for services	\$ 93,539	\$ 230,487	\$ 324,026	\$ -
Miscellaneous services	1,927	-	1,927	149,494
Cash payments to:				
Employees for services	(422,189)	(187,622)	(609,811)	(87,404)
Suppliers for goods and services	(355,771)	(12,745)	(368,516)	(12,026)
<b>Net cash provided by     (used in) operating activities</b>	<b>(682,494)</b>	<b>30,120</b>	<b>(652,374)</b>	<b>50,064</b>
Cash flows from noncapital financing activities:				
Proceeds from other funds	2,043	-	2,043	-
Payments to other funds	(121,605)	(35,713)	(157,318)	-
State grants received	5,758	-	5,758	-
Federal grants received	926,532	5,593	932,125	-
<b>Net cash provided by     (used in) noncapital     financing activities</b>	<b>812,728</b>	<b>(30,120)</b>	<b>782,608</b>	<b>-</b>
Cash flows from investing activities, interest on investments	718	-	718	-
<b>Net increase in cash     and cash equivalents</b>	<b>130,952</b>	<b>-</b>	<b>130,952</b>	<b>50,064</b>
Cash and cash equivalents:				
Beginning of year	197,012	-	197,012	197,551
End of year	<u>\$ 327,964</u>	<u>\$ -</u>	<u>\$ 327,964</u>	<u>\$ 247,615</u>

(Continued)

**Nevada Community School District**

**Statement of Cash Flows (Continued)**

**Proprietary Funds**

**Year Ended June 30, 2022**

	Business-Type Activities, Enterprise Funds			Governmental
	School			Activities,
	Nutrition	Nonmajor	Total	Internal
				Service Fund
Reconciliation of operating income				
(loss) to net cash provided by				
(used in) operating activities:				
Operating income (loss)	\$ (752,670)	\$ 35,824	\$ (716,846)	\$ 40,364
Adjustments to reconcile operating				
income (loss) to net cash provided				
by (used in) operating activities:				
Commodities consumed	79,680	-	79,680	-
Depreciation	32,559	-	32,559	-
(Increase) decrease in:				
Accounts receivable	2,772	-	2,772	-
Inventories	(4,059)	-	(4,059)	-
Increase (decrease) in:				
Accounts payable	(1,173)	1,288	115	-
Salaries and benefits payable	5,867	17,073	22,940	-
Claims payable	-	-	-	9,700
Net OPEB benefits	860	-	860	-
Net pension liability	(50,675)	(24,065)	(74,740)	-
Unearned revenue	4,345	-	4,345	-
<b>Net cash provided by</b>				
<b>(used in) operating</b>				
<b>activities</b>	<b>\$ (682,494)</b>	<b>\$ 30,120</b>	<b>\$ (652,374)</b>	<b>\$ 50,064</b>
Noncash noncapital				
financing activities:				
Federal commodities	\$ 79,680	\$ -	\$ 79,680	\$ -
Noncash capital and related				
financing activities:				
Capital assets contributed	\$ 3,503	\$ -	\$ 3,503	\$ -

See Notes to Basic Financial Statements.

**Nevada Community School District**

**Statement of Fiduciary Net Position**

**Fiduciary Funds**

**June 30, 2022**

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	Private-Purpose Trust		Custodial Fund
	Scholarship		
<b>Assets</b>			
Cash and pooled investments	\$ 189,802	\$	200
Land held in scholarship trust	468,000		-
Accounts receivable	-		81
<b>Total assets</b>	<b>\$ 657,802</b>	<b>\$</b>	<b>281</b>
<b>Net position</b>	<b>\$ 657,802</b>	<b>\$</b>	<b>281</b>

See Notes to Basic Financial Statements.



**Nevada Community School District**

**Statement of Changes in Fiduciary Net Position**

**Fiduciary Funds**

**Year Ended June 30, 2022**

	Private-Purpose Trust	
	Scholarship	Custodial Fund
<b>Additions</b>		
Contributions	\$ 21,891	\$ 149
Other	8,100	-
<b>Total additions</b>	<u>29,991</u>	<u>149</u>
<b>Deductions</b>		
Scholarships	<u>23,400</u>	<u>-</u>
<b>Total deductions</b>	<u>23,400</u>	<u>-</u>
<b>Change in net position</b>	6,591	149
Net position, beginning of year	651,211	132
Net position, end of year	<u>\$ 657,802</u>	<u>\$ 281</u>

See Notes to Basic Financial Statements.

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## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 1. Significant Accounting Policies

##### Reporting entity:

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 nonpartisan 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.

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. The Nevada Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly governed organizations: The District participates in a jointly governed organization that provides services to the District but do 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 Assessors' Conference Board.

##### Basis of presentation:

Government-wide financial statements: The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. 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 support.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

*Net investment in capital assets:* Consists of capital assets, net of accumulated depreciation 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 or imposed by law through constitutional provisions or enabling legislation.

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

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 1. Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 nonmajor 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, fund balance/net position, revenues and expenditures/expenses.

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 of resources is reported as fund balance. The District reports the following major governmental funds:

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

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

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of property tax and statewide sales, services and use tax.

The other governmental funds of the District are considered nonmajor and are as follows:

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

The Management Fund accounts for the resources from a specific tax levy 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.

The Student Activity Fund is utilized to account 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.

## **Nevada Community School District**

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

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#### **Note 1. Significant Accounting Policies (Continued)**

The Non-Fiduciary Student Support 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:** 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 is the District's major enterprise fund:

The School Nutrition Fund accounts for transactions related to the school breakfast, lunch, and summer food programs authorized by Iowa code 283A. The School Nutrition Fund is considered major due to public interest.

The following is the District's nonmajor enterprise fund:

The Childcare Fund accounts for transactions related to the childcare program offered by the District.

The Internal Service Fund is used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District's Internal Service Fund is used to account for the partial self-funded health insurance plan of the District.

The District also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary funds include the following:

**The 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.

The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments.

#### **Measurement focus and basis of accounting:**

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

## **Nevada Community School District**

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

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#### **Note 1. Significant Accounting Policies (Continued)**

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.

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 is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

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

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

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

#### **Cash, pooled investments and cash equivalents:**

The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investments in Iowa School Joint Investment Trust (ISJIT) which is 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, they have a maturity date no longer than three months.

#### **Property taxes:**

Property taxes receivable is recognized in the funds on the levy date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from 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 Board of Education is required to certify its budget to the County Auditor by April 15 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 recorded as a deferred inflow and will not be recorded as revenue until the year for which it is levied.

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 1. Significant Accounting Policies (Continued)

Property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with a 1½ percent per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2021.

#### 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 held for resale and 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 cost (first-in, first-out method), or market and food commodities which were received from the federal government and recorded at the contributed value as of the date received.

#### Capital assets:

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

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

Assets	Amount
Land	\$ 5,000
Buildings	5,000
Land improvements	5,000
Intangibles	5,000
Machinery and equipment	
Enterprise Fund equipment	500
Other machinery and equipment	5,000

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 1. Significant Accounting Policies (Continued)

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

Asset Class	Estimated Useful Lives
Buildings	20-50 years
Land improvements	20 years
Intangibles	5-20 years
Machinery and equipment	5-20 years

#### Salaries and benefits payable:

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2022, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2022.

#### Unearned revenue:

Proprietary funds defer revenue recognition in connection with resources that have been received but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. Unearned revenue costs primarily of school registration fees, unexpended grant receipts and meal revenues collected for the programs and services in the next school year.

#### Compensated absences:

District employees accumulate a limited amount of earned but unused vacation benefits payable to employees that are generally liquidated within one year. Vacation pay is payable to employees upon retirement or termination. Sick leave does not vest. 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 primarily from the General Fund. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2022. The full balance is due within a year.

#### Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



## **Nevada Community School District**

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

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#### **Note 1. Significant Accounting Policies (Continued)**

##### **Total OPEB liability:**

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

##### **Leases:**

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities of the government-wide financial statements.

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

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

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

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

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

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

##### **Deferred outflows/inflows of resources:**

In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has pension and other post-employment benefit related deferred outflows that qualify for reporting in this category.

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 1. Significant Accounting Policies (Continued)

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue in the governmental funds balance sheet from the statewide sales and services tax, property tax, and income surtax. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which levied. The District also reports pension and other post-employment benefit related deferred inflows in the government-wide statements and the proprietary fund statements.

#### Fund balances:

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

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

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The authority to assign fund balances has been delegated to the Business Manager by the Board of Education. The District has assigned balances received from donations and parent organizations that are not specifically restricted. Unlike commitments, assignments only exist temporarily. An additional action does not normally have to be taken for the removal of an assignment.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

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

## **Nevada Community School District**

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

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#### **Note 1. Significant Accounting Policies (Continued)**

##### **Net Position:**

In the government-wide statement of net position and the proprietary funds, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2022, the District had \$685,918 of unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted through enabling legislation consists of \$730,136 for categorical funding, \$798,875 for debt service, \$1,266,004 for school infrastructure, \$35,518 for management levy, \$196,585 for physical plant and equipment levy, \$36,266 for student support and \$270,343 for student activities.

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

##### **Interfund transactions:**

Transactions among District funds would be treated as revenues and expenditures or expenses if they involved organizations external to the District and are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expected, are separately reported in the respective fund's operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding are reported in the government-wide financial statements as "internal balances".

##### **Estimates:**

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

## **Nevada Community School District**

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

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#### **Note 2. Budgets and Budgetary Accounting**

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 except for the internal service fund and fiduciary funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund. These four functional areas are instruction, support services, noninstructional 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 District exceeded budgeted expenditures in the instruction and support services functions by \$400,821 and \$323,258, respectively.

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

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

#### **Note 3. Deposits and Pooled Investments**

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

As of June 30, 2022, the District had investments of \$47,125 in the Iowa Schools Joint Investment Trust. The fund is valued at an amortized cost pursuant to Rule 21-7 under the Investment Company Act of 1940. There are no limitations or restrictions on withdrawals from these investments.

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 3. Deposits and Pooled Investments (Continued)

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

**Credit risk:** The investments in the Iowa School Joint Investment Trust is rated AAAM by Standard & Poor's Financial Services. The District's policy relating to credit risk of investments is to have the majority of the District's bank deposits with an AAA/Aaa rated national banking company (by Standard & Poors and Moody's Investors Services). The District does not have a separate policy from state statutes in regard to concentration risk.

**Custodial credit risk:** The risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2022, none of the District's investments were exposed to custodial credit risk and deposits in banks 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 not subject to foreign-currency risk.

**Restricted cash and pooled investments:** Restricted cash and investments is comprised of \$169,183 for debt reserve requirements.

#### Note 4. Interfund Activity

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

	Due From	Due To
Major funds:		
General Fund	\$ 85,033	\$ 20,013
Capital Projects Fund	19,248	-
School Nutrition Fund	85	41,276
Other nonmajor governmental funds	680	11,368
Other nonmajor enterprise fund	-	32,389
	<u>\$ 105,046</u>	<u>\$ 105,046</u>

Pooled cash balances are temporary financing between funds which is necessary due to the timing of expected revenues and the related expenses.

# Nevada Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 4. Interfund Activity (Continued)

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

	Transfers In	Transfers Out
Major funds:		
General Fund	\$ -	\$ 25,198
Capital Projects Fund	-	1,383,489
Debt Service Fund	1,383,489	-
School Nutrition Fund	198	-
Other nonmajor governmental funds	25,000	-
	<u>\$ 1,408,687</u>	<u>\$ 1,408,687</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Capital Projects Fund transferred statewide sales, services and use tax revenue to the Debt Service Fund for payment of principal and interest on the bonds. The General Fund transfer to the other nonmajor enterprise fund is for program support. The nonmajor governmental fund, Student Activity Fund, transfer is for a safety equipment purchase.

