

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITOR'S REPORTS,
BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND SCHEDULE OF FINDINGS

JUNE 30, 2024

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NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT

Officials

June 30, 2024

(Before November 2023)

| <u>Name</u> | <u>Title</u> | <u>Term Expires</u> |
|---------------------------|----------------------------------|---------------------|
| Board of Education | | |
| Patrick Lentz | Board President | Nov. 2025 |
| Laura Folkerts | Board Vice President | Nov. 2023 |
| Cody Jensen | Board Member | Nov. 2023 |
| Chris Hagen | Board Member | Nov. 2025 |
| Lara Lawrence | Board Member | Nov. 2025 |
| School Officials | | |
| Todd Liechty | Superintendent | Indefinite |
| Brittany McNeil | Business Manager/Board Secretary | Indefinite |
| Swisher & Cohrt | Attorney | Indefinite |

(After November 2023)

| <u>Name</u> | <u>Title</u> | <u>Term Expires</u> |
|---------------------------|----------------------------------|---------------------|
| Board of Education | | |
| Patrick Lentz | Board President | Nov. 2025 |
| Laura Folkerts | Board Vice President | Nov. 2027 |
| Chris Hagen | Board Member | Nov. 2025 |
| Cody Jensen | Board Member | Nov. 2027 |
| Lara Lawrence | Board Member | Nov. 2027 |
| School Officials | | |
| Todd Liechty | Superintendent | Indefinite |
| Ashley Ratliff | Business Manager/Board Secretary | Indefinite |
| Swisher & Cohrt | Attorney | Indefinite |

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Independent Auditor's Report

To the Board of Education of Nashua-Plainfield Community School District:

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Nashua-Plainfield Community School District, Nashua, Iowa, as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

In my 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 Nashua-Plainfield Community School District as of June 30, 2024 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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Nashua-Plainfield 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

My 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 my 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 judgement made by a reasonable user based on the financial statements.

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

- 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 the Nashua-Plainfield 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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Nashua-Plainfield Community School District's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 6 through 13 and 48 through 54 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

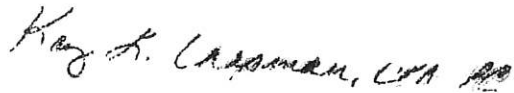
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Nashua-Plainfield Community School District's basic financial statements. I previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the three years ended June 30, 2023 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the six years ended June 30, 2020 (which are not presented herein) were audited by other auditors who expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 7 is presented for purposes of additional analysis and is 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 GAAS. In my opinion, the supplementary information in Schedules 1 through 7 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated March 19, 2025 on my consideration of Nashua-Plainfield Community School District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Nashua-Plainfield Community School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Kay L. Chapman, CPA PC". The signature is written in a cursive style.

Kay L. Chapman, CPA PC
March 19, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Nashua-Plainfield 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, 2024. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2024 FINANCIAL HIGHLIGHTS

- General Fund revenues decreased from \$7,692,307 in fiscal year 2023 to \$7,648,750 in fiscal year 2024. General Fund expenditures decreased from \$8,085,563 in fiscal year 2023 to \$8,042,603 in fiscal year 2024. The District's General Fund balance decreased from \$1,953,375 in fiscal year 2023 to \$1,559,522 in fiscal year 2024, a decrease of 20%.
- The decrease in General Fund revenues was attributable to decreases in federal source revenues in fiscal 2024 from ESSER/Covid funds. The decrease in expenditures can be attributed to the ESSER/Covid funding being depleted in FY23 and non in FY24 available to spend.
- The District's solvency ratio (unassigned/General Fund revenues) decreased to 26% as of June 30, 2024.

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 Nashua-Plainfield Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental and business type activities services were financed in the short term as well as what remains for future spending. Fund financial statements report Nashua-Plainfield Community School District's operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental funds and nonmajor enterprise funds.

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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 tax 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 program, before and after school program, tuition-paid preschool program and community education program 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 it is properly using certain revenues, such as federal grants.

The District has two kinds of funds:

- 1) *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District's governmental funds include the General Fund, the Special Revenue Funds, the Debt Service Fund and the Capital Projects Funds.

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

- 2) *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's Enterprise Funds, one type of proprietary fund, are the same as its business type activities but provides more detail and additional information, such as cash

flows. The District currently has four Enterprise Funds, the School Nutrition Fund, Before & After School Fund, Preschool Fund and Community Education Fund.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-1 below provides a summary of the District’s net position at June 30, 2024 compared to June 30, 2023.

Figure A-1
Condensed Statement of Net Position

| | Governmental | | Business Type | | Total | | Total |
|----------------------------------|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|-----------|
| | Activities | | Activities | | District | | Change |
| | June 30, | | June 30, | | June 30, | | June 30, |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2023-2024 |
| Current and other assets | \$ 9,754,908 | \$ 7,933,199 | \$ 593,737 | \$ 528,148 | \$ 10,348,645 | \$ 8,461,347 | 22.30% |
| Capital assets | <u>6,843,517</u> | <u>5,595,450</u> | <u>26,169</u> | <u>30,632</u> | <u>6,869,686</u> | <u>5,626,082</u> | 22.10% |
| Total assets | <u>16,598,425</u> | <u>13,528,649</u> | <u>619,906</u> | <u>558,780</u> | <u>17,218,331</u> | <u>14,087,429</u> | 22.22% |
| Deferred outflows of resources | <u>1,054,458</u> | <u>611,088</u> | <u>30,018</u> | <u>17,119</u> | <u>1,084,476</u> | <u>628,207</u> | 72.63% |
| Long-term liabilities | 7,162,831 | 4,191,296 | 78,081 | 65,608 | 7,240,912 | 4,256,904 | 70.10% |
| Other liabilities | <u>1,525,790</u> | <u>1,142,952</u> | <u>34,110</u> | <u>71,799</u> | <u>1,559,900</u> | <u>1,214,751</u> | 28.41% |
| Total liabilities | <u>8,688,621</u> | <u>5,334,248</u> | <u>112,191</u> | <u>137,407</u> | <u>8,800,812</u> | <u>5,471,655</u> | 60.84% |
| Deferred inflows of resources | <u>3,636,925</u> | <u>3,369,651</u> | <u>14,135</u> | <u>7,923</u> | <u>3,651,060</u> | <u>3,377,574</u> | 8.10% |
| Net position | | | | | | | |
| Net investment in capital assets | 4,308,965 | 3,782,741 | 26,169 | 30,632 | 4,335,134 | 3,813,373 | 13.68% |
| Restricted | 1,513,718 | 1,631,130 | - | - | 1,513,718 | 1,631,130 | -7.20% |
| Unrestricted | <u>(495,346)</u> | <u>21,967</u> | <u>497,429</u> | <u>399,937</u> | <u>2,083</u> | <u>421,904</u> | -99.51% |
| Total net position | <u>\$ 5,327,337</u> | <u>\$ 5,435,838</u> | <u>\$ 523,598</u> | <u>\$ 430,569</u> | <u>\$ 5,850,935</u> | <u>\$ 5,866,407</u> | -0.26% |

The District’s total net position decreased by less than 1%, or \$15,472 from the prior year.

The largest portion of the District’s net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings, equipment and right-to-use leased equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District’s restricted net position decreased \$117,412, or 7%, from the prior year. The increase in restricted net position is mainly attributable to the decrease in fund balance of the Statewide Sales, Services and Use Tax Fund, Student Activity Fund, Management Levy Fund and categorical fund balance.

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 – decreased \$419,821, or almost 100%. This decrease in unrestricted net position was a result of the District’s reduction in General Fund balance.

Figure A-2 shows the changes in net position for the year ended June 30, 2024 compared to the year ended June 30, 2023.

Figure A-2
Change in Net Position

| | Governmental | | Business Type | | Total | | Total |
|---------------------------------------|--------------------|---------------------|-------------------|-------------------|--------------------|---------------------|-----------|
| | Activities | | Activities | | District | | Change |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2023-2024 |
| Revenues | | | | | | | |
| Program revenues | | | | | | | |
| Charges for service | \$ 767,496 | \$ 488,303 | \$ 278,321 | \$ 265,756 | \$1,045,817 | \$ 754,059 | 38.69% |
| Operating grants | 1,246,785 | 1,657,680 | 258,292 | 216,974 | 1,505,077 | 1,874,654 | -19.71% |
| General revenues | | | | | | | |
| Property tax | 3,243,125 | 3,355,251 | - | - | 3,243,125 | 3,355,251 | -3.34% |
| Income surtax | 217,447 | 128,662 | - | - | 217,447 | 128,662 | 69.01% |
| Statewide sales, services and use tax | 780,668 | 815,488 | - | - | 780,668 | 815,488 | -4.27% |
| Unrestricted state grants | 3,083,742 | 2,873,063 | - | - | 3,083,742 | 2,873,063 | 7.33% |
| Contributions and donations | 124,619 | 64,307 | - | - | 124,619 | 64,307 | 93.79% |
| Unrestricted investment earnings | 98,596 | 68,380 | 3,626 | 1,721 | 102,222 | 70,101 | 45.82% |
| Other | 61,159 | 65,541 | - | - | 61,159 | 65,541 | -6.69% |
| Total revenues | <u>9,623,637</u> | <u>9,516,675</u> | <u>540,239</u> | <u>484,451</u> | <u>10,163,876</u> | <u>10,001,126</u> | 1.63% |
| Program expenses | | | | | | | |
| Governmental activities | | | | | | | |
| Instruction | 6,032,996 | 5,510,752 | - | - | 6,032,996 | 5,510,752 | 9.48% |
| Support services | 2,702,545 | 2,457,959 | - | - | 2,702,545 | 2,457,959 | 9.95% |
| Non-instructional programs | - | - | 447,210 | 412,238 | 447,210 | 412,238 | 8.48% |
| Other expenses | 996,597 | 832,694 | - | - | 996,597 | 832,694 | 19.68% |
| Total expenses | <u>9,732,138</u> | <u>8,801,405</u> | <u>447,210</u> | <u>412,238</u> | <u>10,179,348</u> | <u>9,213,643</u> | 10.48% |
| Change in net position | (108,501) | 715,270 | 93,029 | 72,213 | (15,472) | 787,483 | -101.96% |
| Net position beginning of year | <u>5,435,838</u> | <u>4,720,568</u> | <u>430,569</u> | <u>358,356</u> | <u>5,866,407</u> | <u>5,078,924</u> | 15.50% |
| Net position end of year | <u>\$5,327,337</u> | <u>\$ 5,435,838</u> | <u>\$ 523,598</u> | <u>\$ 430,569</u> | <u>\$5,850,935</u> | <u>\$ 5,866,407</u> | -0.26% |

In fiscal year 2024, property tax and unrestricted state grants accounted for approximately 66% of governmental activities revenue while charges for service and sales and operating grants accounted for almost 100% of business type activities revenue. The District’s total revenues were \$10,163,876, of which \$9,623,637 was for governmental activities and \$540,239 was for business type activities.

As shown in Figure A-2, the District as a whole experienced an increase in revenues of 2% and a 10% increase in expenses. Unrestricted investment earnings and unrestricted state grant revenues increased. Instruction, support services, and non-instructional program expenses increased.

Governmental Activities

Revenues for governmental activities were \$9,623,637 and expenses were \$9,732,138 for the year ended June 30, 2024.

The following table presents the total and net cost of the District’s major governmental activities, instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2024 compared to those expenses for the year ended June 30, 2023.

