

Council Bluffs Community School District
Council Bluffs, Iowa

**Financial Statements and
Supplementary Information
June 30, 2021**

Together with Independent Auditor's Report

Council Bluffs Community School District

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Council Bluffs Community School District

Officials

<u>Officials</u>	<u>Board of Education</u>	<u>Term Expires</u>
Chris LaFerla	President	2023
Dave Coziahr	Vice President	2023
Troy Arthur	Board Member	2023
Jill Shudak	Board Member	2023
Teresa Hardiman	Board Member	2021
Dr. Jill Ogg-Gress	Board Member	2021
Erin Johnson	Board Member	2021

School Officials

Dr. Vickie Murillo	Superintendent
Dean Wilson	District Secretary/Treasurer and Chief Financial Officer

Independent Auditor's Report

To the Board of Education
Council Bluffs Community School District:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Council Bluffs Community School District as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 1J to the financial statements, in 2021 the District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 12, the Budgetary Comparison Information, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Contributions and Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 43 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The financial statements for the two years ended June 30, 2013 (which are not presented herein) were audited by other auditors, who expressed unmodified opinions on those financial statements; we previously audited the financial statements for the years ended June 30, 2014 through June 30, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included on pages 49 through 56, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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*, we have also issued our report dated January 24, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the District's internal control over financial reporting and compliance.

Seira Johnson, LLP

Omaha, Nebraska,
January 24, 2022.

Council Bluffs Community School District

Management's Discussion and Analysis

The Council Bluffs Community School District provides this Management's Discussion and Analysis of its financial statements. The narrative overview and analysis of financial activities is for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2021 FINANCIAL OVERVIEW

General Fund revenues increased from \$118,447,158 in fiscal 2020 to \$130,071,672 in fiscal 2021. The increase in General Fund revenues is attributed to federal ESSER funds related to COVID. General Fund expenditures increased from \$117,188,771 in fiscal 2020 to \$124,879,883 in fiscal 2021. The difference between fiscal 2021 revenues and expenditures resulted in a net surplus \$5,191,789. As a result, the District's General Fund balance increased from \$12,328,718 in fiscal 2020 to \$17,280,010 in fiscal 2021, which represents a 40.16% increase from the prior year, attributable to ESSER funds received.

The District's solvency ratio (unreserved-undesignated fund balance/general fund revenues-AEA Flow-through) increased from 9.49% at June 30, 2020, to 12.44% at June 30, 2021. The State School Budget Review Committee recommends a solvency ratio of 5%-10%.

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 Council Bluffs Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Council Bluffs Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Council Bluffs Community School District acts solely as an agent or custodian for the benefit of those outside of the School District.

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

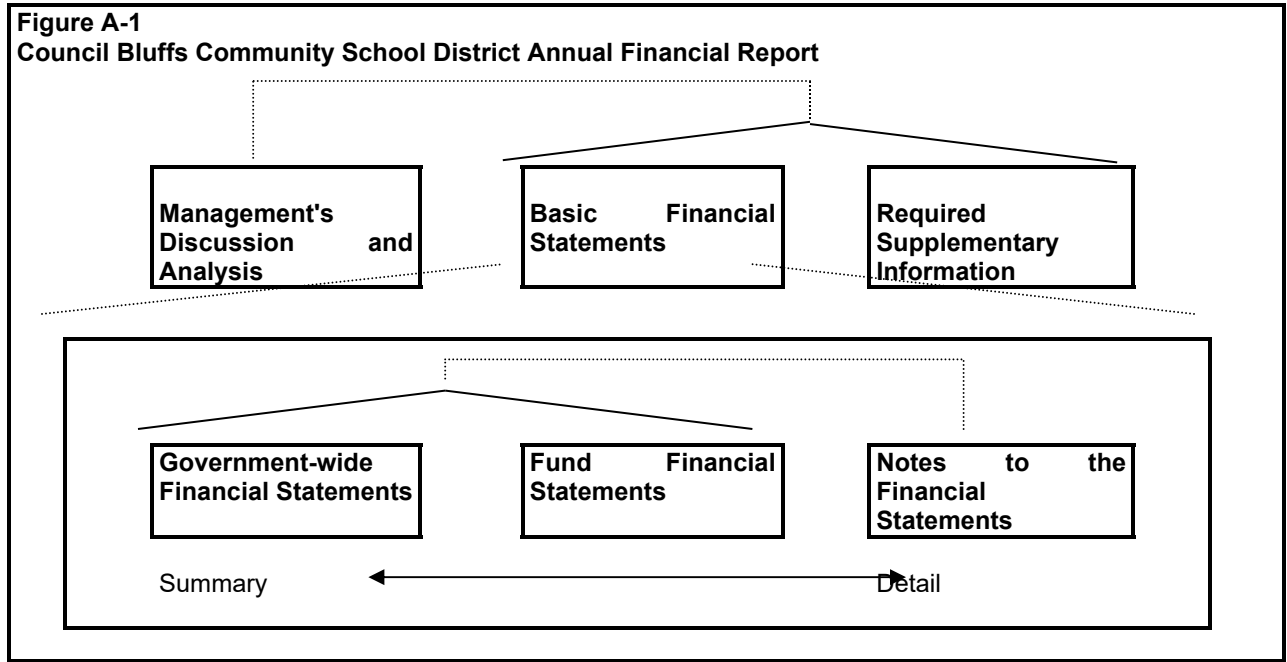
Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the schedule of funding progress for the retiree health plan.