### Note 5. Capital Assets

A summary of changes capital assets is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 792,075	\$ 3,503	\$ -	\$ 795,578
Less accumulated depreciation	454,339	32,559	-	486,898
<b>Total capital assets being depreciated, net</b>	<u>337,736</u>	<u>(29,056)</u>	<u>-</u>	<u>308,680</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 337,736</u>	<u>\$ (29,056)</u>	<u>\$ -</u>	<u>\$ 308,680</u>

**Nevada Community School District**

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

**Note 5. Capital Assets (Continued)**

	Restated Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 231,244	\$ -	\$ -	\$ 231,244
Construction in progress	4,214,936	6,423,789	1,494,369	9,144,356
<b>Total capital assets not being depreciated</b>	<b>4,446,180</b>	<b>6,423,789</b>	<b>1,494,369</b>	<b>9,375,600</b>
Capital assets being depreciated:				
Buildings	42,380,853	1,406,861	-	43,787,714
Improvements other than buildings	6,251,289	-	-	6,251,289
Machinery and equipment	3,035,793	316,729	-	3,352,522
Right to use leased equipment	172,032	-	-	172,032
<b>Total capital assets being depreciated</b>	<b>51,839,967</b>	<b>1,723,590</b>	<b>-</b>	<b>53,563,557</b>
Less accumulated depreciation for:				
Buildings	11,567,776	849,987	-	12,417,763
Improvements other than buildings	1,900,290	294,920	-	2,195,210
Machinery and equipment	2,006,744	234,355	-	2,241,099
Right to use leased equipment	31,539	34,406	-	65,945
<b>Total accumulated depreciation</b>	<b>15,506,349</b>	<b>1,413,668</b>	<b>-</b>	<b>16,920,017</b>
<b>Total capital assets being depreciated, net</b>	<b>36,333,618</b>	<b>309,922</b>	<b>-</b>	<b>36,643,540</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 40,779,798</b>	<b>\$ 6,733,711</b>	<b>\$ 1,494,369</b>	<b>\$ 46,019,140</b>

Depreciation and amortization expense was charged by the District as follows:

Governmental activities:	
Instruction:	
Regular	\$ 597,391
Support services:	
Transportation	95,730
Unallocated depreciation	720,547
<b>Total depreciation and amortization expense, governmental activities</b>	<b>\$ 1,413,668</b>
Business-type activities, school nutrition	\$ 32,559

**Nevada Community School District**

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

**Note 6. General Long-Term Debt**

A summary of changes in general long-term debt for the year ended June 30, 2022:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 10,995,000	\$ -	\$ 1,345,000	\$ 9,650,000	\$ 1,155,000
Direct placement:					
Revenue bonds	10,856,000	-	1,880,000	8,976,000	1,026,000
Capital loan notes	758,000	-	120,000	638,000	125,000
Lease obligation	141,530	-	33,600	107,930	34,278
Early retirement	80,430	102,795	80,430	102,795	102,795
Compensated absences	73,485	80,414	73,485	80,414	80,414
Net pension liability	9,556,922	-	9,360,135	196,787	-
Total OPEB liability	1,419,868	314,613	-	1,734,481	-
<b>Total</b>	<b>\$ 33,881,235</b>	<b>\$ 497,822</b>	<b>\$ 12,892,650</b>	<b>\$ 21,486,407</b>	<b>\$ 2,523,487</b>
Business-type activities:					
Net pension liability	\$ 375,136	\$ -	\$ 371,758	\$ 3,378	\$ -
Total OPEB liability	9,218	3,950	-	13,168	-
<b>Total</b>	<b>\$ 384,354</b>	<b>\$ 3,950</b>	<b>\$ 371,758</b>	<b>\$ 16,546</b>	<b>\$ -</b>

Compensated absences, OPEB liabilities and pension liabilities are generally liquidated by the General Fund for governmental activities and the respective funds for business-type activities.

**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 Fund. Details of the District capital loan notes indebtedness as of June 30, 2022, are as follows:

Year ending June 30:	General Obligation Capital Loan Note-Direct Placement			
	Rate	Principal	Interest	Total
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
<b>Total</b>		<b>\$ 638,000</b>	<b>\$ 67,375</b>	<b>\$ 705,375</b>



# Nevada Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 6. General Long-Term Debt (Continued)

#### General Obligation Bonds:

On December 1, 2012, the District issued \$6,400,000 General Obligation Bonds for the high school remodel construction. On June 1, 2021, the District issued \$9,140,000 General Obligation Bonds 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, 2022, general obligation bond indebtedness is as follows:

Year ending June 30:	Rate	General Obligation Bonds, Series 2012			Rate	General Obligation Bonds, Series 2021		
		Principal	Interest	Total		Principal	Interest	Total
2023	2.00%	\$ 435,000	\$ 28,600	\$ 463,600	1.00%	\$ 720,000	\$ 83,450	\$ 803,450
2024	2.00%	440,000	19,900	459,900	1.00%	730,000	76,250	806,250
2025	2.00%	450,000	11,100	461,100	1.00%	735,000	68,950	803,950
2026	2.00%	105,000	2,100	107,100	1.00%	1,100,000	61,600	1,161,600
2027	2.00%	-	-	-	1.00%	1,215,000	50,600	1,265,600
2028-2030	2.00%	-	-	-	1.00%	3,720,000	78,350	3,798,350
<b>Total</b>		<b>\$ 1,430,000</b>	<b>\$ 61,700</b>	<b>\$ 1,491,700</b>		<b>\$ 8,220,000</b>	<b>\$ 419,200</b>	<b>\$ 8,639,200</b>

Year ending June 30:	Total General Obligation Bonds		
	Principal	Interest	Total
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	1,215,000	50,600	1,265,600
2028-2030	3,720,000	78,350	3,798,350
<b>Total</b>	<b>\$ 9,650,000</b>	<b>\$ 480,900</b>	<b>\$ 10,130,900</b>

#### Revenue Bonds:

- Series 2015: 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.
- Series 2016: On April 13, 2016, the District issued \$4,710,000 Statewide Sales, Services and Use Tax revenue bonds to pay the costs of athletic facility improvements and other capital improvement projects.
- Series 2021: On June 2, 2021, the District issued \$1,496,000 of Statewide Sales, Services and Use Tax revenue bonds 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.

The revenue bonds will be paid with the statewide sales, services and use tax collections in the Capital Projects Fund.

# Nevada Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 6. General Long-Term Debt (Continued)

Details of the District's June 30, 2022, revenue bonds indebtedness are as follows:

Year ending June 30:	Rate	Direct Placement Revenue Bonds, Series 2015			Rate	Direct Placement Revenue Bonds, Series 2016		
		Principal	Interest	Total		Principal	Interest	Total
2023	2.60%	\$ 575,000	\$ 123,630	\$ 698,630	2.67%	\$ 350,000	\$ 75,294	\$ 425,294
2024	2.60%	595,000	108,680	703,680	2.67%	360,000	65,949	425,949
2025	2.60%	605,000	93,210	698,210	2.67%	370,000	56,337	426,337
2026	2.60%	625,000	77,480	702,480	2.67%	380,000	46,458	426,458
2027	2.60%	635,000	61,230	696,230	2.67%	395,000	36,312	431,312
2028-2030	2.60%	1,720,000	79,430	1,799,430	2.67%	965,000	40,718	1,005,718
<b>Total</b>		<b>\$ 4,755,000</b>	<b>\$ 543,660</b>	<b>\$ 5,298,660</b>		<b>\$ 2,820,000</b>	<b>\$ 321,068</b>	<b>\$ 3,141,068</b>

Year ending June 30:	Rate	Direct Placement Revenue Bonds, Series 2021			Total		
		Principal	Interest	Total	Principal	Interest	Total
2023	1.15%	\$ 101,000	\$ 23,096	\$ 124,096	\$ 1,026,000	\$ 222,020	\$ 1,248,020
2024	1.25%	97,000	21,934	118,934	1,052,000	196,563	1,248,563
2025	1.35%	103,000	20,722	123,722	1,078,000	170,269	1,248,269
2026	1.45%	100,000	19,331	119,331	1,105,000	143,269	1,248,269
2027	1.55%	103,000	17,881	120,881	1,133,000	115,423	1,248,423
2028-2030	1.65-1.85%	897,000	43,633	940,633	3,582,000	163,781	3,745,781
<b>Total</b>		<b>\$ 1,401,000</b>	<b>\$ 146,597</b>	<b>\$ 1,547,597</b>	<b>\$ 8,976,000</b>	<b>\$ 1,011,325</b>	<b>\$ 9,987,325</b>

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 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 on the bonds is \$9,987,325. During the year ended June 30, 2022, principal of \$1,880,000 and interest of \$371,627 was paid on the bonds. Statewide sales, services and use tax revenues were \$1,773,744.

The resolution providing for the issuance of the revenue bonds included the following provisions:

- All proceeds from the statewide sales, services and use tax shall be deposited into the revenue account.
- Monies in the revenue account shall first be disbursed to make equal monthly installments into the sinking account to pay principal and interest requirements of the revenue bonds for the fiscal year.
- Monies in the revenue account shall next be disbursed to maintain a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The reserve fund requirement is the lesser of a) the maximum principal and interest coming due; b) 10 percent of the stated principal; or c) 125 percent of the average principal and interest coming due. As of June 30, 2022, the District had \$169,183 in the reserve account.

# Nevada Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 6. General Long-Term Debt (Continued)

#### Lease Obligation:

On August 1, 2020, the District entered into a lease agreement for copier equipment. The lease requires monthly payments of \$3,010 and has an interest rate of 2.0 percent. The lease expires on July 1, 2025. The details of the lease are as follows:

Year ending June 30:	Equipment Lease		
	Principal	Interest	Total
2023	\$ 34,278	\$ 1,846	\$ 36,124
2024	34,970	1,154	36,124
2025	35,676	448	36,124
2026	3,006	4	3,010
<b>Total</b>	<b>\$ 107,930</b>	<b>\$ 3,452</b>	<b>\$ 111,382</b>

As of June 30, 2022 debt issued by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	\$ 869,270,758
Debt limit, 5% of total assessed valuation	\$ 43,463,538
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 9,650,000
Capital loan notes	638,000
Lease obligation	107,930
Debt applicable to limit	10,395,930
<b>Excess of debt limit over debt     outstanding, legal debt margin</b>	<b>\$ 33,067,608</b>

#### Early Retirement:

The District offers a voluntary early retirement plan to its certified and classified 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.

On June 30, 2022, the District had obligations to 4 participants with a total liability of \$102,795. Early retirement benefits are paid from the Special Revenue, Management Levy Fund and during the year ending June 30, 2022 totaled \$80,430. The long-term portion of early retirement is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

# Nevada Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 7. Postemployment Benefits Other Than Pensions (OPEB)

#### General Information about the OPEB Plan

Plan description: The District's defined benefit OPEB plan, the Nevada Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13.

In order to be eligible for the Plan, employees must have obtained the age of 55 at retirement with a minimum of fifteen full years of continuous employment in the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees and their dependents. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The full monthly premium rates as of July 1, 2021, for each plan are as shown below:

Rate Tier	Alliance Select \$1,500	Alliance Select \$3,000	Blue Access \$2,500
Single	\$ 974	\$ 866	\$ 715
Single / Spouse	2,008	1,782	1,484

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

Inactive employees or beneficiaries currently receiving benefit payments	8
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	197
	<u>205</u>

Total OPEB Liability: The District's total OPEB liability of \$1,747,649 was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021, for a reporting date of June 30, 2022.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00% per annum
Salary increases	4.00% per annum
Discount rate	2.14% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	5.00% all years

# Nevada Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period 2010–2020.

#### Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2021	\$ 1,429,086	\$ -	\$ 1,429,086
Changes for the year:			
Service cost	115,173	-	115,173
Interest	37,625	-	37,625
Changes of benefit terms	-	-	-
Differences between expected and actual experience	103,779	-	103,779
Changes in assumptions or other inputs	158,283	-	158,283
Benefit payments	(96,297)	-	(96,297)
Net changes	318,563	-	318,563
Balance at June 30, 2022	\$ 1,747,649	\$ -	\$ 1,747,649

Changes of assumptions or other inputs reflect a change in the discount rate from 3.50% per annum in 2021 to 2.14% per annum in 2022.

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

	1% Decrease 1.14%	Discount Rate 2.14%	1% Increase 3.14%
Total OPEB liability	\$ 1,886,427	\$ 1,747,649	\$ 1,619,649

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

	Healthcare Cost Trend Rates		
	1% Decrease 4.00%	5.00%	1% Increase 6.00%
Total OPEB liability	\$ 1,562,281	\$ 1,747,649	\$ 1,967,362

# Nevada Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period 2010–2020.

#### Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2021	\$ 1,429,086	\$ -	\$ 1,429,086
Changes for the year:			
Service cost	115,173	-	115,173
Interest	37,625	-	37,625
Changes of benefit terms	-	-	-
Differences between expected and actual experience	103,779	-	103,779
Changes in assumptions or other inputs	158,283	-	158,283
Benefit payments	(96,297)	-	(96,297)
Net changes	318,563	-	318,563
Balance at June 30, 2022	\$ 1,747,649	\$ -	\$ 1,747,649

Changes of assumptions or other inputs reflect a change in the discount rate from 3.50% per annum in 2021 to 2.14% per annum in 2022.