Figure A-3

| | Total and Net Cost of Governmental Activities | | | | | |
|------------------|---|---------------------|-----------|----------------------|---------------------|-----------|
| | Total Cost of Services | | | Net Cost of Services | | |
| | 2024 | 2023 | 2023-2024 | 2024 | 2023 | 2023-2024 |
| Instruction | \$ 6,032,996 | \$ 5,510,752 | 9.5% | \$ 4,424,492 | \$ 3,749,718 | 18.0% |
| Support services | 2,702,545 | 2,457,959 | 10.0% | 2,580,796 | 2,359,876 | 9.4% |
| Other expenses | <u>996,597</u> | <u>832,694</u> | 19.7% | <u>712,569</u> | <u>545,828</u> | 30.5% |
| Total expenses | <u>\$ 9,732,138</u> | <u>\$ 8,801,405</u> | 10.6% | <u>\$ 7,717,857</u> | <u>\$ 6,655,422</u> | 16.0% |

For the year ended June 30, 2024:

- The cost financed by users of the District’s programs was \$767,496.
- Federal and state governments subsidized certain programs with grants totaling \$1,246,785.
- The net cost of governmental activities was financed with \$4,241,240 of property and other taxes and \$3,083,742 of unrestricted state grants.

Business Type Activities

Revenues for business type activities during the year ended June 30, 2024 were \$540,239 representing an increase of 12% over the prior year, while expenses totaled \$447,210, an increase of approximately 9% over the prior year. The District’s business type activities include the School Nutrition Fund, Before & After School Program Fund, Preschool Fund and Community Education Fund. Revenues of these activities were comprised of charges for service, federal and state grants.

The District considers meal price increases only when deemed necessary to meet the obligations of the School Nutrition Fund and State of Iowa guidelines.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$4,778,445 in 2024 compared to \$3,488,949 from 2023. The primary reason for the increase in combined fund balances in fiscal 2024 is due to GO Bond issue.

Governmental Fund Highlights

- The District's General Fund financial position is the result of many factors. Decreased revenue is partially due to ESSER/Covid funds and other federal revenues.
- The General Fund balance decreased from \$1,953,375 in 2023 to \$1,559,522 in 2024, due to an increase in expenditures.
- The Construction Projects fund balance increased from \$70,279 in 2023 to \$1,590,122 in 2024 due to sale of general obligation bonds to finance the project.

Proprietary Fund Highlights

Enterprise Fund net position increased from \$430,569 at June 30, 2023 to \$523,598 at June 30, 2024. This is due primarily to the increased net pension liability and an increase in USDA funding for the School Nutrition Fund.

BUDGETARY HIGHLIGHTS

The District amended its budget one time during the year ended June 30, 2024, increasing budgeted expenditures by \$1,300,000 to reflect the increase in supply costs and the construction project started in 2024.

The District's total revenues were \$156,570 more than budgeted revenues, a variance of approximately 2%. The most significant variance resulted from the District receiving more in unrestricted state grants than originally anticipated.

Total expenditures were \$949,352 less than budgeted, due primarily to items being on backorder from vendors, resulting in purchases being delayed and expenses moving to the following fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District had invested \$6,869,686 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-4) This represents a net increase of 22% over last year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation/amortization expense for the year was \$356,966 in governmental activities and \$4,463 in business type activities.

The original cost of the District's capital assets was \$21,793,839. Governmental funds account for \$21,657,577, with the remainder of \$136,262 accounted for in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the construction in progress category, which increased by \$1,398,614 due to the District beginning improvements to the softball/baseball complex in 2024.

Figure A-4

| | Capital Assets, Net of Depreciation | | | | | | |
|------------------------------------|-------------------------------------|---------------------|------------------|------------------|---------------------|---------------------|-----------|
| | Governmental | | Business Type | | Total | | Total |
| | Activities | | Activities | | District | | Change |
| | June 30, | | June 30, | | June 30, | | June 30, |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2023-2024 |
| Land | \$ 546,303 | \$ 546,303 | \$ - | \$ - | \$ 546,303 | \$ 546,303 | 0.00% |
| Construction in progress | 1,398,614 | - | - | - | 1,398,614 | - | 100.00% |
| Buildings and improvements | 4,171,468 | 4,381,316 | - | - | 4,171,468 | 4,381,316 | -4.79% |
| Improvements, other than buildings | 160,554 | 175,693 | - | - | 160,554 | 175,693 | -8.62% |
| Furniture and equipment | 508,518 | 414,725 | 26,169 | 30,632 | 534,687 | 445,357 | 20.06% |
| Right-to-use leased equipment | <u>58,060</u> | <u>77,413</u> | <u>-</u> | <u>-</u> | <u>58,060</u> | <u>77,413</u> | -25.00% |
| Totals | <u>\$ 6,843,517</u> | <u>\$ 5,595,450</u> | <u>\$ 26,169</u> | <u>\$ 30,632</u> | <u>\$ 6,869,686</u> | <u>\$ 5,626,082</u> | 22.10% |

Long-Term Debt

At June 30, 2024, the District had \$7,240,912 in general obligation, revenue and other long-term debt outstanding. This represents an increase of approximately 70% over last year (see Figure A-5). Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

During fiscal year 2024, the District issued \$3,000,000 of general obligation bonds to help finance the improvements to the softball/baseball complex.

The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit of approximately \$14.5 million.

Figure A-5

| | Outstanding Long-term Obligations | | |
|-------------------------------|-----------------------------------|---------------------|-----------|
| | Total | | Total |
| | District | | Change |
| | June 30, | | June 30, |
| | 2024 | 2023 | 2023-2024 |
| Governmental activities | | | |
| General obligation bonds | \$ 2,850,000 | \$ - | 100.00% |
| Revenue bonds | 1,450,000 | 1,730,000 | -16.18% |
| Lease agreements | 63,719 | 82,709 | -22.96% |
| Net pension liability | 2,750,640 | 2,342,017 | 17.45% |
| Total OPEB liability | <u>48,472</u> | <u>36,570</u> | 32.55% |
| Total governmental activities | 7,162,831 | 4,191,296 | 70.90% |
| Business type activities | | | |
| Net pension liability | <u>78,081</u> | <u>65,608</u> | 19.01% |
| Totals | <u>\$ 7,240,912</u> | <u>\$ 4,256,904</u> | 70.10% |

| | | | |
|--------------------------------|----------------------|----------------------|---------|
| Business type activities | | | |
| Net pension liability | 84,114 | 78,378 | 7.32% |
| Total OPEB liability | <u>7,946</u> | <u>8,908</u> | -10.80% |
| Total business type activities | <u>92,060</u> | <u>87,286</u> | 5.47% |
| Totals | <u>\$ 10,473,811</u> | <u>\$ 10,733,057</u> | -2.42% |

ECONOMIC FACTORS BEARING ON THE DISTRICT’S FUTURE

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

- Continued budget concerns at the state level will likely affect the District in the next several years.

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 Kim Dornbush, Business Manager, Northeast Community School District, 1450 370th Ave P.O. Box 66, Goose Lake, Iowa 52750.

Basic Financial Statements

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

Exhibit A

| | Governmental Activities | Business Type Activities | Total |
|--|----------------------------|-----------------------------|--------------|
| Assets | | | |
| Cash, cash equivalents and pooled investments | \$ 5,881,486 | \$ 590,114 | \$ 6,471,600 |
| Receivables | | | |
| Property tax | | | |
| Delinquent | 30,277 | - | 30,277 |
| Succeeding year | 3,173,829 | - | 3,173,829 |
| Accounts receivable | 16,805 | 1,138 | 17,943 |
| Income surtaxes | 287,703 | - | 287,703 |
| Due from other governments | 364,808 | - | 364,808 |
| Inventories | - | 2,485 | 2,485 |
| Capital assets not being depreciated | 1,944,917 | - | 1,944,917 |
| Capital assets net of accumulated depreciation/amortization | 4,898,600 | 26,169 | 4,924,769 |
| Total assets | 16,598,425 | 619,906 | 17,218,331 |
| Deferred Outflows of Resources | | | |
| Pension related deferred outflows | 1,054,458 | 30,018 | 1,084,476 |
| Liabilities | | | |
| Accounts payable | 693,950 | 156 | 694,106 |
| Salaries and benefits payable | 820,981 | 28,108 | 849,089 |
| Unearned revenue | - | 5,846 | 5,846 |
| Accrued interest payable | 10,859 | - | 10,859 |
| Long-term liabilities | | | |
| Portion due within one year | | | |
| General obligation bonds payable | 100,000 | - | 100,000 |
| Lease agreements | 19,276 | - | 19,276 |
| Revenue bonds payable | 285,000 | - | 285,000 |
| Portion due after one year | | | |
| General obligation bonds payable | 2,750,000 | - | 2,750,000 |
| Lease agreements | 44,443 | - | 44,443 |
| Revenue bonds payable | 1,165,000 | - | 1,165,000 |
| Net pension liability | 2,750,640 | 78,081 | 2,828,721 |
| Total OPEB liability | 48,472 | - | 48,472 |
| Total liabilities | 8,688,621 | 112,191 | 8,800,812 |

See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

Exhibit A

| | Governmental Activities | Business Type Activities | Total |
|--------------------------------------|----------------------------|-----------------------------|--------------|
| Deferred Inflows of Resources | | | |
| Unavailable property tax revenue | \$ 3,173,829 | \$ - | \$ 3,173,829 |
| Pension related deferred inflows | 463,096 | 14,135 | 477,231 |
| Total deferred inflows of resources | 3,636,925 | 14,135 | 3,651,060 |
| Net Position | | | |
| Net investment in capital assets | 4,308,965 | 26,169 | 4,335,134 |
| Restricted for | | | |
| Categorical funding | 93,721 | - | 93,721 |
| Management levy | 252,848 | - | 252,848 |
| Physical plant and equipment | 482,330 | - | 482,330 |
| Student activities | 100,458 | - | 100,458 |
| Debt services | 32,102 | - | 32,102 |
| School infrastructure | 552,259 | - | 552,259 |
| Unrestricted | (495,346) | 497,429 | 2,083 |
| Total net position | \$ 5,327,337 | \$ 523,598 | \$ 5,850,935 |

See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT

Exhibit B

Statement of Activities

For the Year Ended June 30, 2024

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|---|------------------|----------------------|---|---|-------------------------|--------------------------|----------------|
| | Expenses | Charges for Services | Operating Grants, Contributions and Restricted Interest | Capital Grants, Contributions and Restricted Interest | Governmental Activities | Business Type Activities | Total |
| Governmental activities | | | | | | | |
| Instruction | | | | | | | |
| Regular instruction | \$ 3,887,411 | \$ 319,914 | \$ 884,528 | \$ - | \$ (2,682,969) | \$ - | \$ (2,682,969) |
| Special instruction | 945,381 | 102,288 | 74,589 | - | (768,504) | - | (768,504) |
| Other instruction | 1,200,204 | 227,185 | - | - | (973,019) | - | (973,019) |
| Support services | 6,032,996 | 649,387 | 959,117 | - | (4,424,492) | - | (4,424,492) |
| Student | 265,232 | - | - | - | (265,232) | - | (265,232) |
| Instructional staff | 202,220 | - | - | - | (202,220) | - | (202,220) |
| Administration | 995,334 | 118,109 | - | - | (877,225) | - | (877,225) |
| Operation and maintenance of plant | 758,576 | - | - | - | (758,576) | - | (758,576) |
| Transportation | 481,183 | - | 3,640 | - | (477,543) | - | (477,543) |
| Other expenses | 2,702,545 | 118,109 | 3,640 | - | (2,580,796) | - | (2,580,796) |
| Facilities acquisition | 250,813 | - | - | - | (250,813) | - | (250,813) |
| Long-term debt interest | 233,526 | - | - | - | (233,526) | - | (233,526) |
| AEA flowthrough | 284,028 | - | 284,028 | - | - | - | - |
| Depreciation/amortization (unallocated) * | 228,230 | - | - | - | (228,230) | - | (228,230) |
| Total governmental activities | 9,732,138 | 767,496 | 284,028 | - | (7,717,857) | - | (7,717,857) |
| | | | 1,246,785 | - | | - | |

* This amount excludes the depreciation/amortization included in the direct expenses of the various programs.