Other Supplementary Information provides detailed information about the non-major funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

Council Bluffs Community School District

Management's Discussion and Analysis

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



Council Bluffs Community School District

Management's Discussion and Analysis

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

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and adult education	Instances in which the District administers resources on behalf of someone else
Required financial statements	<ul style="list-style-type: none"> Statement of Net Position Statement of Activities 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> Statement of Net Position Statement of Revenues, Expenses and Changes in Net Position Statement of Cash Flows 	<ul style="list-style-type: none"> Statement of Fiduciary Net Assets Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual basis of accounting and economic resources focus	Modified accrual basis of accounting and current financial resources focus	Accrual basis of accounting and economic resources focus	Accrual basis of accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Council Bluffs Community School District

Management's Discussion and Analysis

REPORTING OF DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The two government-wide statements report the District's *net position* and how they have changed. Net Position – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether financial position is improving or deteriorating, respectively. 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 and self-insurance 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 that it is properly using certain revenues such as federal grants.

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 financial 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 District's programs.

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

Council Bluffs Community School District

Management's Discussion and Analysis

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 in the Government-wide financial statements. The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities but provide more detail and additional information such as cash flows. The District currently has one enterprise fund, the School Nutrition Fund. Internal service funds are used to report the same functions presented as governmental activities in the government-wide financial statements. The District maintains one internal service fund to account for the premium and claim payments for the self-insured health insurance plans for District employees. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. Because the service provided by the District predominately benefits governmental, rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The required financial statements for proprietary funds include a statement of net position, 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 fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – Figure A-3 below provides a summary of the District's net position at June 30, 2021 compared to June 30, 2020.

Figure A-3
Statements of Net Position

	Governmental Activities June 30,		Business-type Activities June 30,		Total School District June 30,		% Change 2020-2021
	2021	2020	2021	2020	2021	2020	
Assets							
Current and other assets	\$ 108,708,958	115,940,177	2,744,890	2,528,632	111,453,848	118,468,809	-5.92%
Capital assets	149,687,314	139,066,338	291,104	139,480	149,978,418	139,205,818	7.74%
Total assets	258,396,272	255,006,515	3,035,994	2,668,112	261,432,266	257,674,627	1.46%
Deferred outflows of resources	16,572,711	16,253,052	309,741	313,736	16,882,452	16,566,788	1.91%
Total assets and deferred outflows	\$ 274,968,983	271,259,567	3,345,735	2,981,848	278,314,718	274,241,415	1.49%
Liabilities	\$ 177,831,799	170,614,603	1,939,215	1,575,433	179,771,014	172,190,036	4.40%
Deferred inflows of resources	45,891,840	51,019,715	217,737	373,882	46,109,577	51,393,597	-10.28%
Net position:							
Net investment in capital assets	61,324,149	46,528,161	291,104	139,480	61,615,253	46,667,641	32.03%
Restricted	23,197,526	37,633,528	-	-	23,197,526	37,633,528	-38.36%
Unrestricted	(33,276,331)	(34,536,440)	897,679	893,053	(32,378,652)	(33,643,387)	3.76%
Total net position	51,245,344	49,625,249	1,188,783	1,032,533	52,434,127	50,657,782	3.51%
Total liabilities, deferred inflows of resources and net position	\$ 274,968,983	271,259,567	3,345,735	2,981,848	278,314,718	274,241,415	1.49%

The District's combined net position increased 3.51% over the prior year. Restricted net position represents resources subject to external restrictions, constitutional provisions, or enabling legislation on how funds can be used. The District's restricted net position decreased 38.36% compared to last year, primarily a result of debt obligations and capital project costs.