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

	1% Decrease 1.14%	Discount Rate 2.14%	1% Increase 3.14%
Total OPEB liability	\$ 1,886,427	\$ 1,747,649	\$ 1,619,649

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

	Healthcare Cost Trend Rates		
	1% Decrease 4.00%	5.00%	1% Increase 6.00%
Total OPEB liability	\$ 1,562,281	\$ 1,747,649	\$ 1,967,362

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 8. Risk Management (Continued)

Payments are made to the plan based on amounts needed to pay prior and current year claims. Changes in claim liability amounts for the year ended June 30, 2022 were as follows:

	2022
Claims payable, beginning of year	\$ -
Incurred claims	97,104
Claim payments	87,404
Claim payable, end of year	<u>\$ 9,700</u>

#### Note 9. Pension and Retirement Benefits

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9118 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 exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

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

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

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 9. Pension and Retirement Benefits (Continued)

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

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

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

The District's contributions to IPERS for the year ended June 30, 2022 were \$1,157,982.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the District reported a liability of \$200,165 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2021, the District's proportion was -0.0579807 percent, which was a decrease of 0.199368 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense (income) of (\$812,247). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 152,297	\$ 152,916
Changes of assumptions	130,925	-
Net difference between projected and actual earnings on pension plan investments	-	7,252,291
Changes in proportion and differences between District contributions and proportionate share of contributions	19,265	354,422
District contributions subsequent to the measurement date	1,157,982	-
<b>Total</b>	<b>\$ 1,460,469</b>	<b>\$ 7,759,629</b>



# Nevada Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 9. Pension and Retirement Benefits (Continued)

Deferred outflows of resources of \$1,157,982 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2023	\$ (1,882,714)
2024	(1,888,431)
2025	(1,718,915)
2026	(1,981,753)
2027	14,671
<b>Total</b>	<b>\$ (7,457,142)</b>

There were no non-employer contributing entities to IPERS.

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of 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.

# Nevada Community School District

## Notes to Financial Statements Year Ended June 30, 2022

### Note 9. Pension and Retirement Benefits (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5%	6.01%
Global smart beta equity	6.0%	5.10%
Core plus fixed income	26.0%	0.29%
Public credit	4.0%	2.08%
Cash	1.0%	-0.25%
Private equity	13.0%	9.51%
Private real assets	7.5%	4.63%
Private credit	3.0%	2.87%
<b>Total</b>	<b>100%</b>	

**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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 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.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability (asset)	\$ 7,084,485	\$ 200,165	\$ (5,569,333)

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

**Payables to the Pension Plan** – At June 30, 2022, the District reported payables to the defined benefit pension plan of \$114,592 for legally required employer contributions and \$76,354 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$666,339 for the year ended June 30, 2022 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

#### Note 11. Deficit Fund Balance/Net Position

At June 30, 2022, the nonmajor enterprise fund, Childcare Fund, had a deficit net position of \$128,832.

#### Note 12. Categorical Funding

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

Program	Amount
Gifted and talented	\$ 120,264
Drop out prevention	168,943
Professional development	88,855
Successful progression for early readers	158,912
Home school assistance program	94,233
Other	98,929
<b>Total restricted for categorical funding</b>	<b>\$ 730,136</b>

#### Note 13. Commitments and Contingencies

The District has entered contract commitments with contractors for the completion of construction projects. Total contract commitments are \$9,264,192 of which \$8,942,344 has been incurred as of June 30, 2022. The unpaid commitment balance is \$321,848 and will be paid as work on the construction projects progresses.

#### Note 14. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2022 under tax abatement agreements of other entities.

Entity	Tax Abatement Program	Amount of Tax Abated
City of Nevada, Iowa	Urban renewal and economic development projects	\$ 146,810

## **Nevada Community School District**

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

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#### **Note 14. Tax Abatements (Continued)**

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2022, this reimbursement amounted to \$74,101.

#### **Note 15. New Governmental Accounting Standards Board (GASB) Statements**

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

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

The District restated governmental activities net position from \$21,605,435 to \$21,604,398 as a result of the new statement.

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

**GASB Statement No. 92, *Omnibus 2020*.** The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)

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

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

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

As of June 30, 2022, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements association with conduit debt obligations; and improving required note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 15. New Governmental Accounting Standards Board (GASB) Statements (Continued)

As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

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

GASB Statement No. 99, *Omnibus 2022*, issued April 2022, will be effective for the District beginning with its fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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

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

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

## Nevada Community School District

### Notes to Financial Statements Year Ended June 30, 2022

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#### Note 16. Restatement

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

	Governmental Activities
Net position June 30, 2021 as previously reported	\$ 21,605,435
Right to use leased asset	172,032
Right to use leased asset accumulated amortization	(31,539)
Lease obligation	(141,530)
Net position June 30, 2021 as restated	<u>\$ 21,604,398</u>

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## **Required Supplementary Information**

**Nevada Community School District**

**Required Supplementary Information**

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in  
Balances - Actual to Budget - All Governmental Funds and Enterprise Funds  
Year Ended June 30, 2022**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 10,917,374	\$ 323,057
State sources	12,360,185	5,758
Federal sources	1,323,783	1,003,550
<b>Total revenues</b>	<b>24,601,342</b>	<b>1,332,365</b>
Expenditures/expenses:		
Instruction	12,810,721	-
Support services	7,961,521	235,372
Noninstructional programs	3,503	800,310
Other expenditures	10,249,835	-
<b>Total expenditures/expenses</b>	<b>31,025,580</b>	<b>1,035,682</b>
<b>Excess of revenues over (under) expenditures/expenses</b>	<b>(6,424,238)</b>	<b>296,683</b>
Other financing sources (uses):		
Proceeds from sale of capital assets	490	-
Interfund transfers in	1,408,489	198
Interfund transfers (out)	(1,408,687)	-
<b>Total other financing sources (uses)</b>	<b>292</b>	<b>198</b>
<b>Net change in fund balance/net position</b>	<b>(6,423,946)</b>	<b>296,881</b>
Fund balance/net position, beginning of year	12,854,868	(12,078)
Fund balance/net position, end of year	<b>\$ 6,430,922</b>	<b>\$ 284,803</b>

See Notes to Required Supplementary Information.

Total Actual		Budgeted Amounts		Final to Actual
		Original	Final	Variance
\$	11,240,431	\$ 10,907,735	\$ 10,907,735	\$ 332,696
	12,365,943	12,230,212	12,230,212	135,731
	2,327,333	947,300	947,300	1,380,033
	25,933,707	24,085,247	24,085,247	1,848,460
	12,810,721	12,409,900	12,409,900	(400,821)
	8,196,893	7,573,635	7,873,635	(323,258)
	803,813	800,000	1,000,000	196,187
	10,249,835	10,166,658	10,466,658	216,823
	32,061,262	30,950,193	31,750,193	(311,069)
	(6,127,555)	(6,864,946)	(7,664,946)	1,537,391
	490	-	-	490
	1,408,687	1,317,891	1,317,891	90,796
	(1,408,687)	(1,317,891)	(1,317,891)	(90,796)
	490	-	-	490
	(6,127,065)	\$ (6,864,946)	\$ (7,664,946)	\$ 1,537,881
	12,842,790			
\$	6,715,725			

**Nevada Community School District**

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

	2022	2021
Total OPEB liability		
Changes for the year:		
Service cost	\$ 115,173	\$ 75,378
Interest	37,625	49,783
Changes of benefit terms	-	-
Differences between expected and actual experience	103,779	-
Changes in assumptions or other inputs	158,283	-
Benefit payments	(96,297)	(86,141)
Net changes in total OPEB liability	318,563	39,020
Total OPEB liability - beginning	1,429,086	1,390,066
Total OPEB liability - ending	<u>\$ 1,747,649</u>	<u>\$ 1,429,086</u>
Covered employee payroll	\$ 10,627,443	\$ 10,967,549
Total OPEB liability as a percentage of covered employee payroll	16.44%	13.03%

**Notes to Schedule:**

Changes of benefit terms:

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

Changes of assumption:

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

2.14%	3.50%
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No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

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

			2020	2019	2018
\$	72,479	\$	91,301	\$	87,790
	48,225		59,714		57,733
	-		-		-
	143,963		-		38,581
	(477,549)		-		186,185
	(71,994)		(105,507)		(81,871)
	(284,876)		45,508		288,418
	1,674,942		1,629,434		1,341,016
\$	1,390,066	\$	1,674,942	\$	1,629,434
\$	10,545,720	\$	10,781,747	\$	10,367,064
	13.18%		15.53%		15.72%
	3.50%		3.58%		3.58%

**Nevada Community School District**

**Required Supplementary Information**

**Schedule of the District's Proportionate Share of the Net Pension Liability**

**(In Thousands)**

**Iowa Public Employees' Retirement System**

**Last Eight Fiscal Years**

	2022*	2021*	2020*
District's proportion of the net pension liability	-0.057981%	0.141387%	0.147481%
District's proportionate share of the net pension liability	\$ 200	\$ 9,932	\$ 8,540
District's covered payroll	\$ 11,658	\$ 11,221	\$ 11,224
District's proportionate share of the net pension liability as a percentage of its covered payroll	1.72%	88.51%	76.09%
Plan fiduciary net pension as a percentage of the total pension liability	100.81%	82.90%	85.45%

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

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

See Notes to Required Supplementary Information.

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	2019*		2018*		2017*		2016*		2015*
	0.153857%		0.152699%		0.153653%		0.153905%		0.151095%
\$	9,736	\$	10,172	\$	9,670	\$	7,604	\$	5,992
\$	11,541	\$	11,404	\$	11,027	\$	10,553	\$	9,880
	84.36%		89.20%		87.69%		72.06%		60.65%
	83.62%		82.21%		85.19%		85.19%		87.61%

**Nevada Community School District**

**Required Supplementary Information**

**Schedule of District Contributions (In Thousands)**

**Iowa Public Employees' Retirement System**

**Last Ten Fiscal Years**

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	2022	2021	2020	2019
Statutorily required contribution	\$ 1,158	\$ 1,100	\$ 1,059	\$ 1,060
Contributions in relation to the statutorily required contribution	\$ (1,158)	\$ (1,100)	\$ (1,059)	\$ (1,060)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 12,267	\$ 11,658	\$ 11,221	\$ 11,224
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

See Notes to Required Supplementary Information.



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2018		2017		2016		2015		2014		2013	
\$	1,031	\$	1,018	\$	985	\$	942	\$	882	\$	818
\$	(1,031)	\$	(1,018)	\$	(985)	\$	(942)	\$	(882)	\$	(818)
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	11,541	\$	11,404	\$	11,027	\$	10,553	\$	9,880	\$	9,433
	8.93%		8.93%		8.93%		8.93%		8.93%		8.67%

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## **Nevada Community School District**

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

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#### **Note 1. Budgets and Budgetary Accounting**

This budgetary comparison is presented as required supplementary information in accordance with Government Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major special revenue fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except the internal service fund and fiduciary 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 functional areas, not by fund or fund type. These four functional areas are instruction, support services, noninstructional programs and other expenditures. 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 Code of Iowa also provides the District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

The District had one budget amendment on May 16, 2022, which increased total expenditures \$800,000 for the Education Stabilization Fund federal expenditures, additional food service costs, and capital project expenditures. The District exceeded budgeted expenditures in the instruction and support services functions by \$400,821 and \$323,258, respectively.

#### **Note 2. Iowa Public Employees' Retirement System Pension Liability**

##### Changes of benefit terms:

There are no significant changes in benefit terms.