See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT

Exhibit B

Statement of Activities

For the Year Ended June 30, 2024

| | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|---------------------------------------|------------------|-------------------------|--|--|----------------------------|-----------------------------|-------------|
| | Expenses | Charges for Services | Operating Grants, Contributions and Restricted Interest | Capital Grants, Contributions and Restricted Interest | Governmental Activities | Business Type Activities | Total |
| Functions/Programs (continued) | | | | | | | |
| Business type activities | | | | | | | |
| Non-instructional programs | | | | | | | |
| Food service operations | \$ 392,349 | \$ 197,155 | \$ 258,292 | \$ - | \$ - | \$ 63,098 | \$ 63,098 |
| Preschool | - | 10,113 | - | - | - | 10,113 | 10,113 |
| Community education | 54,861 | 71,053 | - | - | - | 16,192 | 16,192 |
| Total business type activities | 447,210 | 278,321 | 258,292 | - | - | 89,403 | 89,403 |
| Total | \$10,179,348 | \$ 1,045,817 | \$ 1,505,077 | \$ - | (7,717,857) | 89,403 | (7,628,454) |

General Revenues

| | | | | | | | |
|---------------------------------------|-----------|--|--------------|--|--|------------|--------------|
| Property tax levied for | | | | | | | |
| General purposes | | | | | | | |
| Capital outlay | | | | | | | |
| Income surtax | | | | | | | |
| Statewide sales, services and use tax | | | | | | | |
| Unrestricted state grants | | | | | | | |
| Contributions and donations | | | | | | | |
| Unrestricted investment earnings | | | | | | | |
| Miscellaneous | | | | | | | |
| Total general revenues | 2,744,723 | | 7,609,356 | | | 3,626 | 7,612,982 |
| Change in net position | 498,402 | | (108,501) | | | 93,029 | (15,472) |
| Net position beginning of year | 217,447 | | 5,435,838 | | | 430,569 | 5,866,407 |
| Net position end of year | 780,668 | | \$ 5,327,337 | | | \$ 523,598 | \$ 5,850,935 |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |
| | 217,447 | | | | | | |
| | 780,668 | | | | | | |
| | 3,083,742 | | | | | | |
| | 124,619 | | | | | | |
| | 98,596 | | | | | | |
| | 61,159 | | | | | | |
| | 2,744,723 | | | | | | |
| | 498,402 | | | | | | |

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2024

Exhibit C

| | <u>General</u> | <u>Capital Projects Construction</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|---|--------------------|--|--|--------------------|
| Assets | | | | |
| Cash, cash equivalents and pooled investments | \$2,322,261 | \$1,990,080 | \$ 1,569,145 | \$5,881,486 |
| Receivables | | | | |
| Property tax | | | | |
| Delinquent | 23,108 | - | 7,169 | 30,277 |
| Succeeding year | 2,400,870 | - | 772,959 | 3,173,829 |
| Accounts receivable | 6,972 | - | 9,833 | 16,805 |
| Income surtax | 246,603 | - | 41,100 | 287,703 |
| Due from other governments | 292,975 | - | 71,833 | 364,808 |
| Total assets | <u>\$5,292,789</u> | <u>\$1,990,080</u> | <u>\$ 2,472,039</u> | <u>\$9,754,908</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 264,813 | \$ 399,958 | \$ 29,179 | \$ 693,950 |
| Salaries and benefits payable | 820,981 | - | - | 820,981 |
| Total liabilities | <u>1,085,794</u> | <u>399,958</u> | <u>29,179</u> | <u>1,514,931</u> |
| Deferred inflows of resources | | | | |
| Unavailable revenue | | | | |
| Succeeding year property tax | 2,400,870 | - | 772,959 | 3,173,829 |
| Income surtax | 246,603 | - | 41,100 | 287,703 |
| Total deferred inflows of resources | <u>2,647,473</u> | <u>-</u> | <u>814,059</u> | <u>3,461,532</u> |
| Fund balances | | | | |
| Restricted for | | | | |
| Categorical funding | 93,721 | - | - | 93,721 |
| School infrastructure | - | 1,590,122 | 791,304 | 2,381,426 |
| Debt service | - | - | 42,961 | 42,961 |
| Student activities | - | - | 100,458 | 100,458 |
| Management levy purposes | - | - | 252,848 | 252,848 |
| Physical plant and equipment | - | - | 441,230 | 441,230 |
| Unassigned | 1,465,801 | - | - | 1,465,801 |
| Total fund balances | <u>1,559,522</u> | <u>1,590,122</u> | <u>1,628,801</u> | <u>4,778,445</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$5,292,789</u> | <u>\$1,990,080</u> | <u>\$ 2,472,039</u> | <u>\$9,754,908</u> |

See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 June 30, 2024

Exhibit D

| | |
|---|--------------------------------|
| Total fund balances of governmental funds | \$ 4,778,445 |
| 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. | 6,843,517 |
| Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. | 287,703 |
| Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds. | (10,859) |
| Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows: | |
| Deferred outflows of resources | \$1,054,458 |
| Deferred inflows of resources | <u>(463,096)</u> |
| | 591,362 |
| Long-term liabilities, including bonds payable, lease payable, other post-employment benefits payable and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds. | <u>(7,162,831)</u> |
| Net position of governmental activities | <u>\$ 5,327,337</u> |

See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

Exhibit E

| | <u>General</u> | <u>Capital Projects Construction</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|------------------------------------|------------------|--|--|-------------------|
| Revenues | | | | |
| Local sources | | | | |
| Local tax | \$2,639,806 | | \$ 746,374 | \$ 3,386,180 |
| Tuition | 389,484 | - | - | 389,484 |
| Other | 286,779 | 131,024 | 244,582 | 662,385 |
| State sources | 4,150,605 | - | 781,308 | 4,931,913 |
| Federal sources | 182,076 | - | - | 182,076 |
| Total revenues | <u>7,648,750</u> | <u>131,024</u> | <u>1,772,264</u> | <u>9,552,038</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular | 3,749,066 | - | 96,514 | 3,845,580 |
| Special | 927,122 | - | - | 927,122 |
| Other | 911,050 | - | 262,881 | 1,173,931 |
| | <u>5,587,238</u> | <u>-</u> | <u>359,395</u> | <u>5,946,633</u> |
| Support services | | | | |
| Student | 240,324 | - | - | 240,324 |
| Instructional staff | 195,349 | - | 5,585 | 200,934 |
| Administration | 829,297 | - | 157,441 | 986,738 |
| Operation and maintenance of plant | 530,189 | - | 227,590 | 757,779 |
| Transportation | 376,178 | - | 152,996 | 529,174 |
| | <u>2,171,337</u> | <u>-</u> | <u>543,612</u> | <u>2,714,949</u> |
| Non-instructional programs | - | - | 4,410 | 4,410 |
| Other expenditures | | | | |
| Facilities acquisition | - | 1,486,718 | 171,522 | 1,658,240 |
| Long-term debt | | | | |
| Principal | - | - | 430,000 | 430,000 |
| Interest and fiscal charges | - | 124,463 | 99,819 | 224,282 |
| AEA flowthrough | 284,028 | - | - | 284,028 |
| | <u>284,028</u> | <u>1,611,181</u> | <u>701,341</u> | <u>2,596,550</u> |
| Total expenditures | <u>8,042,603</u> | <u>1,611,181</u> | <u>1,608,758</u> | <u>11,262,542</u> |

See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

Exhibit E

| | <u>General</u> | <u>Capital Projects Construction</u> | <u>Nonmajor Governmental Funds</u> |
|--|---------------------|--|--|
| Excess (deficiency) of revenues over (under) expenditures | \$ (393,853) | \$ (1,480,157) | \$ 163,506 |
| Other financing sources (uses) | | | |
| Proceeds from issuance of bonds | - | 3,000,000 | - |
| Transfers in | - | - | 504,483 |
| Transfers (out) | - | - | (504,483) |
| Total other financing sources | - | 3,000,000 | - |
| Change in fund balances | (393,853) | 1,519,843 | 163,506 |
| Fund balance, beginning of year | <u>1,953,375</u> | <u>70,279</u> | <u>1,465,295</u> |
| Fund balance, end of year | <u>\$ 1,559,522</u> | <u>\$ 1,590,122</u> | <u>\$ 1,628,801</u> |

See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balances - Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2024

Exhibit F

Change in fund balances - total governmental funds \$ 1,289,496

**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. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciation/amortization expense in the Statement of Activities. Capital outlay expenditures and depreciation/amortization expense in the current year are as follows:

| | | |
|-----------------------------------|------------------|-----------|
| Expenditures for capital assets | \$ 1,605,033 | |
| Depreciation/amortization expense | <u>(356,966)</u> | 1,248,067 |

Because some revenues will not be collected for several months after the year end, they are not considered available revenue and are recognized as deferred inflows of resources in the governmental funds, as follows:

| | | |
|-------|--|--------|
| Other | | 71,599 |
|-------|--|--------|

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances and repayments are as follows:

| | | |
|--------|----------------|-------------|
| Issued | (3,000,000) | |
| Repaid | <u>448,990</u> | (2,551,010) |

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:

| | | |
|-------------------------------|-----------------|-----------|
| Pension expense | (630,079) | |
| Other postemployment benefits | <u>(11,902)</u> | (641,981) |

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

(9,244)

The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.

484,572

Change in net position of governmental activities \$ (108,501)

See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2024

Exhibit G

| | Nonmajor Enterprise Funds |
|---|---------------------------------|
| Assets | |
| Current assets | |
| Cash and cash equivalents | \$590,114 |
| Accounts receivable | 1,138 |
| Inventories | 2,485 |
| Total current assets | 593,737 |
| Noncurrent assets | |
| Capital assets, net of accumulated depreciation | 26,169 |
| Total assets | 619,906 |
| Deferred Outflows of Resources | |
| Pension related deferred outflows | 30,018 |
| Liabilities | |
| Current liabilities | |
| Accounts payable | 156 |
| Accrued salaries and benefits | 28,108 |
| Unearned revenues | 5,846 |
| Total current liabilities | 34,110 |
| Noncurrent liabilities | |
| Net pension liability | 78,081 |
| Total liabilities | 112,191 |
| Deferred Inflows of Resources | |
| Pension related deferred inflows | 14,135 |
| Net Position | |
| Net investment in capital assets | 26,169 |
| Unrestricted | 497,429 |
| Total net position | \$523,598 |

See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

Exhibit H

| | <u>Nonmajor Enterprise Funds</u> |
|------------------------------------|--|
| Operating revenue | |
| Local sources | |
| Charges for service | <u>\$278,321</u> |
| Operating expenses | |
| Support services | |
| Administration | 1,623 |
| Operation and maintenance of plant | <u>1,029</u> |
| Total support services | <u>2,652</u> |
| Non-instructional programs | |
| Food service operations | 390,671 |
| Community education | <u>53,887</u> |
| Total non-instructional programs | <u>444,558</u> |
| Total operating expenses | <u>447,210</u> |
| Operating (loss) | <u>(168,889)</u> |
| Non-operating revenues | |
| Interest income | 3,626 |
| State sources | 2,461 |
| Federal sources | <u>255,831</u> |
| Total non-operating revenues | <u>261,918</u> |
| Change in net position | 93,029 |
| Net position beginning of year | <u>430,569</u> |
| Net position end of year | <u>\$523,598</u> |

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

Exhibit I

| | <u>Nonmajor Enterprise Funds</u> |
|--|--|
| Cash flows from operating activities | |
| Cash received from sale of services | \$ 278,440 |
| Cash provided by payments to employees for services | (193,704) |
| Cash provided by payments to suppliers for goods and services | <u>(209,901)</u> |
| Net cash (used in) operating activities | <u>(125,165)</u> |
| Cash flows from non-capital financing activities | |
| State grants received | 2,461 |
| Federal grants received | <u>185,757</u> |
| Net cash provided by non-capital financing activities | <u>188,218</u> |
| Cash flows from capital and related financing activities | |
| Acquisition of capital assets | <u>-</u> |
| Cash flows from investing activities | |
| Interest on investments | <u>3,626</u> |
| Net increase in cash and cash equivalents | 66,679 |
| Cash and cash equivalents, beginning of year | <u>523,435</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 590,114</u></u> |
| Reconciliation of operating (loss) to net cash (used in) operating activities | |
| Operating (loss) | \$ (168,889) |
| Adjustments to reconcile operating (loss) to net cash (used in) operating activities | |
| Depreciation | 4,464 |
| Commodities used | 32,091 |
| Change in assets and liabilities: | |
| Accounts receivable | 986 |
| Inventories | 103 |
| Deferred outflows of resources | (12,899) |
| Net pension liability | 12,473 |
| Deferred inflows of resources | 6,212 |
| Accounts payable | 156 |
| Unearned revenue | (868) |
| Accrued salaries and benefits | <u>1,006</u> |
| Net cash (used in) operating activities | <u><u>\$ (125,165)</u></u> |

Non-cash investing, capital and related financing activities.