Unrestricted net position, the part of net position used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased 3.76% due to results from GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Council Bluffs Community School District

Management's Discussion and Analysis

Changes in net position – Figure A-4 shows the changes in net position for the year ended June 30, 2021 compared to the year ended June 30, 2020.

Figure A-4
Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total School District		% Change 2020-2021
	Year ended June 30,		Year ended June 30,		Year ended June 30,		
	2021	2020	2021	2020	2021	2020	
Revenues:							
Program revenues:							
Charges for services	\$ 4,153,729	4,112,389	84,035	189,479	4,237,764	4,301,868	-1.49%
Operating grants, contributions and restricted interest	31,396,061	25,245,485	6,024,907	5,201,656	37,420,968	30,447,141	22.90%
Capital grants, contributions, and restricted interest	315,347	2,246,562	--	--	315,347	2,246,562	-85.96%
General revenues:							
Property and other tax	40,793,564	37,732,126	--	--	40,793,564	37,732,126	8.11%
Statewide sales, services and use tax	9,105,319	9,384,308	--	--	9,105,319	9,384,308	-2.97%
Unrestricted state grants	60,990,975	59,055,395	--	--	60,990,975	59,055,395	3.28%
Other	268,277	247,335	--	--	268,277	247,335	8.47%
Total revenues	147,023,272	138,023,600	6,108,942	5,391,135	153,132,214	143,414,735	6.78%
Program expenses							
Instruction	85,053,813	81,001,970	--	--	85,053,813	81,001,970	5.00%
Support services	42,589,145	42,776,324	--	--	42,589,145	42,776,324	-0.44%
Non-instructional programs	--	--	5,952,692	5,188,479	5,952,692	5,188,479	14.73%
Other expenses	17,760,219	17,149,056	--	--	17,760,219	17,149,056	3.56%
Total expenses	145,403,177	140,927,350	5,952,692	5,188,479	151,355,869	146,115,829	3.59%
Transfer	--	100,000	--	--	--	--	-100.00%
Change in net position	1,620,095	(2,803,750)	156,250	102,656	1,776,345	(2,701,094)	-165.76%
Beginning Net Position	49,625,249	52,428,999	1,032,533	929,877	50,657,782	53,358,876	-5.06%
Ending Net Position	\$ 51,245,344	49,625,249	1,188,783	1,032,533	52,434,127	50,657,782	3.51%

For the year ended June 30, 2021, property tax, statewide sales, service and use tax and unrestricted state grants account for 75.42% compared to 76.92% in 2020 of revenue from governmental activities, while charges for services and operating grants and contributions account for 100% of the revenue from business type activities.

As shown in Figure A-4, the District as a whole experienced a 6.78% increase in FY21 revenues compared to a 1.31% increase in FY20, and a 3.59% increase in FY21 expenditures compared to a 0.16% decrease in FY20 expenses due the COVID-19 pandemic school closure.

Governmental Activities

Revenues for governmental activities were \$147,023,272 and expenses were \$145,403,177 for the year ended June 30, 2021. The District levied a cash reserve levy and minimized increases in expenditures to show an increase in the District's solvency ratio.

Figure A-5 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, 2021 compared to the year ended June 30, 2020.

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost			Net Cost		
	Year ended June 30,			Year ended June 30,		
	2021	2020	% Change	2021	2020	% Change
Instruction	85,053,813	81,001,970	5.00%	54,342,068	56,547,822	-3.90%
Support services	42,589,145	42,776,324	-0.44%	42,459,236	42,577,337	-0.28%
Other expenses	17,760,219	17,149,056	3.56%	12,736,736	10,197,755	24.90%
Totals	145,403,177	140,927,350	3.18%	109,538,040	109,322,914	0.20%

The cost financed by users of the District's programs was \$4,153,729.