##### Changes of assumptions:

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

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

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

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

**Nevada Community School District**

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

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**Note 2. Iowa Public Employees' Retirement System Pension Liability (Continued)**

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

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

## **Other Supplementary Information**

**Nevada Community School District**

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

	Special Revenue			
	Management Fund	Student Activity	Non-Fiduciary Student Support	Total
<b>Assets</b>				
Cash and pooled investments	\$ 35,124	\$ 299,213	\$ 36,266	\$ 370,603
Receivables:				
Property tax:				
Delinquent	394	-	-	394
Succeeding year	269,998	-	-	269,998
Accounts	-	490	-	490
Due from other governments	-	280	-	280
Due from other funds	-	680	-	680
<b>Total assets</b>	<b>\$ 305,516</b>	<b>\$ 300,663</b>	<b>\$ 36,266</b>	<b>\$ 642,445</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ 18,952	\$ -	\$ 18,952
Due to other funds	-	11,368	-	11,368
<b>Total liabilities</b>	<b>-</b>	<b>30,320</b>	<b>-</b>	<b>30,320</b>
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	269,998	-	-	269,998
<b>Fund balances</b>				
Restricted for:				
Management levy purposes	35,518	-	-	35,518
Student activities	-	270,343	-	270,343
Student support	-	-	36,266	36,266
<b>Total fund balances</b>	<b>35,518</b>	<b>270,343</b>	<b>36,266</b>	<b>342,127</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 305,516</b>	<b>\$ 300,663</b>	<b>\$ 36,266</b>	<b>\$ 642,445</b>

**Nevada Community School District**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2022**

	Special Revenue			
	Management Fund	Student Activity	Non-Fiduciary Student Support	Total
Revenues:				
Local sources:				
Property tax	\$ 98,436	\$ -	\$ -	\$ 98,436
Excise tax	1,939	-	-	1,939
Other	353	350,302	6,220	356,875
State appropriation	2,148	-	-	2,148
<b>Total revenues</b>	<b>102,876</b>	<b>350,302</b>	<b>6,220</b>	<b>459,398</b>
Expenditures:				
Current:				
Instruction:				
Special	81,321	-	-	81,321
Other	-	353,952	-	353,952
Support services:				
Administration	32,252	-	-	32,252
Operation and maintenance of plant	203,953	816	-	204,769
Transportation	36,174	-	-	36,174
<b>Total expenditures</b>	<b>353,700</b>	<b>354,768</b>	<b>-</b>	<b>708,468</b>
<b>Excess (deficiency) of revenues over (under) expenditures before transfers</b>	<b>(250,824)</b>	<b>(4,466)</b>	<b>6,220</b>	<b>(249,070)</b>
Transfers in	-	25,000	-	25,000
<b>Net change in fund balances</b>	<b>(250,824)</b>	<b>20,534</b>	<b>6,220</b>	<b>(224,070)</b>
Fund balances, beginning of year	286,342	249,809	30,046	566,197
Fund balances, end of year	\$ 35,518	\$ 270,343	\$ 36,266	\$ 342,127

Nevada Community School District

Schedule of Combining Balance Sheet  
Capital Projects Fund - By Account  
June 30, 2022

	Capital Projects Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
<b>Assets</b>				
Cash and pooled investments	\$ 875,830	\$ 340,502	\$ 685,918	\$ 1,902,250
Receivables:				
Property tax:				
Delinquent	-	2,023	-	2,023
Succeeding year	-	555,409	-	555,409
Due from other governments	371,595	-	-	371,595
Due from other funds	19,248	-	-	19,248
<b>Total assets</b>	<b>\$ 1,266,673</b>	<b>\$ 897,934</b>	<b>\$ 685,918</b>	<b>\$ 2,850,525</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities, accounts payable	\$ 669	\$ 145,940	\$ -	146,609
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	-	555,409	-	555,409
Statewide sales and services tax	247,246	-	-	247,246
<b>Total deferred inflows of resources</b>	<b>247,246</b>	<b>555,409</b>	<b>-</b>	<b>802,655</b>
Fund Balances:				
Restricted for:				
School infrastructure	1,018,758	-	685,918	1,704,676
Physical plant and equipment	-	196,585	-	196,585
<b>Total fund balances</b>	<b>1,018,758</b>	<b>196,585</b>	<b>685,918</b>	<b>1,901,261</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,266,673</b>	<b>\$ 897,934</b>	<b>\$ 685,918</b>	<b>\$ 2,850,525</b>



**Nevada Community School District**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Capital Projects Fund - By Account  
Year Ended June 30, 2022**

	Capital Projects Accounts			
	Statewide	Physical	Other	
	Sales, Services	Plant and	Construction	
	and Use Tax	Equipment	Projects	Total
		Levy		
Revenues:				
Local sources:				
Property tax	\$ -	\$ 538,732	\$ -	\$ 538,732
Excise tax	-	9,730	-	9,730
Other	-	-	130,828	130,828
State appropriations	1,773,744	10,781	-	1,784,525
<b>Total revenues</b>	<b>1,773,744</b>	<b>559,243</b>	<b>130,828</b>	<b>2,463,815</b>
Expenditures:				
Current:				
Instruction:				
Other expenditures:	-	6,885	-	6,885
Support services:				
Instructional staff	195,691	58,088	-	253,779
Operation and maintenance				
of plant	-	5,300	-	5,300
Transportation	-	119,541	-	119,541
Noninstructional	-	3,503	-	3,503
Other expenditures:				
Facilities acquisition	221,479	47,419	5,414,276	5,683,174
<b>Total expenditures</b>	<b>417,170</b>	<b>240,736</b>	<b>5,414,276</b>	<b>6,072,182</b>
<b>(Deficiency) of revenues</b>				
<b>(under) expenditures</b>	<b>1,356,574</b>	<b>318,507</b>	<b>(5,283,448)</b>	<b>(3,608,367)</b>
Other financing (uses),				
Transfers (out)	(1,234,738)	(148,751)	-	(1,383,489)
<b>Net change in</b>				
<b>fund balance</b>	<b>121,836</b>	<b>169,756</b>	<b>(5,283,448)</b>	<b>(4,991,856)</b>
Fund balance, beginning of year	896,922	26,829	5,969,366	6,893,117
Fund balance, end of year	\$ 1,018,758	\$ 196,585	\$ 685,918	\$ 1,901,261

**Nevada Community School District**

**Schedule of Revenues by Source and Expenditures by Function**

**All Governmental Funds - Modified Accrual Basis**

**Last Ten Years**

	Years Ended June 30:			
	2022	2021	2020	2019
Revenues:				
Local sources:				
Local tax	\$ 8,261,066	\$ 7,856,609	\$ 8,728,648	\$ 7,633,753
Tuition	1,522,827	1,054,771	1,092,593	1,165,678
Other	1,133,481	1,045,496	1,045,734	919,794
Intermediate sources	-	6,910	-	-
State sources	12,360,185	11,975,845	11,902,828	12,032,983
Federal sources	1,323,783	961,538	495,165	611,801
<b>Total revenues</b>	<b>\$ 24,601,342</b>	<b>\$ 22,901,169</b>	<b>\$ 23,264,968</b>	<b>\$ 22,364,009</b>
Expenditures:				
Instruction	\$ 12,810,721	\$ 12,005,861	\$ 11,825,456	\$ 12,018,262
Support services:				
Student services	1,230,806	767,044	1,045,279	886,446
Instructional staff services	1,715,854	1,762,320	1,522,520	1,537,038
Administration services	2,488,495	2,425,902	2,257,073	2,085,227
Operation and maintenance of plant services	1,785,399	1,691,576	1,657,998	1,618,376
Transportation services	740,967	630,180	561,116	503,261
Noninstructional programs	3,503	-	-	18,041
Other expenditures:				
Capital outlay	5,683,174	4,020,660	498,037	1,033,382
Debt service:				
Principal	3,378,600	5,277,996	561,004	1,390,000
Interest	521,722	617,484	322,943	490,893
AEA flowthrough	666,339	658,369	647,602	645,590
<b>Total expenditures</b>	<b>\$ 31,025,580</b>	<b>\$ 29,857,392</b>	<b>\$ 20,899,028</b>	<b>\$ 22,226,516</b>

Years Ended June 30:											
2018		2017		2016		2015		2014		2013	
\$	7,474,183	\$	7,140,462	\$	6,903,579	\$	6,405,154	\$	6,150,262	\$	7,411,008
	1,256,586		1,048,829		1,073,341		780,934		877,552		802,661
	1,177,819		938,838		947,654		904,258		856,125		1,328,460
	-		-		-		-		-		354
	12,298,964		12,075,172		11,901,230		11,239,925		10,411,671		8,666,541
	619,208		604,294		586,418		623,954		508,619		439,632
\$	22,826,760	\$	21,807,595	\$	21,412,222	\$	19,954,225	\$	18,804,229	\$	18,648,656
\$	11,938,561	\$	12,247,780	\$	12,097,185	\$	11,674,783	\$	10,356,121	\$	10,364,216
	926,739		894,537		1,068,493		1,022,009		980,105		889,923
	1,528,462		1,561,101		1,438,892		937,604		809,535		902,037
	2,187,694		2,062,161		1,822,260		1,695,007		1,449,247		1,288,736
	1,635,833		1,515,769		1,451,006		1,363,901		1,367,412		1,345,642
	595,065		537,826		577,414		499,511		671,788		688,525
	-		2,178		-		-		970		-
	1,140,877		2,588,753		4,064,860		664,763		3,260,324		3,362,682
	1,241,000		3,582,000		810,000		1,045,000		1,205,000		1,265,900
	485,660		675,033		1,770,067		681,025		721,163		799,180
	650,598		620,355		623,500		605,478		563,800		533,548
\$	22,330,489	\$	26,287,493	\$	25,723,677	\$	20,189,081	\$	21,385,465	\$	21,440,389

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## **Statistical Section**

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## Nevada Community School District

### Statistical Section Contents

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The statistical section of the District's annual comprehensive 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.

Contents	Page
<b>Financial Trends</b>	77-90
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	
<b>Revenue Capacity</b>	91-95
These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	
<b>Debt Capacity</b>	96-101
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	102
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments	
<b>Operating Information</b>	103-110
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.	

**Nevada Community School District**

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

	Fiscal Year			
	2013	2014	2015 *	2016
Governmental activities:				
Net investment in				
capital assets	\$ 15,986,691	\$ 16,280,078	\$ 16,986,240	\$ 18,539,454
Restricted	3,907,390	4,394,978	4,650,933	3,184,971
Unrestricted	1,861,420	1,821,446	(4,948,186)	(4,650,918)
Business-type activities				
Net investment in				
capital assets	72,840	498,340	504,806	481,567
Unrestricted	(13,817)	(6,596)	(339,948)	(445,604)
<b>Total primary</b>				
<b>government net position</b>	<u>\$ 21,814,524</u>	<u>\$ 22,988,246</u>	<u>\$ 16,853,845</u>	<u>\$ 17,109,470</u>

\* Implemented GASB Statement No. 68

Source: District financial records



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Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 19,556,639	\$ 20,517,038	\$ 21,066,357	\$ 20,685,068	\$ 24,272,204	\$ <b>27,333,128</b>
2,319,779	2,962,133	3,713,705	5,792,404	3,590,758	<b>3,333,727</b>
(4,300,514)	(5,430,943)	(5,776,641)	(5,874,831)	(6,257,527)	<b>(4,688,590)</b>
450,514	416,371	399,804	365,829	337,736	<b>308,680</b>
(532,880)	(628,545)	(620,737)	(396,569)	(349,814)	<b>(23,877)</b>
<b>\$ 17,493,538</b>	<b>\$ 17,836,054</b>	<b>\$ 18,782,488</b>	<b>\$ 20,571,901</b>	<b>\$ 21,593,357</b>	<b>\$ 26,263,068</b>

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**Nevada Community School District**

**Expenses, Program Revenues and Net (Expense) Revenue  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Governmental activities:				
Instruction	\$ 10,344,934	\$ 10,348,540	\$ 11,291,330	\$ 11,607,305
Student services	894,291	982,690	989,300	1,054,442
Instructional staff services	916,823	855,627	927,240	1,431,634
Administration services	1,331,779	1,471,692	1,654,129	1,869,827
Operation and maintenance of plant services	1,495,870	1,741,410	1,569,297	1,648,647
Transportation services	650,381	607,470	529,605	515,648
Noninstructional programs	-	435,656	-	-
Interest on long-term debt	795,901	706,685	670,085	1,696,651
AEA flowthrough	533,548	563,800	605,478	623,500
Depreciation (unallocated)	352,429	460,378	475,455	490,444
<b>Total governmental activities</b>	<b>17,315,956</b>	<b>18,173,948</b>	<b>18,711,919</b>	<b>20,938,098</b>
Business-type activities:				
Student support	-	-	-	-
Administration services	-	-	-	-
Operation and maintenance of plant	6,116	4,244	4,949	4,653
Food service operations	772,810	768,146	948,243	946,413
<b>Total business-type activities</b>	<b>778,926</b>	<b>772,390</b>	<b>953,192</b>	<b>951,066</b>
<b>Total primary government expenses</b>	<b>18,094,882</b>	<b>18,946,338</b>	<b>19,665,111</b>	<b>21,889,164</b>
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction:	1,409,639	1,513,912	1,640,322	1,776,673
Support services	103,627	73,263	87,703	142,045
Noninstructional programs	-	-	-	-
Operating grants and contributions	2,342,535	2,661,300	2,531,339	3,019,796
Capital grants and contributions	476,612	-	-	84,915
<b>Total governmental activities</b>	<b>4,332,413</b>	<b>4,248,475</b>	<b>4,259,364</b>	<b>5,023,429</b>
Business-type activities:				
Support services:				
Charges for services	-	-	-	-
Operating grants and contributions	-	-	-	-
Food service operations:				
Charges for services	353,840	393,612	393,815	448,928
Operating grants and contributions	340,062	376,625	390,645	373,138
Capital grants and contributions	15,407	434,686	38,603	-
<b>Total business-type activities</b>	<b>709,309</b>	<b>1,204,923</b>	<b>823,063</b>	<b>822,066</b>
<b>Total primary government revenues</b>	<b>5,041,722</b>	<b>5,453,398</b>	<b>5,082,427</b>	<b>5,845,495</b>
Net (expense) revenues:				
Total governmental activities	(12,983,543)	(13,925,473)	(14,452,555)	(15,914,669)
Total business-type activities	(69,617)	432,433	(130,429)	(129,000)
<b>Total primary government revenues</b>	<b>\$ (13,053,160)</b>	<b>\$ (13,493,040)</b>	<b>\$ (14,582,984)</b>	<b>\$ (16,043,669)</b>