During the year ended June 30, 2024. The District received \$32,091 of federal commodities.
See notes to financial statements.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2024

Note 1. Summary of Significant Accounting Policies

Nashua-Plainfield Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. 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 Cities of Nashua and Plainfield, Iowa, and the predominate agricultural territories in Chickasaw, Butler, Bremer and Floyd Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

For financial reporting purposes, Nashua-Plainfield 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 District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization

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

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable 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 are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those 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 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 and proprietary funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds and proprietary funds are aggregated and reported as nonmajor governmental funds and nonmajor proprietary funds. Combining schedules are also included for nonmajor governmental and nonmajor enterprise funds.

The District reports the following major governmental funds:

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

The Capital Projects Construction Project Fund is used to account for all resources used in the construction project of the District.

The District reports no major proprietary funds.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the

timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments 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 the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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 – committed, assigned and then unassigned fund balances.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position

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

Cash, Cash Equivalents and Pooled Investments - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the

Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at amortized cost.

The Iowa Schools Joint Investment Trust is a common law trust established under Iowa law and is administered by an appointed investment management company. The fair value of the position in the trust is the same as the value of the shares.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable - Property tax in governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2023.

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 - Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets are tangible and intangible assets, which include property, furniture and equipment and right-to-use lease assets acquired after July 1, 1980 are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with

equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

| <u>Asset Class</u> | <u>Amount</u> |
|-----------------------------------|---------------|
| Land | \$ 2,000 |
| Buildings | \$10,000 |
| Improvements other than buildings | \$10,000 |
| Right-to-use leased assets | \$ 5,000 |
| Furniture and equipment: | |
| School Nutrition Fund equipment | \$ 500 |
| Other furniture and equipment | \$ 2,000 |

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and the right-to-use leased assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

| <u>Asset Class</u> | <u>Estimated Useful Life</u> |
|----------------------------|------------------------------|
| Buildings | 50 years |
| Improvements to buildings | 20-50 years |
| Right-to-use leased assets | 2-15 years |
| Furniture and equipment | 5-15 years |

The District’s collection of library books and other similar materials are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to District policy that requires proceeds from the sale of these items, if any, to be used to acquire other collection items.

Leases - Nashua-Plainfield Community School District is the lessee for a noncancellable lease of equipment. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of \$5,000 or more.

At the commencement of the 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. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how Nashua-Plainfield Community School District determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

Nashua-Plainfield Community School District uses the interest rate charged by the lessor at 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 a purchase option price that the District is reasonably certain to exercise.

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

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

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the District after the measurement date but before the end of the District's reporting period.

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

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

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. The net pension liability attributable to the governmental and business type activities will be paid primarily by the General Fund and the Enterprise, School Nutrition Fund and Community Education Fund.

Total OPEB Liability - For purposes of measuring the total OPEB liability and OPEB expense, information has been determined based on the Nashua-Plainfield 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.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the fund financial statements consist of property tax receivable and income surtax and other receivables not collected within sixty days after year end and succeeding year property tax receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property tax receivable that will not be recognized until the year for which it is levied, and unrecognized items not yet charged to pension expense.

Unearned Revenue - Unearned revenue consists of money collected for meals that have not yet been served. The meal account balances will either be reimbursed or served meals.

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

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 are imposed by law through constitutional provisions or enabling legislation.

Unassigned - All amounts not included in the preceding classification.

Net Position - In the district-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Net position restricted through enabling legislation includes \$482,330 for physical plant and equipment, \$100,458 for student activities, \$552,259 for school infrastructure and \$252,848 for management levy purposes.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

F. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Cash, Cash Equivalents and Pooled Investments

The District’s deposits in banks at June 30, 2024 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 ensure there will be no loss of public funds.

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

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2024 is as follows:

| <u>Transfer to</u> | <u>Transfer from</u> | <u>Amount</u> |
|---------------------------------------|--|---------------|
| Nonmajor Governmental Debt Service | Major Capital Projects Statewide Sales, Service and Use Tax | \$ 504,483 |

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The transfer from the Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was for principal and interest payments on debt.

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

| <u>Governmental activities</u> | <u>Balance, Beginning of Year</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance, End of Year</u> |
|---|---|------------------|------------------|-------------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 546,303 | \$ - | \$ - | \$ 546,303 |
| Construction in progress | - | 1,398,614 | - | 1,398,614 |
| Total capital assets, not being depreciated | <u>546,303</u> | <u>1,398,614</u> | <u>-</u> | <u>1,944,917</u> |

| | | | | |
|---|---------------------|---------------------|-------------|---------------------|
| Capital assets being depreciated/amortized: | | | | |
| Buildings and improvements | 10,716,096 | 2,361 | - | 10,718,457 |
| Improvements other than buildings | 470,534 | - | - | 470,534 |
| Furniture and equipment | 8,222,845 | 204,058 | - | 8,426,903 |
| Right-to-use leased equipment | <u>96,766</u> | <u>-</u> | <u>-</u> | <u>96,766</u> |
| Total capital assets being depreciated/amortized | <u>19,506,241</u> | <u>206,419</u> | <u>-</u> | <u>19,712,660</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings and improvements | 6,334,780 | 212,209 | - | 6,546,989 |
| Improvements other than buildings | 294,841 | 15,139 | - | 309,980 |
| Furniture and equipment | 7,808,120 | 110,265 | - | 7,918,385 |
| Right-to-use leased equipment | <u>19,353</u> | <u>19,353</u> | <u>-</u> | <u>38,706</u> |
| Total accumulated depreciation/amortization | <u>14,457,094</u> | <u>356,966</u> | <u>-</u> | <u>14,814,060</u> |
| Total capital assets being depreciated/amortized, net | <u>5,049,147</u> | <u>(150,547)</u> | <u>-</u> | <u>4,898,600</u> |
| Governmental activities capital assets, net | <u>\$ 5,595,450</u> | <u>\$ 1,248,067</u> | <u>\$ -</u> | <u>\$ 6,843,517</u> |
| <u>Business type activities</u> | | | | |
| Furniture and equipment | \$ 136,262 | \$ - | \$ - | \$ 136,262 |
| Less accumulated depreciation | <u>105,630</u> | <u>4,463</u> | <u>-</u> | <u>110,093</u> |
| Business type activities capital assets, net | <u>\$ 30,632</u> | <u>\$ (4,463)</u> | <u>\$ -</u> | <u>\$ 26,169</u> |

Depreciation/amortization expense was charged to the following functions:

Governmental activities

| | |
|---|-------------------|
| Instruction | |
| Regular | \$ 18,579 |
| Other | 3,154 |
| Support services | |
| Support services | 19,353 |
| Administration | 9,541 |
| Operation and maintenance of plant | 2,952 |
| Transportation | <u>75,157</u> |
| | 128,736 |
| Unallocated | <u>228,230</u> |
| Total governmental activities depreciation/amortization expense | <u>\$ 356,966</u> |

Business-type activities

| | |
|--------------------------------|-----------------|
| Food services | \$ 920 |
| Community education | <u>3,543</u> |
| Total business-type activities | <u>\$ 4,463</u> |

Note 5. Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2024 are summarized as follows:

| | Balance, Beginning of Year | Additions | Reductions | Balance, End of Year | Due Within One Year |
|--------------------------|----------------------------------|---------------------|-------------------|----------------------------|---------------------------|
| Governmental activities | | | | | |
| General obligation bonds | \$ - | \$ 3,000,000 | \$ 150,000 | \$ 2,850,000 | \$ 100,000 |
| Revenue bonds | 1,730,000 | - | 280,000 | 1,450,000 | 285,000 |
| Lease agreements | 82,709 | - | 18,990 | 63,719 | 19,276 |
| Net pension liability | 2,342,017 | 408,623 | - | 2,750,640 | - |
| Total OPEB liability | <u>36,570</u> | <u>11,902</u> | <u>-</u> | <u>48,472</u> | <u>-</u> |
| Totals | <u>\$ 4,191,296</u> | <u>\$ 3,420,525</u> | <u>\$ 448,990</u> | <u>\$ 7,162,831</u> | <u>\$ 404,276</u> |
| Business type activities | | | | | |
| Net pension liability | <u>\$ 65,608</u> | <u>\$ 12,473</u> | <u>\$ -</u> | <u>\$ 78,081</u> | <u>\$ -</u> |

Interest costs incurred and charged to expense on all long-term debt was \$233,156 for the year ended June 30, 2024. During the year ended June 30, 2024, the District made principal payments on total long-term debt of \$448,990.

Lease Agreements

On September 1, 2022, the District entered into a lease agreement for copiers. An initial lease liability was recorded in the amount of \$96,766. The agreement requires monthly payments of \$1,675 over 60 months with an implicit interest rate of 1.5% and final payment due September 1, 2027. During the year ended June 30, 2024, principal and interest paid were \$18,990 and \$1,110, respectively. Details of the District's lease liability are as follows:

| Year Ending June 30, | Copier Lease | | | |
|----------------------------|-------------------|------------------|-----------------|------------------|
| | Interest Rates | Principal | Interest | Total |
| 2025 | 1.50% | \$ 19,276 | \$ 824 | \$ 20,100 |
| 2026 | 1.50% | 19,568 | 532 | 20,100 |
| 2027 | 1.50% | 19,863 | 237 | 20,100 |
| 2028 | 1.50% | <u>5,012</u> | <u>13</u> | <u>5,025</u> |
| Totals | | <u>\$ 63,719</u> | <u>\$ 1,606</u> | <u>\$ 65,325</u> |

Bond Refunding

On June 8, 2021, the District issued \$2,280,000 of school infrastructure statewide sales, services and use tax revenue refunding bonds with interest rates ranging from 1% to 1.2%. The District issued the bonds to refund \$2,375,000 of the outstanding May 2012 school infrastructure statewide sales, services and use tax revenue bonds with interest rates of 2.4%

to 3.35%. The District used the net proceeds of the 2021 issue to call and pay the balance of the 2012 bond issue on June 14, 2021.

The refunding reduced total debt service payments over the next eight years by \$328,985. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$310,534.