Federal and state governments subsidized certain programs with grants and contributions totaling \$31,396,061.

Council Bluffs Community School District

Management's Discussion and Analysis

The net cost of governmental activities were financed with \$40,793,564 in property tax, \$9,105,319 in statewide sales, services and use tax, \$60,990,975 in unrestricted state grants, \$268,277 in interest income and other general revenues.

Business-Type Activities

Revenues of the District's business-type activities were \$6,108,942 and expenses were \$5,952,692. The District's business-type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for services, federal and state reimbursements, and investment income. The District provided free breakfast and lunch, in all CEP (Community Eligibility Provision) schools within the District schools under a key provision of *The Healthy, Hunger Free Kids Act* (HHFKA, Public Law 111-296; December 13, 2010). CEP schools are defined as schools in low-income areas in the aggregate for the specific school. The District is reimbursed using a formula based on the percentage of students participating in other specific means-tested programs.

INDIVIDUAL FUND ANALYSIS

As previously noted, the Council Bluffs 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 \$40,263,927 at June 30, 2021 and \$49,940,834 at June 30, 2020. The decrease was attributable to the construction costs for the middle school renovation project.

Governmental Fund Highlights

The District's General Fund financial position is the product of many factors. General Fund revenues increased from FY20 attributable to an increase in federal funding.

Capital Project Fund net position decreased from fiscal 2020 due to the middle school renovation project.

Proprietary Fund Highlights

The School Nutrition Fund net position increased 15% from \$1,032,533 at June 30, 2020 to \$1,188,783 at June 30, 2021.

BUDGETARY HIGHLIGHTS

It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the District had invested \$149.9 million, net of accumulated depreciation, in a broad range of capital assets including land, buildings, athletic facilities and transportation equipment. More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation expense for the year was \$10.6 million.

Council Bluffs Community School District

Management's Discussion and Analysis

The original cost of the District's capital assets was \$270.1 million. Governmental funds account for \$269.1 million with the remainder in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in work-in-progress category related to the middle school renovation project.

Figure A-6
Capital Asset Summary

	Governmental Activities		Business Activities		Total School District		% Change 2020-2021
	June 30,		June 30,		June 30,		
	2021	2020	2021	2020	2021	2020	
Land	4,352,694	4,352,694	--	--	4,352,694	4,352,694	0.00%
Construction in progress	17,238,680	18,747,033	--	--	17,238,680	18,747,033	-8.05%
Buildings and land improvements	124,969,485	114,404,802	--	--	124,969,485	114,404,802	9.23%
Furniture and equipment	3,126,455	1,561,809	291,104	139,480	3,417,559	1,701,289	100.88%
Totals	149,687,314	139,066,338	291,104	139,480	149,978,418	139,205,818	7.74%

Long-Term Debt

At June 30, 2021, the District had \$156.3 million in outstanding long-term debt. This represents an increase of 2.9% from the prior year.

Figure A-7
Long Term Liabilities Summary

	2021	2020	% Change 2020-2021
	General obligation bonds	36,745,000	36,745,000
Premium on general obligation bonds	859,009	907,177	-5.3%
Revenue Bonds	42,781,000	47,736,000	-10.4%
Quality Zone Academy Bonds	1,500,000	1,500,000	0.0%
Qualified School Construction Bonds	5,650,000	5,650,000	0.0%
Compensated absences	313,638	322,553	-2.8%
Net OPEB liability	5,565,277	4,929,258	12.9%
Net pension liability	62,849,019	54,007,416	16.4%
Totals	156,262,943	151,797,404	2.9%

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The political environment in Iowa makes planning for future funding difficult. The Iowa legislature usually sets changes in school funding three to four months prior to the start of the fiscal year.
- The levels of state and federal funding for education are not keeping pace with the increases in cost and mandated growth. The District received 2.3% increase in state funding for the year ended June 30, 2021. Although the District's financial position is currently stable, small increases in future state aid will negatively affect future District finances.
- The impact of the COVID pandemic and its effect on future state funding.
- Costs associated with special education continue rising as more students are identified as requiring additional services. The special education deficit for 2021 was \$1.5 million compared to a deficit in 2020 of \$1.53 million.
- Unfunded mandates at the state or federal level.