Source: District financial records

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 12,189,329	\$ 12,346,197	\$ 12,242,644	\$ 12,003,043	\$ 12,253,200	\$ 12,147,780
908,293	955,818	906,583	1,082,762	772,457	1,137,797
1,569,432	1,567,400	1,560,158	1,552,758	1,774,648	1,575,669
2,104,474	2,317,454	2,143,756	2,326,797	2,488,850	2,255,439
1,975,352	1,851,351	1,776,565	1,979,133	1,852,248	747,373
554,198	553,672	557,706	571,832	573,309	793,379
2,178	-	18,041	-	-	3,503
534,828	484,690	491,813	455,160	594,901	394,997
620,355	650,598	645,590	647,602	658,369	666,339
966,610	1,088,384	1,103,648	1,108,719	1,121,232	720,547
21,425,049	21,815,564	21,446,504	21,727,806	22,089,214	20,442,823
-	-	-	-	289,289	194,537
-	-	-	-	3,206	40,709
3,901	-	-	-	8,178	126
953,825	942,265	859,480	755,298	849,720	800,310
957,726	942,265	859,480	755,298	1,150,393	1,035,682
22,382,775	22,757,829	22,305,984	22,483,104	23,239,607	21,478,505
1,829,041	1,834,325	1,698,137	1,738,607	1,640,281	1,522,827
234,466	490,574	352,198	189,825	319,830	1,087,291
-	-	-	-	-	6,248
3,003,524	2,985,975	3,031,753	3,089,352	3,467,460	3,931,987
-	-	-	-	-	-
5,067,031	5,310,874	5,082,088	5,017,784	5,427,571	6,548,353
-	-	-	-	107,430	230,487
-	-	-	-	22,290	6,297
439,044	473,913	469,959	357,459	130,084	88,349
398,835	380,254	388,272	552,667	938,129	1,003,011
1,284	-	17,811	-	5,471	3,503
839,163	854,167	876,042	910,126	1,203,404	1,331,647
5,906,194	6,165,041	5,958,130	5,927,910	6,630,975	7,880,000
(16,358,018)	(16,504,690)	(16,364,416)	(16,710,022)	(16,661,643)	(13,894,470)
(118,563)	(88,098)	16,562	154,828	53,011	295,965
\$ (16,476,581)	\$ (16,592,788)	\$ (16,347,854)	\$ (16,555,194)	\$ (16,608,632)	\$ (13,598,505)

**Nevada Community School District**

**General Revenues and Total Change in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property tax levied for:				
General purposes	\$ 4,163,355	\$ 4,519,309	\$ 4,830,959	\$ 5,358,339
Other	804,333	798,646	810,088	821,603
Capital outlay	372,276	389,827	411,725	457,891
Income surtax	380,484	451,403	494,014	439,358
Sales tax	1,683,338	1,298,640	1,466,392	1,500,122
Unrestricted grants and contributions	6,803,318	7,139,410	7,666,125	7,653,422
Revenue in lieu of taxes	-	-	-	-
Miscellaneous	152,973	28,427	139,383	36,242
Investment earnings	58,759	40,812	25,359	32,212
Transfers	-	-	-	-
<b>Total governmental activities</b>	<b>14,418,836</b>	<b>14,666,474</b>	<b>15,844,045</b>	<b>16,299,189</b>
Business-type activities:				
Miscellaneous	-	-	-	-
Investment earnings	288	188	117	105
Transfers	-	-	-	-
<b>Total business-type activities</b>	<b>288</b>	<b>188</b>	<b>117</b>	<b>105</b>
<b>Total primary government</b>	<b>14,419,124</b>	<b>14,666,662</b>	<b>15,844,162</b>	<b>16,299,294</b>
Change in net position:				
Total governmental activities	1,435,293	741,001	1,391,490	384,520
Total business-type activities	(69,329)	432,721	(130,312)	(128,895)
<b>Total primary government</b>	<b>\$ 1,365,964</b>	<b>\$ 1,173,722</b>	<b>\$ 1,261,178</b>	<b>\$ 255,625</b>

\* Changes in property tax revenues are a product of underlying changes in property values and tax rates.

Source: District financial records

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 5,756,691	\$ 5,257,729	\$ 5,418,153	\$ 6,493,137	\$ 5,543,227	\$ 5,614,292
567,902	1,344,462	1,388,120	1,425,365	1,444,033	1,552,797
482,795	498,264	516,017	527,275	535,001	538,732
446,752	461,541	481,681	514,688	504,013	523,055
1,472,870	1,441,575	1,532,470	1,536,278	1,486,199	2,020,990
7,916,067	8,183,587	7,777,835	7,532,375	7,723,885	7,823,003
-	-	-	-	-	155,234
174,610	258,735	29,991	54,087	244,823	490
42,728	83,154	149,033	199,491	117,398	39,942
-	25,943	26,309	26,618	34,933	(198)
16,860,415	17,554,990	17,319,609	18,309,314	17,633,512	18,268,337
-	-	-	60,847	-	-
234	762	988	1,136	584	718
-	(25,943)	(26,309)	(26,618)	(34,933)	198
234	(25,181)	(25,321)	35,365	(34,349)	916
16,860,649	17,529,809	17,294,288	18,344,679	17,599,163	18,269,253
502,397	1,050,300	955,193	1,599,220	971,839	4,373,867
(118,329)	(113,279)	(8,759)	190,193	18,662	296,881
\$ 384,068	\$ 937,021	\$ 946,434	\$ 1,789,413	\$ 990,501	\$ 4,670,748

**Nevada Community School District**

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

	Fiscal Year			
	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ -	\$ 5,817	\$ 97,878	\$ 7,609
Restricted	255,106	532,818	379,972	381,457
Committed	26,962	26,962	26,962	26,962
Assigned	171,040	181,780	174,038	186,303
Unassigned	1,564,549	1,612,155	1,354,933	1,528,024
<b>Total General Fund</b>	<b>2,017,657</b>	<b>2,359,532</b>	<b>2,033,783</b>	<b>2,130,355</b>
All other governmental funds:				
Restricted:				
Debt service	2,019,211	1,825,093	1,786,730	1,207,674
School infrastructure	5,074,048	2,543,453	2,451,628	3,224,808
Physical plant and equipment	298,086	319,207	380,166	401,464
Management levy purposes	-	-	13,566	164,884
Student activities	147,113	179,546	186,410	165,221
Student support	-	-	-	-
Unassigned	(2,024)	(49,851)	-	(43,478)
<b>Total all other governmental funds</b>	<b>7,536,434</b>	<b>4,817,448</b>	<b>4,818,500</b>	<b>5,120,573</b>
<b>Total governmental funds</b>	<b>\$ 9,554,091</b>	<b>\$ 7,176,980</b>	<b>\$ 6,852,283</b>	<b>\$ 7,250,928</b>

Source: District financial records

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
365,330	391,700	444,037	549,186	794,214	730,136
-	-	-	-	-	-
153,885	160,268	171,864	210,301	264,469	212,820
2,217,135	2,508,404	2,481,801	2,835,262	2,539,389	2,445,703
2,736,350	3,060,372	3,097,702	3,594,749	3,598,072	3,388,659
555,769	1,370,460	2,232,288	4,157,781	1,797,482	798,875
1,098,978	1,450,694	926,614	868,876	6,866,288	1,704,676
234,988	4,093	6,779	67,194	26,829	196,585
82,828	316,413	335,729	435,928	286,342	35,518
180,892	242,609	206,136	263,943	249,809	270,343
-	-	-	-	30,046	36,266
(87,839)	-	(195,505)	(374,114)	-	-
2,065,616	3,384,269	3,512,041	5,419,608	9,256,796	3,042,263
\$ 4,801,966	\$ 6,444,641	\$ 6,609,743	\$ 9,014,357	\$ 12,854,868	\$ 6,430,922

**Nevada Community School District**

**Governmental Funds Revenues**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Local sources:				
Local taxes	\$ 7,411,008	\$ 6,150,262	\$ 6,405,154	\$ 6,903,579
Tuition	802,661	877,552	780,934	1,073,341
Other revenues	1,328,460	956,125	904,258	947,654
<b>Total local sources</b>	<b>9,542,129</b>	<b>7,983,939</b>	<b>8,090,346</b>	<b>8,924,574</b>
Intermediate sources	354	-	-	-
State sources	8,666,541	10,411,671	11,239,925	11,901,230
Federal sources, federal grants	439,632	508,619	623,954	586,418
<b>Total revenues</b>	<b>\$ 18,648,656</b>	<b>\$ 18,904,229</b>	<b>\$ 19,954,225</b>	<b>\$ 21,412,222</b>

Source: District financial records



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Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 7,140,462	\$ 7,474,183	\$ 7,633,753	\$ 8,728,648	\$ 5,812,661	\$ 8,261,066
1,048,829	1,256,586	1,165,678	1,092,593	1,054,771	1,522,827
938,838	1,177,819	919,794	1,045,734	691,797	1,133,481
9,128,129	9,908,588	9,719,225	10,866,975	7,559,229	10,917,374
-	-	-	-	-	-
12,075,172	12,298,964	12,032,983	11,902,828	10,451,327	12,360,185
604,294	619,208	611,801	495,165	961,538	1,323,783
\$ 21,807,595	\$ 22,826,760	\$ 22,364,009	\$ 23,264,968	\$ 18,972,094	\$ 24,601,342

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**Nevada Community School District**

**Governmental Funds Expenditures and Debt Service Ratio**

**Last Ten Fiscal Years**

*(modified accrual basis of accounting)*

**(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Instruction	\$ 10,364,216	\$ 10,356,121	\$ 11,674,783	\$ 12,097,185
Student services	889,923	980,105	1,022,009	1,068,493
Instructional staff services	902,037	809,535	937,604	1,438,892
Administration services	1,288,736	1,449,247	1,695,007	1,822,260
Operation and maintenance of plant	1,345,642	1,367,412	1,363,901	1,451,006
Transportation services	688,525	671,788	499,511	577,414
Noninstructional programs	-	970	-	-
AEA flowthrough	533,548	563,800	605,478	623,500
Capital outlay	3,358,638	2,587,909	584,296	4,343,352
Debt service:				
Principal	1,265,900	1,205,000	1,045,000	810,000
Interest and fiscal charges	799,180	721,163	681,025	1,770,067
<b>Total expenditures</b>	<b>\$ 21,436,345</b>	<b>\$ 20,713,050</b>	<b>\$ 20,108,614</b>	<b>\$ 26,002,169</b>
Debt service as a percentage of noncapital expenditures	11.42%	10.63%	8.84%	11.91%

Source: District financial records

Fiscal Year						
2017	2018	2019	2020	2021	2022	
\$ 12,247,780	\$ 11,938,561	\$ 12,018,262	\$ 11,825,456	\$ 12,005,861	\$ <b>12,810,721</b>	
894,537	926,739	886,446	1,045,279	767,044	<b>1,230,806</b>	
1,561,101	1,528,462	1,537,038	1,522,520	1,762,320	<b>1,715,854</b>	
2,062,161	2,187,694	2,085,227	2,257,073	2,425,902	<b>2,488,495</b>	
1,515,769	1,635,833	1,618,376	1,657,998	1,691,576	<b>1,785,399</b>	
537,826	595,065	503,261	561,116	630,180	<b>740,967</b>	
2,178	-	18,041	-	-	<b>3,503</b>	
620,355	650,598	645,590	647,602	658,369	<b>666,339</b>	
2,410,291	1,090,021	955,671	498,037	4,020,660	<b>5,683,174</b>	
3,582,000	1,241,000	1,390,000	561,004	5,277,996	<b>3,378,600</b>	
675,033	485,660	490,893	322,943	617,484	<b>521,722</b>	
<b>\$ 26,109,031</b>	<b>\$ 22,279,633</b>	<b>\$ 22,148,805</b>	<b>\$ 20,899,028</b>	<b>\$ 29,857,392</b>	<b>\$ 31,025,580</b>	
17.96%	8.15%	8.88%	4.33%	22.82%	<b>16.00%</b>	