Revenue Bonds

Details of the District’s June 30, 2024 statewide sales, services and use tax revenue bonded indebtedness are as follows:

| Year Ending June 30, | Bond Issue of June 8, 2021 | | | |
|----------------------------|----------------------------|---------------------|------------------|---------------------|
| | Interest Rates | Principal | Interest | Total |
| 2025 | 1.10% | \$ 285,000 | \$ 15,350 | \$ 300,350 |
| 2026 | 1.00% | 290,000 | 12,500 | 302,500 |
| 2027 | 1.00% | 300,000 | 9,600 | 309,600 |
| 2028 | 1.10% | 300,000 | 6,600 | 306,600 |
| 2029 | 1.20% | <u>275,000</u> | <u>3,300</u> | <u>278,300</u> |
| Totals | | <u>\$ 1,450,000</u> | <u>\$ 47,350</u> | <u>\$ 1,497,350</u> |

The District has pledged future statewide sales, services and use tax revenues to repay the \$2,280,000 of bonds issued June 8, 2021. The bonds were issued for the purpose of calling and redeeming the 2012 bond issue. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2029. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 50% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$1,497,350 at June 30, 2024. For the current year, \$280,000 of principal and \$18,150 of interest was paid on the bonds. Total statewide sales, services and use tax revenues were \$780,668 for the year ended June 30, 2024.

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

- a) \$228,000 from the reserve fund for the refunded bonds will be deposited into the reserve fund. The amount on deposit in the reserve fund will at all times be equal to or less than the allowable reserve fund amount, computed to be \$228,000.
- b) No revenue or sinking funds accounts are required by the bond provisions.

During the year ended June 30, 2024, the District complied with all the revenue bond provisions.

General Obligation Bonds

Details of the District's June 30, 2024 general obligation indebtedness are as follows:

| Year | Bond Issue of December 12, 2023 | | | |
|-----------|---------------------------------|---------------------|-------------------|---------------------|
| | Ending | Interest | | |
| June 30, | Rates | Principal | Interest | Total |
| 2025 | 4.00% | \$ 100,000 | \$ 114,000 | \$ 214,000 |
| 2026 | 4.00% | 100,000 | 110,000 | 210,000 |
| 2027 | 4.00% | 100,000 | 106,000 | 206,000 |
| 2028 | 4.00% | 100,000 | 102,000 | 202,000 |
| 2029 | 4.00% | 100,000 | 98,000 | 198,000 |
| 2030-2034 | 4.00% | <u>2,350,000</u> | <u>291,200</u> | <u>2,641,200</u> |
| Totals | | <u>\$ 2,850,000</u> | <u>\$ 821,200</u> | <u>\$ 3,671,200</u> |

On December 12, 2023, the District issued \$3,000,000 of general obligation bonds to finance improvements made to the softball/baseball complex. The bonds bear interest at 4.0% per annum. During the year ended June 30, 2024, principal and interest paid on the bonds were \$150,000 and \$56,333, respectively.

Note 6. Pension Plan

Plan Description - IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

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

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

Contributions - Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires 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 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2024 totaled \$484,572.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the District reported a liability of \$2,828,721 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the District's proportion was 0.061304%, which was an increase of 0.000645% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension benefit of \$408,623. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ 239,314 | \$ 11,627 |
| Changes of assumptions | | 45 |
| Net difference between projected and actual earnings on IPERS' investments | 261,974 | - |
| Changes in proportion and differences between District contributions and the District's proportionate share of contributions | 98,007 | 465,559 |
| District contributions subsequent to the measurement date | <u>485,181</u> | - |
| Total | <u>\$ 1,084,476</u> | <u>\$ 477,231</u> |

\$485,181 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending <u>June 30,</u> | <u>Amount</u> |
|-----------------------------------|-------------------|
| 2025 | \$ (181,709) |
| 2026 | (283,817) |
| 2027 | 576,773 |
| 2028 | 32,686 |
| 2029 | <u>(21,869)</u> |
| Total | <u>\$ 122,064</u> |

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2023 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% per annum. |
| Rates of salary increase (effective June 30, 2017) | 3.25 to 16.25% average, including inflation. Rates vary by membership group. |
| Long-term investment rate of return (effective June 30, 2017) | 7.00% compounded annually, net of investment expense, including inflation. |
| Wage growth (effective June 30, 2017) | 3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation. |

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 10, 2021.

Mortality rates used in the 2023 valuation were based on the PubG- 2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

| <u>Asset Class</u> | <u>Asset Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|--------------------------|-------------------------|---|
| Domestic equity | 21.0 % | 4.56 % |
| International equity | 16.5 | 6.22 |
| Global smart beta equity | 5.0 | 5.22 |
| Core plus fixed income | 23.0 | 2.69 |
| Public credit | 3.0 | 4.38 |
| Cash | 1.0 | 1.59 |
| Private equity | 17.0 | 10.44 |
| Private real assets | 9.0 | 3.88 |
| Private credit | <u>4.5</u> | 4.60 |
| Total | <u>100.0 %</u> | |

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

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District’s proportionate share 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

| | 1% Decrease <u>(6.00%)</u> | Discount Rate <u>(7.00%)</u> | 1% Increase <u>(8.00%)</u> |
|--|----------------------------------|------------------------------------|----------------------------------|
| District's proportionate share of the net pension liability | \$6,014,490 | \$2,828,721 | \$158,993 |

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS - At June 30, 2024, the District reported no payables to IPERS for legally required District contributions nor for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 7. Other Postemployment Benefits (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2024, the following employees were covered by the benefit terms:

| | |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefit payments | 0 |
| Active employees | <u>22</u> |
| Total | 22 |

Total OPEB Liability - The District's total OPEB liability of \$48,472 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

| | |
|---|---|
| Rate of inflation (effective June 30, 2024) | 2.75% per annum .25% additional for insurance company. |
| Rates of salary increase (effective June 30, 2024) | 0.00% per annum, including inflation. |
| Discount rate (effective June 30, 2024) | 4.75% compounded annually, including inflation. |

Healthcare cost trend rate 6.0% per annum.
(effective June 30, 2024)

Discount Rate - The discount rate used to measure the total OPEB liability was 4.75% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 annuity mortality table. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

| | Total OPEB Liability |
|--|----------------------------|
| Total OPEB liability beginning of year | \$ 39,570 |
| Changes for the year: | |
| Service cost | 4,657 |
| Interest | 2,167 |
| Differences between expected and actual experiences | - |
| Changes in assumptions | (57,572) |
| Demographic changes | 58,968 |
| Recognition of deferred inflows/outflows | 682 |
| Benefit payments | - |
| Net changes | 8,902 |
| Total OPEB liability end of year | \$ 48,472 |

Changes of assumptions reflect a change in the discount rate from 2.37% in fiscal year 2023 to 4.75% in fiscal year 2024.

Sensitivity of the District's 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% lower (3.75%) or 1% higher (5.75%) than the current discount rate.

| | 1% Decrease (3.75%) | Discount Rate (4.75%) | 1% Increase (5.75%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$54,549 | \$48,472 | \$43,106 |

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District as what the District's total OPEB liability would be it were calculated using healthcare cost trend rates that are 1% lower (5.0%) or 1% higher (7.0%) than the current healthcare cost trend rates.

| | 1% Decrease (5.0%) | Healthcare Cost Trend Rate (6.0%) | 1% Increase (7.0%) |
|----------------------|-----------------------|--------------------------------------|-----------------------|
| Total OPEB liability | \$41,209 | \$48,472 | \$57,199 |

OPEB Expense and Deferred Outflows of Resources Related to OPEB - For the year ended June 30, 2024, the District recognized OPEB expense of \$8,902. At June 30, 2024 the District reported no deferred inflows or outflows of resources related to OPEB.

Note 8. Risk Management

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

Note 9. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$284,028 for the year ended June 30, 2024 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Note 10. Contingencies

Grant Funding - The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If expenditures are disallowed by the grantor government due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by granting authorities, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Note 11. Categorical Funding

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

as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2024.

| <u>Program</u> | |
|--|------------------|
| ESL | \$ 3,037 |
| Gifted and talented | 17,462 |
| Returning dropout and dropout prevention program | 17,999 |
| Teacher leadership | 12,929 |
| 4 year old preschool | 40,504 |
| Teacher salary supplement | 58 |
| Educator quality, professional development | <u>1,732</u> |
| | <u>\$ 93,721</u> |

Note 12. Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Nashua-Plainfield offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2024 under agreements entered into by the following entities:

| <u>Entity</u> | <u>Tax Abatement Program</u> | <u>Amount of Tax Abated</u> |
|----------------|-------------------------------|-----------------------------|
| City of Nashua | Economic development projects | \$1,194 |

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2024, this reimbursement amounted to \$0.

Note 13. Deficit Fund Balances

The District had negative unrestricted net position of \$495,346 at June 30, 2024 in the Governmental Activities.

Note 14. Change in Area Education Agency Funding

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Education Agency (AEA) beginning July 1, 2024. For fiscal year 2025, 40% of the educational and media services funds generated by District will continue to flow through to each AEA, while 60% of the funding will be retained by the District that generated the funds.

Note 15. Construction Commitment

The District entered into contracts totaling \$3,284,010 for improvements to the softball/baseball complex. As of June 30, 2024, costs of \$1,454,843 had been incurred against the contracts. The balance of \$1,829,167 remaining at June 30, 2024 will be paid as work on the projects progresses.

Note 16. Subsequent Events

The District has evaluated subsequent events through March 19, 2025 which is the date that the financial statements were available to be issued.

Required Supplementary Information

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
 Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual
 All Governmental Funds and Enterprise Funds
 Required Supplementary Information
 For the Year Ended June 30, 2024

| | Governmental Funds | | Enterprise Funds | | Total Actual | Budgeted Amounts | | Final to Actual Variance |
|---|---------------------|-------------------|--------------------|---------------------|---------------------|-------------------|--------------------|--------------------------|
| | Actual | Funds | Actual | Funds | | Original | Final | |
| | \$ | - | \$ | - | | \$ | \$ | |
| Revenues | | | | | | | | |
| Local sources | 4,438,049 | 281,947 | 4,719,996 | 4,036,212 | 4,036,212 | 4,036,212 | 683,784 | |
| State sources | 4,931,913 | 2,461 | 4,934,374 | 5,040,766 | 5,040,766 | 5,040,766 | (106,392) | |
| Federal sources | 182,076 | 255,831 | 437,907 | 858,729 | 858,729 | 858,729 | (420,822) | |
| Total revenues | <u>9,552,038</u> | <u>540,239</u> | <u>10,092,277</u> | <u>9,935,707</u> | <u>9,935,707</u> | <u>9,935,707</u> | <u>156,570</u> | |
| Expenditures/Expenses | | | | | | | | |
| Instruction | 5,946,633 | - | 5,946,633 | 6,346,931 | 6,346,931 | 6,346,931 | 400,298 | |
| Support services | 2,714,949 | 2,652 | 2,717,601 | 3,044,072 | 3,044,072 | 3,044,072 | 326,471 | |
| Non-instructional programs | 4,410 | 444,558 | 448,968 | 390,123 | 390,123 | 490,123 | 41,155 | |
| Other expenditures | 2,596,550 | - | 2,596,550 | 1,577,978 | 1,577,978 | 2,777,978 | 181,428 | |
| Total expenditures/expenses | <u>11,262,542</u> | <u>447,210</u> | <u>11,709,752</u> | <u>11,359,104</u> | <u>11,359,104</u> | <u>12,659,104</u> | <u>949,352</u> | |
| Excess (deficiency) of revenues over (under) expenditures | (1,710,504) | 93,029 | (1,617,475) | (1,423,397) | (1,423,397) | (2,723,397) | 1,105,922 | |
| Net other financing sources (uses) | <u>3,000,000</u> | <u>-</u> | <u>3,000,000</u> | <u>(21,600)</u> | <u>(21,600)</u> | <u>(21,600)</u> | <u>3,021,600</u> | |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing (uses) | | | | | | | | |
| Change in fund balance | 1,289,496 | 93,029 | 1,382,525 | (1,444,997) | (1,444,997) | (2,744,997) | 4,127,522 | |
| Balance, beginning of year | 3,488,949 | 430,569 | 3,919,518 | 3,409,260 | 3,409,260 | 3,409,260 | 510,258 | |
| Balance, end of year | <u>\$ 4,778,445</u> | <u>\$ 523,598</u> | <u>\$5,302,043</u> | <u>\$ 1,964,263</u> | <u>\$ 1,964,263</u> | <u>\$ 664,263</u> | <u>\$4,637,780</u> | |