Council Bluffs Community School District

Management's Discussion and Analysis

- The District experienced a weighted enrollment decrease in FY 2020 of 71 students, and an increase of 68 students for FY 2021.
- Fixed costs are anticipated to increase regarding routine maintenance and utilities.

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 Dean Wilson, Chief Financial Officer, Council Bluffs Community School District, 300 W Broadway, Suite 1600, Council Bluffs, Iowa, 51503.

Council Bluffs Community School District

Statement of Net Position June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents and pooled investments	\$ 53,376,399	1,909,553	55,285,952
Receivables:			
Property tax:			
Delinquent	982,278	--	982,278
Succeeding year	41,183,441	--	41,183,441
Accounts	8,681,764	700,211	9,381,975
Due from other funds	--	135	135
Investments	3,740,363	--	3,740,363
Inventories	47,949	134,889	182,838
Prepaid expenses	696,764	102	696,866
Capital assets, net of accumulated depreciation	149,687,314	291,104	149,978,418
Total assets	<u>258,396,272</u>	<u>3,035,994</u>	<u>261,432,266</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred gain on refunding	2,528,505	--	2,528,505
Pension and OPEB related deferred outflows	14,044,206	309,741	14,353,947
Total deferred outflows of resources	<u>16,572,711</u>	<u>309,741</u>	<u>16,882,452</u>
Total assets and deferred outflows of resources	<u>\$ 274,968,983</u>	<u>3,345,735</u>	<u>278,314,718</u>
LIABILITIES			
Accounts payable	\$ 8,138,433	101,848	8,240,281
Retainage payable	828,156	--	828,156
Salaries and benefits payable	13,408,457	294,777	13,703,234
Accrued interest payable	736,400	--	736,400
Current portion of long-term debt	6,512,000	--	6,512,000
Compensated absences	305,657	7,981	313,638
Long-term debt, net of current portion	81,023,009	--	81,023,009
Other post employment benefits	5,151,297	413,980	5,565,277
Net pension liability	61,728,390	1,120,629	62,849,019
Total liabilities	<u>177,831,799</u>	<u>1,939,215</u>	<u>179,771,014</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property tax	41,183,441	--	41,183,441
Advances from grantors	--	23,829	23,829
OPEB related deferred inflows	2,030,098	131,110	2,161,208
Pension related deferred inflows	2,678,301	62,798	2,741,099
Total deferred inflows of resources	<u>45,891,840</u>	<u>217,737</u>	<u>46,109,577</u>
NET POSITION			
Net investment in capital assets	61,324,149	291,104	61,615,253
Restricted for:			
Categorical funding	950,009	--	950,009
Debt service	8,102,457	--	8,102,457
Management levy purposes	2,182,720	--	2,182,720
Student activities	446,090	--	446,090
School infrastructure	8,146,765	--	8,146,765
Physical plant and equipment	3,369,485	--	3,369,485
Unrestricted	(33,276,331)	897,679	(32,378,652)
Total net position	<u>51,245,344</u>	<u>1,188,783</u>	<u>52,434,127</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 274,968,983</u>	<u>3,345,735</u>	<u>278,314,718</u>