**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			
	2013	2014	2015	2016
Excess (deficiency) of revenues over (under) expenditures	\$ (2,787,689)	\$ (2,481,236)	\$ (234,856)	\$ (4,311,455)
Other financing sources (uses):				
Issuance of general obligation bonds	6,400,000	-	-	-
Issuance of revenue bonds	-	-	-	13,125,000
Issuance of capital loan notes	-	-	-	-
Payments to escrow agent	-	-	-	(8,415,000)
Issuance of anticipatory warrants	-	-	-	-
Redemption of anticipatory warrants	-	-	-	-
Premium on bonds	112,236	-	-	-
Sale of capital assets	40	4,125	10,159	100
Compensation fo loss of capital assets	-	-	-	-
Transfers in	1,152,080	947,055	868,002	1,108,270
Transfers out	(1,152,080)	(947,055)	(868,002)	(1,108,270)
<b>Total other financing         sources (uses)</b>	<b>6,512,276</b>	<b>4,125</b>	<b>10,159</b>	<b>4,710,100</b>
<b>Net change in fund balances</b>	<b>\$ 3,724,587</b>	<b>\$ (2,477,111)</b>	<b>\$ (224,697)</b>	<b>\$ 398,645</b>

Source: District financial records

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (4,479,898)	\$ 496,271	\$ 137,493	\$ 2,365,940	\$ (6,956,223)	\$ (6,424,238)
1,912,000	-	-	-	9,140,000	-
-	-	-	-	1,496,000	-
-	1,113,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	91,445	-
118,936	7,461	1,300	546	3,401	490
-	-	-	11,510	-	-
1,142,651	1,224,059	1,371,397	1,378,806	1,914,841	1,408,489
(1,142,651)	(1,224,059)	(1,371,397)	(1,378,806)	(1,879,908)	(1,408,687)
2,030,936	1,120,461	1,300	12,056	10,765,779	292
\$ (2,448,962)	\$ 1,616,732	\$ 138,793	\$ 2,377,996	\$ 3,809,556	\$ (6,423,946)

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**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 - Actual	Total Direct Rate (a)
	Residential Property	Commercial Property	Other Property			
2013	\$ 374,910,200	\$ 62,826,600	\$ 183,901,861	\$ 251,116,027	\$ 370,522,637	\$ 15.61527
2014	378,413,000	64,611,500	193,095,960	248,421,490	387,698,970	15.71000
2015	363,477,756	46,713,712	176,449,424	181,863,991	404,776,901	16.75171
2016	395,813,100	76,400,200	235,218,429	265,440,932	441,990,797	16.80944
2017	412,408,700	68,703,500	255,378,450	269,106,401	467,384,249	16.81007
2018	419,977,400	69,400,000	310,128,959	316,777,397	482,728,962	16.81507
2019	452,428,400	74,459,400	299,224,394	324,943,903	501,168,291	16.81478
2020	457,367,100	75,292,000	315,790,195	332,923,042	515,526,253	16.81278
2021	505,664,600	78,581,700	264,724,290	327,238,040	521,732,550	14.71656
<b>2022</b>	<b>508,751,000</b>	<b>78,210,800</b>	<b>282,944,194</b>	<b>323,306,805</b>	<b>546,599,189</b>	<b>14.91083</b>

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 second fiscal year following the tax assessment year.

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

**Nevada Community School District**

**Direct and Overlapping Property Tax Rates**

**Last Ten Fiscal Years**

*(rate per \$1,000 of assessed value)*

**(Unaudited)**

Fiscal Year	District Direct Rates					Overlapping Rates	
	General Purposes	Capital Purposes	Debt Service	Management	Total	City of Nevada	Story County
2013	\$ 12.24324	\$ 1.00000	\$ 2.16058	\$ 0.21145	\$ 15.61527	\$ 15.42934	\$ 5.52837
2014	11.97183	1.00000	2.04872	0.68945	15.71000	15.32974	5.50349
2015	12.75772	1.00000	1.96787	1.02612	16.75171	14.99653	5.38987
2016	12.96375	1.00000	1.79432	1.05140	16.80947	14.61800	5.68249
2017	14.14610	1.00000	1.17628	0.48769	16.81007	14.61800	5.09972
2018	11.80853	1.00000	2.69829	1.30825	16.81507	14.61800	5.08816
2019	12.20887	1.00000	2.69007	0.91584	16.81478	14.61800	5.06487
2020	12.08923	1.00000	2.69165	1.03190	16.81278	14.61800	5.12714
2021	10.81514	1.00000	2.69655	0.20487	14.71656	14.61800	5.02778
<b>2022</b>	<b>11.01200</b>	<b>1.00000</b>	<b>2.69960</b>	<b>0.19923</b>	<b>14.91083</b>	<b>14.61800</b>	<b>4.95627</b>

Source: Story County Auditor.

**Note:**

Assessed value equals estimated actual value.



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Overlapping Rates				
County Assessor	Ag Extension	Community College	County Med Center	State of Iowa
\$ 0.51701	\$ 0.08100	\$ 0.58466	\$ 0.57240	\$ 0.00330
0.52422	0.07196	0.69120	0.58000	0.00330
0.52405	0.08157	0.65724	0.58000	0.00330
0.52709	0.08447	0.67574	0.58000	0.00330
0.49755	0.08268	0.72334	0.63884	0.00330
0.47310	0.08331	0.67458	0.75000	0.00310
0.49808	0.08154	0.69468	0.85000	0.00290
0.47087	0.07784	0.65249	0.94500	0.00280
0.44753	0.07960	0.63533	0.90891	0.00270
<b>0.50620</b>	<b>0.07582</b>	<b>0.67789</b>	<b>0.87250</b>	<b>0.00260</b>

**Nevada Community School District**

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

Name of Taxpayer	2022			2013		
	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%	\$ 4,367,797	5	1.18%
Union Pacific Corporation	30,754,200	2	5.89%	13,525,965	1	3.65%
Burke Marketing Corporation	19,390,500	3	3.72%	5,370,400	4	1.45%
Lincolnway Energy LLC	11,769,100	4	2.26%	10,620,539	2	2.87%
Van Houweling Property LLC	7,869,500	5	1.51%	-	-	-
Flummerfelts Country Club Est	7,190,600	6	1.38%	-	-	-
Key Cooperative	6,689,100	7	1.28%	6,417,300	3	1.73%
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%	-	-	-
ITC Midwest LLC	-	-	-	2,515,631	6	0.68%
Flexi-Coil Inc-Ctr	-	-	-	2,455,900	7	0.66%
PR Investments LLC	-	-	-	2,142,700	8	0.58%
Evergreen Lane Inc	-	-	-	1,789,068	9	0.48%
General Financial Supply Inc	-	-	-	1,760,400	10	0.48%
	<u>\$ 136,806,845</u>		<u>26.22%</u>	<u>\$ 50,965,700</u>		<u>13.76%</u>

Source: Story County Auditor

**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
2013	\$ 5,311,216	\$ 5,339,964	100.54%	\$ 853	\$ 5,340,817	100.56%
2014	5,673,313	5,705,454	100.57%	757	5,706,211	100.58%
2015	5,942,559	5,936,524	99.90%	1,043	5,937,567	99.92%
2016	6,423,192	6,458,638	100.55%	2,004	6,460,642	100.58%
2017	6,548,883	6,512,724	99.45%	2,114	6,514,838	99.48%
2018	6,898,162	7,018,342	101.74%	770	7,019,112	101.75%
2019	7,125,552	7,162,151	100.51%	947	7,163,098	100.53%
2020	8,215,140	8,040,707	97.88%	12,143	8,052,850	98.02%
2021	7,323,050	7,182,602	98.08%	22,510	7,205,112	98.39%
2022	7,672,507	7,705,129	100.43%	323	7,705,451	100.43%

Source: Story County Treasurer and District records.

Note: N/A = not available.

**Nevada Community School District**

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

Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Loan Notes	Lease Obligation	Total Primary Government	Percentage of Personal Income*	Per Capita*
2013	\$ 8,885,000	\$ 10,465,000	\$ -	\$ -	\$ 19,350,000	0.48	\$ 209
2014	8,330,000	9,815,000	-	-	18,145,000	0.47	193
2015	7,755,000	9,345,000	-	-	17,100,000	0.48	178
2016	7,165,000	13,835,000	-	-	21,000,000	0.56	216
2017	6,785,000	12,545,000	-	-	19,330,000	0.52	198
2018	6,394,000	11,695,000	1,113,000	-	19,202,000	0.49	196
2019	5,994,000	10,820,000	998,000	-	17,812,000	0.43	182
2020	5,586,000	10,780,000	884,996	-	17,250,996	0.41	178
2021	10,995,000	10,856,000	758,000	141,530	22,750,530	0.49	227
<b>2022</b>	<b>9,650,000</b>	<b>8,976,000</b>	<b>638,000</b>	<b>107,930</b>	<b>19,371,930</b>	<b>N/A</b>	<b>N/A</b>

Source: District financial records

Notes: Details of the District's outstanding debt can be found in Note 6 in the notes to the financial statements.

\* See page 101 for personal income and population data. These rates are calculated using personal income and population for the prior calendar year.

N/A = not available.

**Nevada Community School District**

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

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Year of Collection	Population (a)	Assessed Property Value	Legal Debt Margin	Bonded Debt (b)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita*
2013-14	92,406	\$ 636,120,460	\$ 29,332,045	\$ 8,330,000	1.31	\$ 90.15
2014-15	94,073	586,640,892	35,371,586	7,755,000	1.32	82.44
2015-16	76,021	707,431,729	35,371,586	7,165,000	1.01	74.62
2016-17	97,090	736,490,650	39,278,530	6,785,000	0.92	69.88
2017-18	97,502	799,506,359	39,975,318	7,507,000	0.94	76.99
2018-19	98,105	826,112,194	41,305,610	6,992,000	0.85	71.27
2019-20	97,117	848,449,295	42,422,465	6,470,996	0.76	66.63
2020-21	99,472	848,970,590	42,448,530	11,753,000	1.38	118.15
<b>2021-22</b>	<b>99,673</b>	<b>869,905,994</b>	<b>43,463,538</b>	<b>10,395,930</b>	<b>1.20</b>	<b>104.30</b>

Source: School District financial records

Notes: Assessed Property Value total of Residential, Commercial and Other Property Values

(a) U.S. Census Web Site

(b) For 2017-2018 and 2018-2019, amounts externally restricted for repayment of principal are deducted from bonded debt.

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## Nevada Community School District

### Direct and Overlapping Governmental Activities Debt As of June 30, 2022 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Direct and Overlapping Debt
Story County	\$ 6,793,179	9.77%	\$ 664,010
City of Nevada	11,855,788	100.00%	11,855,788
City of Ames	133,803,000	0.02%	31,995
Area XI Community College	85,723,576	1.00%	858,479
<b>Subtotal, overlapping debt</b>			13,410,272
District direct debt			19,371,930
<b>Total direct and overlapping debt</b>			<b>\$ 32,782,202</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 statistical page 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 business 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.

\* 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. (Calculated by dividing the amount of the value applicable to the Nevada School District by the total value for that taxing authority; 2021 assessed values are used.)

**Nevada Community School District**

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

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	2013	2014	2015	2016
Debt limit	\$ 31,081,933	\$ 31,806,023	\$ 29,332,045	\$ 35,371,586
Total net debt applicable to limit	19,350,000	18,145,000	17,100,000	21,000,000
Legal debt margin	\$ 11,731,933	\$ 13,661,023	\$ 12,232,045	\$ 14,371,586
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	62.25%	57.05%	58.30%	59.37%

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 2022

Assessed value (a)	<b>\$ 869,270,758</b>
Debt limit (5% of assessed value) (b)	<b>\$ 43,463,538</b>
Debt applicable to limit	<b>10,395,930</b>
Legal debt margin	<b>\$ 33,067,608</b>

2017	2018	2019	2020	2021	2022
\$ 39,278,530	\$ 39,975,318	\$ 41,305,610	\$ 42,422,465	\$ 42,448,530	<b>\$ 43,463,538</b>
19,330,000	19,202,000	17,812,000	17,250,996	22,609,000	<b>10,395,930</b>
<b>\$ 19,948,530</b>	<b>\$ 20,773,318</b>	<b>\$ 23,493,610</b>	<b>\$ 25,171,469</b>	<b>\$ 19,839,530</b>	<b>\$ 33,067,608</b>
49.21%	48.03%	43.12%	40.66%	53.26%	<b>23.92%</b>

**Nevada Community School District**

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

Fiscal Year	Revenue Bonds*			
	Revenue	Debt Service		Coverage
		Principal	Interest	
2013	\$ 1,683,338	\$ 635,000	\$ 507,575	1.47
2014	1,298,640	650,000	481,875	1.15
2015	1,466,392	470,000	459,475	1.58
2016	1,500,122	430,000	441,475	1.72
2017	1,479,798	520,000	336,399	1.73
2018	1,448,364	35,000	188,251	6.49
2019	1,411,115	40,000	175,998	6.53
2020	1,536,278	40,000	163,282	7.56
2021	1,486,199	900,000	284,384	1.25
2022	1,773,744	1,880,000	371,627	0.79

Source: District financial records

Notes: Details regarding the District's outstanding debt can be found in Note 6 of the notes to the financial statements.