See accompanying Independent Auditor's Report.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Budgetary Reporting
For the Year Ended June 30, 2024

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year ended June 30, 2023, the District adopted one budget amendment, increasing budgeted expenditures by \$1,300,000.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
For the Last Ten Years*
Required Supplementary Information

| | In Thousands | | | | | | | | | |
|--|--------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| District's proportion of the net pension liability | 0.061304% | 0.060659% | 0.057583% | 0.057947% | 0.060017% | 0.064953% | 0.063865% | 0.064787% | 0.065825% | 0.068095% |
| District's proportionate share of the net pension liability | \$2,828,721 | \$2,407,625 | \$ 80,726 | \$4,042,214 | \$ 3,475 | \$ 4,110 | \$ 4,254 | \$ 4,077 | \$ 3,252 | \$ 2,756 |
| District's covered payroll | \$5,504,440 | \$5,103,655 | \$4,673,183 | \$ 4,571 | \$ 4,962 | \$ 4,472 | \$ 4,767 | \$ 4,646 | \$ 4,510 | \$ 4,547 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 51.39% | 47.17% | 1.73% | 88.43% | 70.03% | 91.91% | 89.24% | 87.75% | 72.11% | 60.61% |
| IPERS' net position as a percentage of the total pension liability | 90.13% | 91.40% | 100.81% | 82.90% | 85.45% | 83.62% | 82.21% | 81.82% | 85.19% | 87.61% |

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

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
 Schedule of District Contributions
 Iowa Public Employees' Retirement System
 For the Last Ten Years
 Required Supplementary Information

| | In Thousands | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Statutorily required contribution | \$ 484,572 | \$ 519,619 | \$ 481,785 | \$ 441,176 | \$ 431 | \$ 466 | \$ 399 | \$ 426 | \$ 415 | \$ 403 |
| Contributions in relation to the statutorily required contribution | <u>(484,572)</u> | <u>(519,619)</u> | <u>(481,785)</u> | <u>(441,176)</u> | <u>(431)</u> | <u>(466)</u> | <u>(399)</u> | <u>(426)</u> | <u>(415)</u> | <u>(403)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$ 5,133,182 | \$ 5,504,440 | \$ 5,103,655 | \$ 4,673,183 | \$ 4,571 | \$ 4,962 | \$ 4,472 | \$ 4,767 | \$ 4,646 | \$ 4,510 |
| Contributions as a percentage of covered payroll | 9.44% | 9.44% | 9.44% | 9.44% | 9.44% | 9.39% | 8.93% | 8.93% | 8.93% | 8.93% |

See accompanying Independent Auditor's Report.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information – Pension Liability
For the Year Ended June 30, 2024

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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%.

Nashua-Plainfield Community School District
Schedule of Changes in the District's
Total OPEB Liability and Related Ratios
For the Last Seven Years
Required Supplementary Information

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| Service cost | \$ 4,657 | \$ 2,756 | \$ 2,756 | \$ 2,619 | \$ 2,619 | \$ 780 | \$ 780 |
| Interest cost | 2,167 | 916 | 831 | 1,877 | 2,141 | 259 | 259 |
| Difference between expected and actual experiences | - | - | - | - | 62,361 | (966) | (1,054) |
| Changes in assumptions | (57,572) | - | 9,793 | - | 1,998 | - | - |
| Demographic changes | 58,968 | - | (31,459) | - | - | - | - |
| Recognition of deferred inflows/outflows | 682 | - | - | (93) | - | - | - |
| Benefit payments | - | - | - | (13,483) | (12,313) | - | - |
| Net change in total OPEB liability | 8,902 | 3,672 | (18,079) | (9,080) | 56,806 | 73 | (15) |
| Total OPEB liability beginning of year | 39,570 | 35,898 | 53,977 | 63,057 | 6,251 | 6,178 | 6,193 |
| Total OPEB liability end of year | <u>\$ 48,472</u> | <u>\$ 39,570</u> | <u>\$ 35,898</u> | <u>\$ 53,977</u> | <u>\$ 63,057</u> | <u>\$ 6,251</u> | <u>\$ 6,178</u> |
| Covered-employee payroll | \$ 5,014,417 | \$ 4,925,246 | \$ 4,726,892 | \$ 4,190,448 | \$ 4,110,073 | \$ 259,384 | \$ 203,903 |
| Total OPEB liability as a percentage of covered-employee payroll | 0.97% | 0.80% | 0.76% | 1.29% | 1.53% | 2.41% | 3.03% |

See accompanying Independent Auditor's Report.

Nashua-Plainfield Community School District
Notes to Required Supplementary Information – OPEB Liability
Year Ended June 30, 2024

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

There were no significant changes in assumptions.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

| | |
|--------------------------|-------|
| Year ended June 30, 2024 | 4.75% |
| Year ended June 30, 2023 | 2.37% |
| Year ended June 30, 2022 | 2.37% |
| Year ended June 30, 2021 | 3.15% |
| Year ended June 30, 2020 | 3.15% |
| Year ended June 30, 2019 | 3.72% |
| Year ended June 30, 2018 | 3.72% |
| Year ended June 30, 2017 | 2.50% |

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

Supplementary Information

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

Schedule 1

| | Special Revenue | | Capital Projects | | Debt Service | Total |
|---|---------------------|--------------------|---|--|-----------------|--------------------|
| | Student Activity | Management Levy | Statewide Sales, Services and Use Tax | Physical Plant and Equipment Levy | | |
| | | | | | | |
| Assets | | | | | | |
| Cash, cash equivalents and pooled investments | \$ 95,089 | \$250,265 | \$ 719,471 | \$461,359 | \$42,961 | \$1,569,145 |
| Receivables | | | | | | |
| Property tax | | | | | | |
| Delinquent | - | 2,583 | - | 4,586 | - | 7,169 |
| Succeeding year | - | 500,001 | - | 272,958 | - | 772,959 |
| Accounts receivable | 9,833 | - | - | - | - | 9,833 |
| Income surtax | - | - | - | 41,100 | - | 41,100 |
| Due from other governments | - | - | 71,833 | - | - | 71,833 |
| Total assets | <u>\$104,922</u> | <u>\$752,849</u> | <u>\$ 791,304</u> | <u>\$780,003</u> | <u>\$42,961</u> | <u>\$2,472,039</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 4,464 | \$ - | \$ - | \$ 24,715 | \$ - | \$ 29,179 |
| Deferred inflows of resources | | | | | | |
| Unavailable revenue | | | | | | |
| Succeeding year property tax | - | 500,001 | - | 272,958 | - | 772,959 |
| Income surtax | - | - | - | 41,100 | - | 41,100 |
| Total deferred inflows of resources | <u>-</u> | <u>500,001</u> | <u>-</u> | <u>314,058</u> | <u>-</u> | <u>814,059</u> |
| Fund balances | | | | | | |
| Restricted for | | | | | | |
| Student activities | 100,458 | - | - | - | - | 100,458 |
| Management levy purposes | - | 252,848 | - | - | - | 252,848 |
| School infrastructure | - | - | 791,304 | - | - | 791,304 |
| Physical plant and equipment | - | - | - | 441,230 | - | 441,230 |
| Debt service | - | - | - | - | 42,961 | 42,961 |
| Total fund balances | <u>100,458</u> | <u>252,848</u> | <u>791,304</u> | <u>441,230</u> | <u>42,961</u> | <u>1,628,801</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$104,922</u> | <u>\$752,849</u> | <u>\$ 791,304</u> | <u>\$780,003</u> | <u>\$42,961</u> | <u>\$2,472,039</u> |

See accompanying Independent Auditor's Report.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Schedule 2

| Revenues | Special Revenue | | Capital Projects | | | Total |
|--|---------------------|--------------------|---|--|-----------------|-------------|
| | Student Activity | Management Levy | Statewide Sales, Services and Use Tax | Physical Plant and Equipment Levy | Debt Service | |
| | Activity | Levy | and Use Tax | Levy | Service | |
| Local sources | | | | | | |
| Local taxes | \$ - | \$ 253,462 | \$ - | \$ 492,912 | \$ - | \$ 746,374 |
| Other | 228,292 | 2,629 | 8,358 | 5,303 | - | 244,582 |
| State sources | - | 232 | 780,668 | 408 | - | 781,308 |
| Total revenues | 228,292 | 256,323 | 789,026 | 498,623 | - | 1,772,264 |
| Expenditures | | | | | | |
| Current | | | | | | |
| Instruction | | | | | | |
| Regular | - | 44,029 | - | 52,485 | - | 96,514 |
| Other | 262,881 | - | - | - | - | 262,881 |
| Total instruction | 262,881 | 44,029 | - | 52,485 | - | 359,395 |
| Support services | | | | | | |
| Instructional staff | - | - | - | 5,585 | - | 5,585 |
| Administration | - | - | 55,637 | 101,804 | - | 157,441 |
| Operation and maintenance of plant | - | 218,590 | - | 9,000 | - | 227,590 |
| Transportation | - | 22,996 | 130,000 | - | - | 152,996 |
| Total support services | - | 241,586 | 185,637 | 116,389 | - | 543,612 |
| Non-instructional programs | - | - | - | 4,410 | - | 4,410 |
| Other expenditures | | | | | | |
| Facilities acquisition | - | - | 90,685 | 80,837 | - | 171,522 |
| Long-term debt | | | | | | |
| Principal | - | - | - | - | 430,000 | 430,000 |
| Interest and fiscal charges | - | - | 34,411 | - | 65,408 | 99,819 |
| Total other expenditures | - | - | 125,096 | 80,837 | 495,408 | 701,341 |
| Total expenditures | 262,881 | 285,615 | 310,733 | 254,121 | 495,408 | 1,608,758 |
| Excess (deficiency) of revenues over (under) expenditures | (34,589) | (29,292) | 478,293 | 244,502 | (495,408) | 163,506 |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | - | - | 504,483 | 504,483 |
| Transfers (out) | - | - | (504,483) | - | - | (504,483) |
| Total other financing sources (uses) | - | - | (504,483) | - | 504,483 | - |
| Change in fund balances | (34,589) | (29,292) | (26,190) | 244,502 | 9,075 | 163,506 |
| Fund balances, beginning of year | 135,047 | 282,140 | 817,494 | 196,728 | 33,886 | 1,465,295 |
| Fund balances, end of year | \$100,458 | \$252,848 | \$791,304 | \$441,230 | \$42,961 | \$1,628,801 |

See accompanying Independent Auditor's Report.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024

Schedule 3

| | <u>School</u> | Before & After <u>School</u> | <u>Preschool</u> | Community <u>Education</u> | <u>Total</u> |
|---|-------------------|------------------------------------|------------------|-------------------------------|------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 449,782 | \$ 8,411 | \$49,597 | \$ 82,324 | \$590,114 |
| Accounts receivable | - | - | - | 1,138 | 1,138 |
| Inventories | <u>2,485</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,485</u> |
| Total current assets | 452,267 | 8,411 | 49,597 | 83,462 | 593,737 |
| Noncurrent assets | | | | | |
| Capital assets, net of accumulated depreciation | <u>6,999</u> | <u>-</u> | <u>-</u> | <u>19,170</u> | <u>26,169</u> |
| Total assets | <u>459,266</u> | <u>8,411</u> | <u>49,597</u> | <u>102,632</u> | <u>619,906</u> |
| Deferred Outflows of Resources | | | | | |
| Pension related deferred outflows | <u>28,208</u> | <u>-</u> | <u>-</u> | <u>1,810</u> | <u>30,018</u> |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Accounts payable | - | - | - | 156 | 156 |
| Accrued salaries and benefits | 25,125 | - | - | 2,983 | 28,108 |
| Unearned revenue | <u>5,846</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,846</u> |
| Total current liabilities | 30,971 | - | - | 3,139 | 34,110 |
| Noncurrent liabilities | | | | | |
| Net pension liability | <u>65,269</u> | <u>-</u> | <u>-</u> | <u>12,812</u> | <u>78,081</u> |
| Total liabilities | <u>96,240</u> | <u>-</u> | <u>-</u> | <u>15,951</u> | <u>112,191</u> |
| Deferred Inflows of Resources | | | | | |
| Pension related deferred inflows | <u>12,412</u> | <u>-</u> | <u>-</u> | <u>1,723</u> | <u>14,135</u> |
| Net Position | | | | | |
| Net investment in capital assets | 6,999 | - | - | 19,170 | 26,169 |
| Unrestricted | <u>371,823</u> | <u>8,411</u> | <u>49,597</u> | <u>67,598</u> | <u>497,429</u> |
| Total net position | <u>\$ 378,822</u> | <u>\$ 8,411</u> | <u>\$49,597</u> | <u>\$ 86,768</u> | <u>\$523,598</u> |

See accompanying Independent Auditor's Report.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT Schedule 4
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

| | <u>School</u> | <u>Before & After</u> | <u>School</u> | <u>Preschool</u> | <u>Community</u> | <u>Total</u> |
|------------------------------------|-------------------------|-------------------------------|-------------------------|------------------|------------------------|-------------------------|
| | <u>Nutrition</u> | | | | <u>Education</u> | |
| Operating revenue | | | | | | |
| Local sources | | | | | | |
| Charges for service | <u>\$197,155</u> | <u>\$ -</u> | <u>\$ 10,113</u> | | <u>\$71,053</u> | <u>\$278,321</u> |
| Operating expenses | | | | | | |
| Support services | | | | | | |
| Administration | | | | | | |
| Purchased services | 667 | - | - | | 956 | 1,623 |
| Operation and maintenance of plant | | | | | | |
| Purchased services | - | - | - | | 18 | 18 |
| Supplies | <u>1,011</u> | <u>-</u> | <u>-</u> | | <u>-</u> | <u>1,011</u> |
| Total support services | <u>1,678</u> | <u>-</u> | <u>-</u> | | <u>974</u> | <u>2,652</u> |
| Non-instructional programs | | | | | | |
| Salaries | 135,703 | - | - | | 31,194 | 166,897 |
| Benefits | 26,364 | - | - | | 7,236 | 33,600 |
| Purchased services | - | - | - | | 1,436 | 1,436 |
| Supplies | 227,684 | - | - | | 10,478 | 238,162 |
| Depreciation | <u>920</u> | <u>-</u> | <u>-</u> | | <u>3,543</u> | <u>4,463</u> |
| Total non-instructional programs | <u>390,671</u> | <u>-</u> | <u>-</u> | | <u>53,887</u> | <u>444,558</u> |
| Total operating expenses | <u>392,349</u> | <u>-</u> | <u>-</u> | | <u>54,861</u> | <u>447,210</u> |
| Operating income (loss) | <u>(195,194)</u> | <u>-</u> | <u>10,113</u> | | <u>16,192</u> | <u>(168,889)</u> |
| Non-operating revenue | | | | | | |
| Interest income | 3,590 | - | - | | 36 | 3,626 |
| State sources | 2,461 | - | - | | - | 2,461 |
| Federal sources | <u>255,831</u> | <u>-</u> | <u>-</u> | | <u>-</u> | <u>255,831</u> |
| Total non-operating revenue | <u>261,882</u> | <u>-</u> | <u>-</u> | | <u>36</u> | <u>261,918</u> |
| Change in net position | 66,688 | - | 10,113 | | 16,228 | 93,029 |
| Net position, beginning of year | <u>312,134</u> | <u>8,411</u> | <u>39,484</u> | | <u>70,540</u> | <u>430,569</u> |
| Net position, end of year | <u><u>\$378,822</u></u> | <u><u>\$ 8,411</u></u> | <u><u>\$ 49,597</u></u> | | <u><u>\$86,768</u></u> | <u><u>\$523,598</u></u> |

See accompanying Independent Auditor's Report.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

Schedule 5

| | | Before & | | Community | |
|--|-------------------|-----------------|------------------|------------------|-------------------|
| | <u>School</u> | <u>After</u> | <u>Preschool</u> | <u>Education</u> | <u>Total</u> |
| | <u>Nutrition</u> | <u>School</u> | <u>Preschool</u> | <u>Education</u> | <u>Total</u> |
| Cash flows from operating activities | | | | | |
| Cash received from sale of services | \$ 196,287 | \$ - | \$ 10,113 | \$ 72,040 | \$ 278,440 |
| Cash payments to employees for services | (158,700) | - | - | (35,004) | (193,704) |
| Cash payments to suppliers for goods and services | <u>(197,168)</u> | <u>-</u> | <u>-</u> | <u>(12,733)</u> | <u>(209,901)</u> |
| Net cash provided by (used in) operating activities | <u>(159,581)</u> | <u>-</u> | <u>10,113</u> | <u>24,303</u> | <u>(125,165)</u> |
| Cash flows from non-capital financing activities | | | | | |
| State grants received | 2,461 | - | - | - | 2,461 |
| Federal grants received | <u>185,757</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>185,757</u> |
| Net cash provided by non-capital financing activities | <u>188,218</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>188,218</u> |
| Cash flows from capital and related financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities | | | | | |
| Interest on investments | <u>3,590</u> | <u>-</u> | <u>-</u> | <u>36</u> | <u>3,626</u> |
| Net increase in cash and cash equivalents | 32,227 | - | 10,113 | 24,339 | 66,679 |
| Cash and cash equivalents, beginning of year | 417,555 | 8,411 | 39,484 | 57,985 | 523,435 |
| Cash and cash equivalents, end of year | <u>\$ 449,782</u> | <u>\$ 8,411</u> | <u>\$ 49,597</u> | <u>\$ 82,324</u> | <u>\$ 590,114</u> |

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities

| | | | | | |
|---|--------------------|-------------|------------------|------------------|--------------------|
| Operating income (loss) | \$(195,194) | \$ - | \$ 10,113 | \$ 16,192 | \$(168,889) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | |
| Depreciation | 920 | - | - | 3,543 | 4,463 |
| Commodities used | 32,091 | - | - | - | 32,091 |
| Change in assets and liabilities: | | | | | |
| Accounts receivable | - | - | - | 986 | 986 |
| Inventories | 103 | - | - | - | 103 |
| Deferred outflows of resources | (14,036) | - | - | 1,137 | (12,899) |
| Net pension liability | 10,953 | - | - | 1,520 | 12,473 |
| Deferred inflows of resources | 5,853 | - | - | 359 | 6,212 |
| Unearned revenue | (868) | - | - | - | (868) |
| Accounts payable | - | - | - | 156 | 156 |
| Accrued salaries and benefits | <u>596</u> | <u>-</u> | <u>-</u> | <u>410</u> | <u>1,006</u> |
| Net cash provided by (used in) operating activities | <u>\$(159,582)</u> | <u>\$ -</u> | <u>\$ 10,113</u> | <u>\$ 24,303</u> | <u>\$(125,166)</u> |

Non-cash investing, capital and related financing activities.

During the year ended June 30, 2024. The District received \$32,091 of federal commodities.

See accompanying Independent Auditor's Report.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
For the Year Ended June 30, 2024

Schedule 6

| Account | Balance, Beginning of Year | Revenues | Expenditures | Intra-Fund Transfers | Balance, End of Year |
|----------------------------|----------------------------------|----------|--------------|-------------------------|----------------------------|
| Interest Balance | \$ - | \$ 1,106 | \$ - | \$ - | \$ 1,106 |
| Elementary Teachers | 1,050 | - | 49 | - | 1,001 |
| Washington DC | 11,997 | 51,711 | 60,551 | - | 3,157 |
| K-5 Musical | 527 | - | - | - | 527 |
| Elementary Christmas Store | 3,794 | 1,150 | - | - | 4,944 |
| Elementary Activities | 27,400 | 5,649 | 10,029 | (17,372) | 5,648 |
| Elem Student Store | - | 2,187 | 112 | (762) | 1,313 |
| Elem Playground Equip | 10,000 | - | 378 | - | 9,622 |
| Green Thumb Fund | 1,075 | 675 | - | - | 1,750 |
| JH Activities | - | 7,201 | 2,435 | - | 4,766 |
| Drama | - | 327 | 633 | 633 | 327 |
| Speech | 1,931 | - | 113 | - | 1,818 |
| Vocal Music | - | - | 125 | 125 | - |
| Instrumental Music | - | 3,645 | 2,666 | - | 979 |
| Annual Fund | - | 350 | - | (239) | 111 |
| FFA | 6,325 | 36,330 | 45,320 | 2,665 | - |
| JH Student Council | 2,785 | - | 275 | - | 2,510 |
| FCCLA | 2,591 | 381 | 480 | - | 2,492 |
| FCS-STW | 149 | - | - | - | 149 |
| Honor Society | - | - | 385 | (585) | (970) |
| NHS | - | 750 | - | - | 750 |
| History Day | 12,110 | 9,995 | 19,093 | - | 3,012 |
| HS Teachers | 630 | 535 | 338 | - | 827 |
| Industrial Tech Resale | 7,634 | 515 | - | - | 8,149 |
| NP Manufacturing | 725 | - | - | - | 725 |
| Class of 2023 | 3,000 | - | 3,000 | - | - |
| Class of 2024 | 2,291 | 3,250 | 728 | - | 4,813 |
| Class of 2025 | - | 12,207 | 10,607 | - | 1,600 |
| K-12 Art | 1,511 | 363 | - | - | 1,874 |
| Husky Leadership | 4,644 | 1,550 | 1,727 | - | 4,467 |
| HS Activities | 7,960 | 433 | - | - | 8,393 |
| General Athletics | - | 22,219 | 20,436 | (1,783) | - |

See accompanying Independent Auditor's Report.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
For the Year Ended June 30, 2024