\* These bonds are backed by a one-cent statewide sales, service and use tax.

**Nevada Community School District**

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

Calendar Year	Population (a)	Personal Income (b) (Thousands of Dollars)	Per Capita Personal Income (a)	Unemployment Rate (c) *
2013	92,406	\$ 3,820,886	\$ 41,349	3.8 %
2014	94,073	3,573,861	37,990	3.7
2015	96,021	3,764,438	39,204	3.2
2016	97,090	3,734,930	38,469	2.6
2017	97,502	3,885,260	39,848	2.0
2018	98,105	4,109,112	41,885	2.3
2019	97,117	4,238,524	43,643	2.0
2020	98,537	4,570,838	45,951	3.7
2021	99,472	4,766,976	47,923	3.4
<b>2022</b>	<b>99,673</b>	<b>N/A</b>	<b>N/A</b>	<b>2.3</b>

Source:

(a) U.S. Census Bureau

(b) Bureau of Economic Analysis

(c) Iowa Workforce Development

Notes: N/A = not available.

\* Based on a ten-month period, January through October.

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**Nevada Community School District**

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Burke Corporation	550	1	37.67%	350	2	21.35%
Nevada Community School	250	2	17.12%	220	3	13.42%
ALMACO	170	3	11.64%	150	5	9.15%
Verbio	100	4	6.85%	-	-	0.00%
Mid-States Companies	85	5	5.82%	75	7	4.58%
Story County	80	6	5.48%	373	1	22.76%
General Financial Supply / Printgraphics	70	7	4.79%	170	6 / 9	10.37%
Syngenta	55	8	3.77%	-	-	0.00%
City of Nevada	50	9	3.42%	45	10	2.75%
Priority Envelope	50	10	3.42%	-	-	0.00%
Story County Medical Center	-	-	-	200	4	12.20%
Paragon International	-	-	-	56	8	3.42%
Total	<u>1,460</u>		<u>100.00%</u>	<u>1,639</u>		<u>100.00%</u>

\*Total Regional Employees

Source: Nevada Economic Development Council  
In 2013, General Financial Supply & Printgraphics were separate entities.

**Nevada Community School District**

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

	Full-Time Equivalent Employees as of June 30			
	2013	2014	2015	2016
Supervisory:				
Superintendent	1.0	1.0	1.0	1.0
Principals	3.0	3.0	3.0	3.0
Assistant principals	0.7	1.2	2.5	2.5
Other officials/administrators	7.0	6.3	6.5	7.5
<b>Total supervisory</b>	<b>11.7</b>	<b>11.5</b>	<b>13.0</b>	<b>14.0</b>
Instruction:				
Teachers	112.4	104.5	106.1	111.4
Teachers' Aides	43.5	46.0	50.5	46.5
<b>Total instruction</b>	<b>155.9</b>	<b>150.5</b>	<b>156.6</b>	<b>157.9</b>
Student services:				
Counselors	5.0	3.5	4.0	4.0
Nurses	2.0	2.0	2.0	2.0
Librarians	2.0	1.0	1.0	1.0
<b>Total student services</b>	<b>9.0</b>	<b>6.5</b>	<b>7.0</b>	<b>7.0</b>
Support and administration:				
Office/clerical personnel	9.0	9.0	9.0	10.0
Operative personnel	19.0	19.0	19.0	21.0
Service workers	34.0	17.0	15.0	19.0
Other	1.5	4.5	7.5	8.5
<b>Total support and administration</b>	<b>63.5</b>	<b>49.5</b>	<b>50.5</b>	<b>58.5</b>
<b>Total</b>	<b>240.1</b>	<b>218.0</b>	<b>227.1</b>	<b>237.4</b>

Source: District financial records

Full-Time Equivalent Employees as of June 30						Percentage Change 2013-2022
2017	2018	2019	2020	2021	2022	
1.0	1.0	1.0	1.0	1.0	<b>1.0</b>	- %
3.0	3.0	3.0	3.0	3.0	<b>3.0</b>	-
3.0	3.0	2.0	3.0	3.0	<b>3.0</b>	328.57
6.0	7.0	7.0	7.0	7.0	<b>7.0</b>	-
13.0	14.0	13.0	14.0	14.0	<b>14.0</b>	19.66
112.1	112.8	106.1	106.1	110.7	<b>112.1</b>	(0.27)
48.0	47.0	49.5	55.0	55.0	<b>52.0</b>	19.54
160.1	159.8	155.6	161.1	165.7	<b>164.1</b>	5.26
4.0	4.0	6.0	5.0	4.0	<b>4.0</b>	(20.00)
2.0	2.0	2.0	2.0	2.0	<b>2.0</b>	-
1.1	1.1	0.1	0.1	0.1	<b>0.1</b>	(95.00)
7.1	7.1	8.1	7.1	6.1	<b>6.1</b>	(32.22)
9.2	9.4	9.0	9.4	10.0	<b>10.0</b>	11.11
21.0	27.0	18.0	21.0	17.5	<b>17.5</b>	(7.89)
22.0	10.0	14.6	12.0	14.0	<b>12.0</b>	100.00
8.5	7.0	-	7.0	5.0	<b>9.0</b>	500.00
60.7	53.4	41.6	49.4	46.5	<b>48.5</b>	(23.62)
240.9	234.3	218.3	231.6	232.3	<b>232.7</b>	(3.08) %

**Nevada Community School District**

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

---

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change
2013	1,482	\$ 15,622,108	\$ 10,541	5.34
2014	1,533	15,928,251	10,390	(1.43)
2015	1,551	17,280,894	11,142	7.23
2016	1,537	18,393,390	11,967	7.41
2017	1,548	18,735,543	12,103	1.14
2018	1,491	18,955,204	12,713	5.04
2019	1,482	18,910,378	12,760	0.37
2020	1,504	19,094,336	12,696	(0.50)
2021	1,474	19,584,646	13,287	4.66
<b>2022</b>	<b>1,471</b>	<b>20,316,975</b>	<b>13,812</b>	0.04

Source: Nonfinancial information from District records. District financial records.

Notes: Operating expenditures are total expenditures in the General Fund less debt service and capital outlay.



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Governmental Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio
\$ 18,094,882	\$ 12,210	2.98	112.4	13.19
18,946,338	12,359	1.22	104.5	14.67
19,665,111	12,679	2.59	106.1	14.62
21,889,164	14,241	12.32	111.4	13.80
22,382,775	14,459	1.53	112.1	13.81
22,757,829	15,263	5.56	112.8	13.22
22,305,984	15,051	(1.39)	106.1	13.97
20,899,028	13,896	(7.68)	106.1	14.18
19,941,252	20,256	45.77	110.7	13.32
<b>21,442,084</b>	<b>14,577</b>	<b>(0.28)</b>	<b>112.1</b>	<b>13.12</b>

**Nevada Community School District**

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

School	Fiscal Year			
	2013	2014	2015	2016
Elementary:				
Central (2006)				
Square feet	103,000	103,000	103,000	103,000
Capacity	800	800	800	800
Enrollment	617	617	639	639
North Central (2006)				
Square feet	12,000	12,000	12,000	12,000
Capacity	200	200	200	200
Enrollment	15	15	15	15
Middle:				
Nevada Middle School (1991)				
Square feet	73,000	73,000	73,000	73,000
Capacity	600	600	600	600
Enrollment	450	450	462	462
High:				
Nevada High School (1962/2011/2013)				
Square feet	148,574	148,574	148,574	148,574
Capacity	870	870	870	870
Enrollment	421	421	447	447
Other District Facilities:				
Bus garage (1988)				

---

Fiscal Year					
2017	2018	2019	2020	2021	2022
103,000	103,000	103,000	103,000	103,000	<b>103,000</b>
800	800	800	800	800	<b>800</b>
615	594	594	594	554	<b>554</b>
12,000	12,000	12,000	12,000	12,000	<b>12,000</b>
200	200	200	200	200	<b>200</b>
15	15	15	15	15	<b>15</b>
73,000	73,000	73,000	73,000	73,000	<b>73,000</b>
600	600	600	600	600	<b>600</b>
479	452	452	452	454	<b>454</b>
148,574	148,574	148,574	148,574	148,574	<b>148,574</b>
870	870	870	870	870	<b>870</b>
454	460	460	460	479	<b>479</b>

**Nevada Community School District**

**Ratio of Annual Debt Service Principal and Interest for General Bonded Debt  
to Total General Expenditures  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Unassigned General Fund Balance	Actual Revenues	Financial Solvency Ratio*
2013	\$ 1,564,549	\$ 14,737,105	10.62%
2014	1,612,155	15,484,799	10.41%
2015	1,354,933	16,288,031	8.32%
2016	1,528,024	17,697,926	8.63%
2017	2,217,135	18,610,251	11.91%
2018	2,508,404	18,450,005	13.60%
2019	2,481,801	18,069,666	13.73%
2020	2,835,262	18,836,351	15.05%
2021	2,539,389	18,979,004	13.38%
<b>2022</b>	<b>2,445,703</b>	<b>20,168,394</b>	<b>12.13%</b>

Source: 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

## **Compliance Section**

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**Nevada Community School District**

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

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY22 4552	\$ -	\$ 157,441
National School Lunch Program	10.555	FY22 4553	-	743,575
Commodities -DOD (Noncash)	10.555	FY22	-	26,367
Commodities (Noncash)	10.555	FY22	-	53,313
			-	823,255
Summer Food Service Program for Children	10.559	FY22 4556	-	16,557
Total Child Nutrition Cluster Program			-	997,253
<b>Total U.S. Department of Agriculture</b>			-	997,253
<b>U.S. Department of Education</b>				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY22 4501	-	144,348
Supporting Effective Instruction State Grants	84.367	FY22 4643	-	37,127
Student Support and Academic				
Enrichment Program	84.424	FY22 4669	-	11,061
Education Stabilization Fund:				
COVID-19 Discretionary Grants: Rethink K-12				
Education Models Grants	84.425B	FY22 4053	-	11,140
COVID-19 Governor's Emergency Education				
Relief (GEER II) Fund	84.425C	FY22 4054	-	21,238
COVID-19 Elementary and Secondary School				
Emergency Relief Fund (ESSER II)	84.425D	FY22 4048	-	95,809
COVID-19 Elementary and Secondary School				
Emergency Relief Fund (ESSER II)	84.425D	FY22 4055	-	274,225
			-	370,034
COVID-19 ARP-Elementary and Secondary School				
Emergency Relief Fund (ARP-ESSER)	84.425U	FY22 4048	-	22,607
COVID-19 ARP-Elementary and Secondary School				
Emergency Relief Fund (ARP-ESSER)	84.425U	FY22 4043	-	176,606
COVID-19 ARP-Elementary and Secondary School				
Emergency Relief Fund (ARP-ESSER)	84.425U	FY22 4045	-	183,273
			-	382,486
COVID-19 ARP-Elementary and Secondary School				
Emergency Relief Homeless Children and				
Youth (ARP-HCY)	84.425W	FY22 4044	-	14,253
Total Education Stabilization Fund			-	799,151

(Continued)

**Nevada Community School District**

**Schedule of Expenditures of Federal Awards (Continued)**

**Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Education (continued)</b>				
Pass-Through Heartland Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY22 4521	\$ -	\$ 66,940
COVID-19 American Rescue Plan- Special Education				
Grants to States (Part B)	84.027X	FY22 4031	-	10,328
Total Special Education Cluster Program			-	77,268
English Language Acquisition State Grants	84.365	FY22 4644	-	1,440
Pass-Through Ames Community School District:				
Career and Technical Education- Basic Grants to States	84.048	FY22 4531	-	16,968
<b>Total U.S. Department of Education</b>			-	1,087,363
<b>U.S. Department of Health and Human Services</b>				
Pass-Through Iowa Department of Human Services:				
477 Cluster Program:				
COVID-19 Child Care and Development Block Grant	93.575	FY22 4616	-	6,000
<b>Total U.S. Department of Health and Human Services</b>			-	6,000
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 2,090,616

See notes to schedule of expenditures of federal awards.



## **Nevada Community School District**

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

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#### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Nevada Community School District under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Nevada Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Nevada Community School District.

#### **Note 2. Summary of significant accounting policies**

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual or accrual basis of accounting based on the fund-type of the program. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

#### **Note 3. Indirect Cost Rate**

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

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**Nevada Community School District**
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2022**

Findings		Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
<b>Findings Related to Statutory Reporting</b>			
<b>2021-001</b>	Material amounts of required transfers to the Debt Service Fund from the Capital Projects Fund for the capital loan note and for the revenue bond refunding were not recorded in the District's financial statements.	Corrected.	
<b>Findings Related to Statutory Reporting</b>			
<b>IV-A-21</b>	Expenditures/expenses for the year ended June 30, 2021 exceeded the amounts budgeted in the noninstructional programs function.	Not corrected.	The District does not monitor year-end adjustments for budget impact. See IV-A-22.
<b>IV-N-21</b>	The governmental activities, business-type activities, the School Nutrition Fund and the Childcare Fund had deficit unrestricted net position. In addition, the business-type activities and the Childcare Fund had deficit total net position.	Not corrected.	The District has not determined how to eliminate the deficit net position. See IV-N-22.
<b>IV-O-21</b>	The Board approved an interfund loan between the General Fund and School Nutrition Fund including the interest rate to be charged. However, no interest was actually charged and the interfund loan was not repaid timely. Also, the District has an implicit interfund loan between the Childcare Fund and the General Fund for the negative cash balance in the Childcare Fund for the entire fiscal year.	Not corrected.	The District has not resolved the negative cash balance in the Childcare Fund. See IV-O-22.

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

To the Board of Education  
Nevada Community School District  
Nevada, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Nevada Community School District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 15, 2023.

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

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Nevada Community School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

We consider the deficiencies described in the accompany Schedule of Findings and Questioned Costs as 2022-001 and 2022-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We considered the deficiency described in the accompany Schedule of Findings and Questioned Costs as 2022-003 to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2022 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

## **District's Responses to the Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the Nevada Community School District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Nevada Community School District's responses were not subjected to the other 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 communication is not suitable for any other purpose.

*Bohnsack & Frommelt LLP*

Moline, Illinois  
May 15, 2023



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

To the Board of Education  
Nevada Community School District  
Nevada, Iowa

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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



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

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

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

*Bohnsack & Frommelt LLP*

Moline, Illinois  
May 15, 2023

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Nevada Community School District

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

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I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

☒

Yes

☐

No

• Significant deficiency identified?

☒

Yes

☐

None Reported

• Noncompliance material to financial statements noted?

☐

Yes

☒

No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?

☐

Yes

☒

No

• Significant deficiency identified?

☐

Yes

☒

None Reported

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

Unmodified

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

☐

Yes

☒

No

Identification of major programs:

Federal Assistance

Listing Number

Name of Federal Program or Cluster

Child Nutrition Cluster Program:

10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Commodities -DOD (Noncash)
10.555	Commodities (Noncash)
10.559	Summer Food Service Program for Children

Education Stabilization Fund:

84.425B	COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants
84.425C	COVID-19 Governor's Emergency Education Relief (GEER II) Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)
84.425U	COVID-19 ARP- Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)
84.425W	COVID-19 ARP-Elementary and Secondary School Emergency Relief Homeless Children and Youth (ARP-HCY)

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

Auditee qualified as low-risk auditee?

☐

Yes

☒

No

(Continued)

## Nevada Community School District

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

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

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

**Material Weaknesses:**  
**2022-001**

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

Criteria: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion.

Condition: The following conditions were identified:

- One position has access to cash and checks, prepares accounts receivable, post journal entries, takes the deposit to the bank and reconciles the bank statements. This position is responsible also responsible for the monthly financial reporting to the Board of Education.
- One position has access to cash and checks for student activities, prepares the deposit, ensures the deposit reconciles to the ticket reconciliation form and enters the receipts into the general ledger. This position is also responsible for preparing monthly activities reports.
- One position in the Nutrition Department has access to cash and checks, prepares bank deposit, has access to the point of sale system for modifying student accounts and provides sales reports for posting to the general ledger.

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

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

Context: The deficiency is over all cash and checks collected at District buildings and events.

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

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

- There should be very limited cash and checks collected by the Business Office. Currently, manual receipts are used but not formally monitored. The District may want to investigate using the PowerSchool receipting system for all collections at the buildings. All receipts collected by school buildings should be prepared for deposit and deposited by the building administrative assistants. The remittance form should be routed to the Business Office. The Business Office should agree the remittance form to the deposit.
- The Business Office receipts collected through the mail or dropped off should be receipted by an individual segregated from invoicing, posting or reconciling receipts.
- The receipts from student sports and activities should be deposited directly by those collecting and the ticket reconciliation form should be routed to the Business Office.

## Nevada Community School District

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

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- When the receipts are dropped at the bank, the bank should deposit. The next day the bank should provide the validated deposit slip to the Business Office.
- The cash and checks collected by the nutrition cashiers should be taken directly to the bank by the buildings. The validated deposit slip should be routed to the Nutrition Department to be reconciled to the point of sale system.

Response and Corrective Action Plan: The District will review current processes and realign duties and system access levels to improve internal controls within the design of the receipt system. The District will implement a cash receipting process that properly segregates duties and provides improved monitoring and reconciling reporting and key controls throughout the process from the individuals collecting receipts to the individuals reconciling the accounts and financial ledger.

#### 2022-002

Finding: The District did not properly identify and adjust the District's funds for adjustments required for the District's trial balances to be reported in accordance with applicable accounting standards and principles.

Criteria: A properly designed system of internal control over financial reporting requires entities to initiate, authorize, record, process and report financial data reliably in accordance with accounting principles generally accepted in the United States of America.

Condition: The District did not identify and adjust various accounts including capital assets, retainages payable, cash, and sales tax deferral.

Cause: The District does not reconcile all balance sheet accounts on a monthly basis.

Effect: Financial statements are misstated and errors are not detected on a timely basis.

Context: The governmental activities year-end balance sheet accounts and governmental funds required several material adjustments.

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

Recommendation: We recommend the Business Manager reconcile each balance sheet account of all funds at year-end to ensure ending balances are proper. We recommend the Business Manager adjust District trial balances for year-end accrual entries.

Response and corrective action plan: The District will require the Business Manager to reconcile the District's balance sheet accounts on a monthly basis and to adjust District trial balances for accrual entries.

## Nevada Community School District

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

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#### Significant Deficiency:

##### 2022-003

Finding: The District has insufficient segregation of duties over the cash disbursement function.

Criteria: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion.

Condition: The Administrative Assistant has the responsibility and access rights to set up new vendors or edit current vendors in the system, receive invoices, enter invoices into the system to be paid. The Business Director prints checks which contain the authorized signers. The Business Director has access rights to the disbursement system. Another Administrative Assistant position receives the checks and invoices, matches the checks to the invoice and after Board approval mails the checks. The District account is reconciled by the Administrative Assistant with access to the disbursement module and the Business Director.

Cause: Access rights are not limited in the cash disbursement cycle.

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

Context: The deficiency is over District disbursements.

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

Recommendation: In general, authorization of new vendors, purchasing, entering invoices into the accounting system, and processing of checks should be segregated from each other. The following are recommendations to strengthen the District's internal control system:

- We recommend that check sequence be tracked by the Administrative Assistant position responsible for mailing the checks to ensure all checks are appropriately approved and accounted for. Any gaps in sequence should be accounted for and investigated. The person accounting for check sequence should also ensure that all checks accounted for are listed on the Bills Listing sent to the Board for review each month, including any manual checks written between Board meetings or payroll deduction checks written on expenditure check stock.

Response and Corrective Action Plan: The District will look for ways to realign and reassign duties where possible.

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

##### Instances of noncompliance:

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, 2022**

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

##### **IV-A-22 Certified Budget:**

Finding: Expenditures for the year ended June 30, 2022, exceed the amended budget in the instruction and support services functions.

Recommendation: The certified budget should be amended in sufficient amounts to ensure the certified budget is not exceeded.

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

Conclusion: Response accepted.

**IV-B-22 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-22 Travel Expense:** No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

**IV-D-22 Business Transactions:** No business transactions between the District and District officials or employees were noted.

**IV-E-22 Restricted Donor Activity:** No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

**IV-F-22 Bond Coverage:** Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

**IV-G-22 Board Minutes:** No transactions requiring Board approval which had not been approved by the Board were noted. However, we noted the following:

Finding: The Board minutes for the October 2021 and February 2022 meetings were not published within two weeks in accordance with Chapter 279.35 and Chapter 279.36 of the Code of Iowa.

Recommendation: We recommend the District implement procedures to ensure the Board minutes are submitted for publication within two weeks from the meeting.

Response and Correction Action Plan: The District will implement procedures to ensure minutes are published in accordance with the Code of Iowa.

Conclusion: Response accepted.

**IV-H-22 Certified Enrollment:** No variances regarding the basic enrollment data certified to the Iowa Department of Education were noted.

**IV-I-22 Supplementary Weighting:** No variances in the supplementary weighting data certified to the Iowa Department of Education were noted.

(Continued)

## Nevada Community School District

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

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**IV-J-22 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-22 Certified Annual Report:** The Certified Annual Report was certified timely to the Iowa Department of Education.

**IV-L-22 Categorical Funding:** No instances of categorical funding being used to supplant rather than supplement other funds were noted.

**IV-M-22 Statewide Sales and Services Tax:** No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education.

For the year ended June 30, 2022, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	896,922
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	1,773,744	
Other		-	1,773,744
Expenditures/transfers out:			
Support services		195,691	
School infrastructure:			
Buildings and improvements		221,479	
Transfers out		1,234,738	1,651,908
Ending balance		\$	1,018,758

For the year ended June 30, 2022, the District reduced the tax levy by not having a debt service levy of \$2.02 per \$1,000 of taxable valuation as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

#### **IV-N-22 Financial Condition:**

**Finding:** The nonmajor enterprise fund, Childcare Fund, has a deficit net position of \$128,832.

**Recommendation:** We recommend the District continue to investigate ways to return net position to a positive financial condition.

**Response:** The District will continue to look for ways to increase net position to eliminate the deficit.

**Conclusion:** Response accepted.

(Continued)



**Nevada Community School District**

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

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**IV-O-22 Interfund Loans:**

Finding: The nonmajor enterprise fund, Childcare Fund, had negative cash balances during the fiscal year 2022. As of June 30, 2022, the Childcare Fund had negative cash of \$32,389. This is an interfund loan from the General Fund. The interfund loan was not approved by the Board of Education as required by the Iowa Department of Education Declaratory Order 4672.

Recommendation: We recommend the District establish procedures to ensure compliance with Declaratory Order 4672. We recommend the Board of Education establish and approve a plan for the Childcare Fund to repay the General Fund and for the Childcare Fund to cashflow operations during the fiscal year.

Response: The District will continue to look for ways to increase fund balance/net position to eliminate the deficits.

Conclusion: Response accepted.

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**Nevada Community School District****Corrective Action Plan**

**Year Ended June 30, 2022**

		Anticipated Date of Completion and Responsible Contact Person
Findings	Corrective Action Plan	
<b>Findings Related to Basic Financial Statements</b>		
<b>Material Weaknesses:</b>		
<b>2022-001</b> The District has insufficient segregation of duties over the receipts process.	See 2022-001	June 30, 2023 Brian Schaeffer
<b>2022-002</b> The District did not properly identify and adjust the District's funds for adjustments required for the District's trial balances to be reported in accordance with applicable accounting standards and principles.	See 2022-002	June 30, 2023 Brian Schaeffer
<b>Significant Deficiency:</b>		
<b>2022-003</b> The District has insufficient segregation of duties over the cash disbursement process.	See 2022-003	June 30, 2023 Brian Schaeffer
<b>Findings Related to Statutory Reporting</b>		
<b>IV-A-22</b> The District exceeded the certified budget in the instruction and support services functions.	See IV-A-22	June 30, 2023 Brian Schaeffer
<b>IV-G-22</b> The Board minutes for the October 2021 and the February 2022 meetings were not published within two weeks in accordance with Chapter 279.35 and Chapter 279.36 of the Code of Iowa.	See IV-G-22	June 30, 2023 Brian Schaeffer
<b>IV-N-22</b> The nonmajor enterprise fund, Childcare Fund, has a deficit net position of \$128,832.	See IV-N-22	June 30, 2023 Brian Schaeffer
<b>IV-O-22</b> The nonmajor enterprise fund, Childcare Fund, had negative cash balances during the fiscal year 2022. As of June 30, 2022, the Childcare Fund had negative cash of \$32,389.	See IV-O-22	June 30, 2023 Brian Schaeffer