Schedule 6

| Account (cont.) | Balance, Beginning of Year | Revenues | Expenditures | Intra-Fund Transfers | Balance, End of Year |
|--------------------------------|----------------------------------|------------------|------------------|-------------------------|----------------------------|
| Cross Country | \$ - | \$ 57 | \$ 994 | \$ 937 | \$ - |
| Golf | - | 103 | 1,632 | 1,529 | - |
| Basketball | - | 9,628 | 11,126 | 1,498 | - |
| Football | - | 9,889 | 9,986 | 97 | - |
| Baseball | - | 4,024 | 8,795 | 4,771 | - |
| Track | - | 15,218 | 11,365 | - | 3,853 |
| Wrestling | - | 9,423 | 15,036 | 5,613 | - |
| Volleyball | - | 4,852 | 4,253 | - | 599 |
| Softball | - | - | 2,873 | 2,873 | - |
| Cheerleaders | 2,752 | 274 | 2,334 | - | 692 |
| Cross Country Discretionary | 1,489 | - | 108 | - | 1,381 |
| Golf Discretionary Acct | 1,060 | - | - | - | 1,060 |
| Boys Basketball Discretionary | 1,293 | 2,255 | 168 | - | 3,380 |
| Football Discretionary | 7,059 | 8,000 | 10,425 | - | 4,634 |
| Baseball Discretionary | 1,200 | 225 | 1,298 | - | 127 |
| Boys Track Discretionary | 784 | - | - | - | 784 |
| Wrestling Discretionary | 2,975 | - | 561 | - | 2,414 |
| Girls Basketball Discretionary | 2,797 | 740 | 1,647 | - | 1,890 |
| Volleyball Discretionary | 886 | 925 | 800 | - | 1,011 |
| Softball Discretionary | 1,142 | 150 | - | - | 1,292 |
| Girls Track Discretionary | 907 | - | - | - | 907 |
| JH Girls Track Discretionary | 574 | - | - | - | 574 |
| Totals | <u>\$135,047</u> | <u>\$228,292</u> | <u>\$262,881</u> | <u>\$ -</u> | <u>\$100,458</u> |

See accompanying Independent Auditor's Report.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
 Schedule of Revenues by Source and Expenditures by Function
 All Governmental Funds
 For the Last Ten Years

| | Modified Accrual Basis | | | | | | | | | |
|----------------------------|------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Revenues | | | | | | | | | | |
| Local sources | | | | | | | | | | |
| Local tax | \$ 3,386,180 | \$ 3,145,981 | \$ 3,094,884 | \$ 3,098,785 | \$ 3,225,662 | \$ 3,080,060 | \$ 3,033,924 | \$ 2,979,117 | \$ 2,899,436 | \$ 2,828,027 |
| Tuition | 389,484 | 205,278 | 212,561 | 220,609 | 162,121 | 184,644 | 138,431 | 135,421 | 153,772 | 119,670 |
| Other | 662,385 | 481,255 | 401,344 | 351,325 | 392,737 | 466,591 | 481,002 | 549,231 | 485,841 | 413,868 |
| Intermediate sources | - | - | - | - | - | - | - | - | 1,700 | 4,325 |
| State sources | 4,931,913 | 5,064,530 | 4,888,680 | 4,558,807 | 4,525,767 | 4,489,322 | 4,383,159 | 4,470,265 | 4,171,771 | 4,199,521 |
| Federal sources | 182,076 | 511,308 | 740,974 | 407,412 | 209,151 | 231,745 | 229,609 | 274,117 | 212,149 | 251,305 |
| Total revenues | \$ 9,552,038 | \$ 9,408,352 | \$ 9,338,443 | \$ 8,636,938 | \$ 8,515,438 | \$ 8,452,362 | \$ 8,266,125 | \$ 8,408,151 | \$ 7,924,669 | \$ 7,816,716 |
| Expenditures | | | | | | | | | | |
| Current | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 3,845,580 | \$ 3,768,730 | \$ 3,777,320 | \$ 3,513,704 | \$ 3,398,092 | \$ 3,607,190 | \$ 3,837,507 | \$ 3,301,959 | \$ 3,161,118 | \$ 3,373,848 |
| Special | 927,122 | 941,112 | 897,170 | 807,472 | 891,439 | 852,714 | 813,672 | 952,787 | 690,669 | 606,011 |
| Other | 1,173,931 | 1,179,039 | 1,115,703 | 1,101,326 | 800,631 | 816,811 | 832,352 | 1,002,223 | 1,098,222 | 1,021,533 |
| Support services | | | | | | | | | | |
| Student | 240,324 | 246,925 | 212,746 | 212,229 | 227,597 | 176,229 | 217,219 | 215,798 | 209,631 | 201,181 |
| Instructional staff | 200,934 | 309,311 | 363,804 | 226,240 | 197,966 | 209,045 | 187,914 | 226,695 | 210,595 | 201,239 |
| Administration | 986,738 | 1,081,716 | 896,374 | 730,575 | 722,816 | 724,041 | 774,144 | 815,500 | 758,771 | 774,797 |
| Operation and maintenance | | | | | | | | | | |
| of plant | 757,779 | 554,780 | 669,932 | 602,476 | 570,031 | 586,458 | 540,590 | 509,097 | 460,874 | 476,740 |
| Transportation | 529,174 | 489,191 | 402,566 | 304,900 | 322,467 | 501,975 | 389,032 | 392,011 | 364,251 | 329,840 |
| Noninstructional programs | 4,410 | - | - | - | - | - | - | - | 5,217 | 1,768 |
| Other expenditures | | | | | | | | | | |
| Facilities acquisition | 1,658,240 | 321,187 | 489,815 | 103,458 | 239,901 | 766,614 | 180,896 | 171,608 | 179,422 | 128,964 |
| Long-term debt | | | | | | | | | | |
| Principal | 430,000 | 280,000 | 311,498 | 2,689,894 | 305,202 | 310,299 | 293,610 | 273,830 | 364,120 | 355,772 |
| Interest and other charges | 224,282 | 21,630 | 23,819 | 197,294 | 81,544 | 86,819 | 91,988 | 97,894 | 105,159 | 113,005 |
| Other general supplies | - | - | - | - | - | 890 | 840 | - | - | - |
| AEA flowthrough | 284,028 | 286,866 | 283,499 | 270,463 | 268,716 | 267,928 | 267,938 | 261,941 | 262,857 | 264,662 |
| Total expenditures | \$ 11,262,542 | \$ 9,480,487 | \$ 9,444,246 | \$ 10,760,031 | \$ 8,026,402 | \$ 8,907,013 | \$ 8,427,702 | \$ 8,221,343 | \$ 7,870,906 | \$ 7,849,360 |

See accompanying Independent Auditor's Report.

Kay L. Chapman, CPA PC

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Muscatine, Iowa 52761
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kchapman@cpakay.com

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 of Nashua-Plainfield Community School District:

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Nashua-Plainfield Community School District as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated March 19, 2025.

Report on Internal Control Over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. I identified

certain deficiencies in internal controls, described in Part I of the accompanying Schedule of Findings as items A and B that I consider to be material weaknesses.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2024, are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of the District. Since my 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.

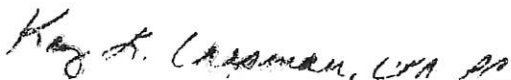
Nashua-Plainfield Community School District's Responses to the Findings

Government Auditing Standards require the auditor to perform limited procedure on Nashua-Plainfield Community School District's responses to the findings identified in my audit and described in the accompanying Schedule of Findings. Nashua-Plainfield Community School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of Nashua-Plainfield Community School District during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.



Kay L. Chapman, CPA PC
March 19, 2025

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Part I. Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE

No matters were reported.

INTERNAL CONTROL DEFICIENCIES

MATERIAL WEAKNESSES

A. Segregation of Duties

Criteria - Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the District's financial statements.

Condition - I noted that the same individual performed the following duties: recording and processing of cash receipts, preparing checks and bank reconciliations, preparation of journals and general financial information for ledger posting, and the analysis of financial information.

Cause - The limited number of accounting personnel makes it difficult to achieve adequate internal accounting control through the segregation of duties and responsibilities. A small staff makes it difficult to establish an ideal system of automatic internal checks on accounting record accuracy and reliability. This is not an unusual condition but it is important the District officials are aware that the condition exists.

Effect - Inadequate segregation of duties could adversely affect the District's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation - I realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials, to provide additional controls through review of financial transactions, reconciliations and reports. These independent reviews should be documented by the signature or initials of the reviewer and the date of the review.

Response and Corrective Action Planned - We will review our procedures and implement changes to improve internal control, as we deem necessary.

Conclusion - Response accepted.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

B. Material Misstatements not Detected

Criteria - A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the District’s financial statements.

Condition - During the course of my audit, I discovered material misstatements on the District’s Certified Annual Report (CAR) that were not detected by the District’s internal controls. The District did not reverse accounts receivable from the year ended June 30, 2023 in the General Fund and Statewide Sales, Services and Use Tax Fund. The amounts reported in the Management Levy Fund for succeeding year property tax receivable and deferred succeeding year property tax were not correct. Retainage on construction contracts were not accrued as liabilities in the Construction Project Fund. Depreciation expense was not recorded in the Community Education Fund. These errors resulted in the following over(under)statements on the District’s CAR.

| | Over (Under) Stated | | | | |
|--------------------------------------|---------------------|-------------|-----------|-----------|--------------|
| | Fund | | | | |
| | Assets | Liabilities | Balance | Revenues | Expenditures |
| General Fund | \$ 65,995 | \$ - | \$ 65,995 | \$ 65,995 | \$ - |
| Management Levy | \$ (31,504) | \$ (31,504) | \$ - | \$ - | \$ - |
| Statewide Sales, Service and Use Tax | \$ 57,416 | \$ - | \$ 57,415 | \$ 57,415 | \$ - |
| Construction Projects | \$ - | \$ (72,742) | \$ 72,742 | \$ - | \$ (72,742) |
| Community Education | \$ 3,543 | \$ - | \$ 3,543 | \$ - | \$ (3,543) |

Cause - District policies do not require and procedures have not been established to require independent review of year-end adjusting entries and cut-off transactions to ensure the District’s financial statements and CAR are accurate and reliable.

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

Recommendation - The District should implement procedures to ensure that all liabilities are identified and included in the District’s CAR.

Response - We will double-check these in the future to avoid missing any material amounts.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Conclusion - Response accepted.

Part II. Other Findings Related to Statutory Reporting:

1. Certified Budget - Expenditures for the year ended June 30, 2024 did not exceed the amounts budgeted.
2. Questionable Expenditures - No expenditures I believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
3. 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.
4. Business Transactions - No business transactions between the District and District officials or employees were noted.
5. 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.
6. 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 the coverage is adequate for current operations.
7. Board Minutes - I noted no transactions requiring Board approval which had not been approved by the Board.
8. Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
9. Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
10. Deposits and Investments - I noted 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.
11. Certified Annual Reports - The Certified Annual Report was certified timely to the Department of Education; however, there were some material misstatements as detailed in comment B in Part I of this Schedule of Findings.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
 Schedule of Findings
 For the Year Ended June 30, 2024

Recommendation - The District should ensure that all reports contain correct information in the future.

Response - We will ensure that future CARs contain correct information when it is filed with the Iowa Department of Education.

Conclusion - Response accepted.

- 12. Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.
- 13. Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2024, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

| | | |
|--|----------------|-------------------|
| Beginning balance | | \$ 817,494 |
| Revenues | | |
| Statewide sales and services tax revenue | \$ 780,668 | |
| Interest earned | <u>8,358</u> | 789,026 |
| Expenditures/transfers out | | |
| School infrastructure | | |
| School infrastructure construction | \$ 180,733 | |
| Equipment | 130,000 | |
| Transfers to other fund | | |
| Debt service fund | <u>504,483</u> | <u>815,216</u> |
| Ending balance | | <u>\$ 791,304</u> |

For the year ended June 30, 2024, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

- 14. Financial Condition - The District had negative unrestricted net position at June 30, 2024 in the Governmental Activities \$495,346.

Recommendation - The District should investigate this net position balance and consider potential action to return it to a good financial condition.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Schedule of Findings
For the Year Ended June 30, 2024

Response - This negative was a result of implementing GASB 68 and accounting for pension related expenses during the year ended June 30, 2017. We will continue to monitor this account.

Conclusion - Response accepted.

NASHUA-PLAINFIELD COMMUNITY SCHOOL DISTRICT
Audit Staff
June 30, 2024

This audit was performed by

Kay Chapman, CPA
Terri Slater, staff accountant