See accompanying notes to the financial statements

Council Bluffs Community School District

Statement of Activities For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Instruction:							
Regular instruction	\$ 84,193,478	3,385,877	26,461,606	--	(54,345,995)	--	(54,345,995)
Other instruction	860,335	683,575	180,687	--	3,927	--	3,927
	<u>85,053,813</u>	<u>4,069,452</u>	<u>26,642,293</u>	<u>--</u>	<u>(54,342,068)</u>	<u>--</u>	<u>(54,342,068)</u>
Support services:							
Student services	6,232,681	--	--	--	(6,232,681)	--	(6,232,681)
Instructional staff services	5,289,642	--	--	--	(5,289,642)	--	(5,289,642)
Administration services	14,512,050	--	--	--	(14,512,050)	--	(14,512,050)
Operation and maintenance of plant	10,628,524	84,277	--	--	(10,544,247)	--	(10,544,247)
Transportation services	5,926,248	--	45,632	--	(5,880,616)	--	(5,880,616)
	<u>42,589,145</u>	<u>84,277</u>	<u>45,632</u>	<u>--</u>	<u>(42,459,236)</u>	<u>--</u>	<u>(42,459,236)</u>
Other expenses:							
Facilities acquisition	351,744	--	--	315,347	(36,397)	--	(36,397)
Long-term debt interest	2,636,911	--	115,301	--	(2,521,610)	--	(2,521,610)
AEA flowthrough	4,592,835	--	4,592,835	--	--	--	--
Depreciation (unallocated)*	10,178,729	--	--	--	(10,178,729)	--	(10,178,729)
	<u>17,760,219</u>	<u>--</u>	<u>4,708,136</u>	<u>315,347</u>	<u>(12,736,736)</u>	<u>--</u>	<u>(12,736,736)</u>
Total governmental activities	145,403,177	4,153,729	31,396,061	315,347	(109,538,040)	--	(109,538,040)
Business type activities:							
Non-instructional programs:							
Food service operations	5,952,692	84,035	6,024,907	--	--	156,250	156,250
Total primary government	\$ 151,355,869	4,237,764	37,420,968	315,347	(109,538,040)	156,250	(109,381,790)
General revenues							
Property and other tax levied for:							
General purposes				\$ 35,495,378	--	--	35,495,378
Debt service				1,201,904	--	--	1,201,904
Capital outlay				4,096,282	--	--	4,096,282
Statewide sales, services and use tax				9,105,319	--	--	9,105,319
Unrestricted state grants				60,990,975	--	--	60,990,975
Unrestricted investment earnings				8,070	--	--	8,070
Other				260,207	--	--	260,207
Total general revenues				<u>111,158,135</u>	<u>--</u>	<u>--</u>	<u>111,158,135</u>
Change in net position				1,620,095	156,250	--	1,776,345
Net position, beginning of year				49,625,249	1,032,533	--	50,657,782
Net position, end of year				<u>\$ 51,245,344</u>	<u>1,188,783</u>	<u>--</u>	<u>52,434,127</u>

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

See accompanying notes to the financial statements

Council Bluffs Community School District

Balance Sheet – Governmental Funds June 30, 2021

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash, cash equivalents and pooled investments	\$ 27,115,232	11,747,147	8,812,721	2,645,880	50,320,980
Receivables:					
Property tax:					
Delinquent	827,351	96,743	28,386	29,798	982,278
Succeeding year	34,165,468	4,188,905	1,229,080	1,599,988	41,183,441
Accounts	7,500,610	905,920	--	5,820	8,412,350
Due from other funds	--	272,419	--	--	272,419
Investments	--	1,732,384	--	--	1,732,384
Inventories	47,949	--	--	--	47,949
Prepaid expenses	673,575	20,200	--	2,989	696,764
Total assets	<u>\$ 70,330,185</u>	<u>18,963,718</u>	<u>10,070,187</u>	<u>4,284,475</u>	<u>103,648,565</u>
LIABILITIES					
Accounts payable	\$ 5,633,144	2,430,407	2,250	55,677	8,121,478
Due to other funds	698,368	--	--	--	698,368
Retainage payable	--	828,156	--	--	828,156
Salaries and benefits payable	12,553,195	--	--	--	12,553,195
Accrued expenses	--	--	--	--	--
Total liabilities	<u>18,884,707</u>	<u>3,258,563</u>	<u>2,250</u>	<u>55,677</u>	<u>22,201,197</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues:					
Succeeding year property tax	<u>34,165,468</u>	<u>4,188,905</u>	<u>1,229,080</u>	<u>1,599,988</u>	<u>41,183,441</u>
FUND BALANCES					
Nonspendable:					
Inventories	47,949	--	--	--	47,949
Prepaid items	673,575	--	--	--	673,575
Restricted for:					
Categorical funding	950,009	--	--	--	950,009
Debt service	--	--	8,838,857	--	8,838,857
School infrastructure	--	8,146,765	--	--	8,146,765
Physical plant and equipment	--	3,369,485	--	--	3,369,485
Management levy purposes	--	--	--	2,182,720	2,182,720
Student activities	--	--	--	446,090	446,090
Unassigned	<u>15,608,477</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>15,608,477</u>
Total fund balances	<u>17,280,010</u>	<u>11,516,250</u>	<u>8,838,857</u>	<u>2,628,810</u>	<u>40,263,927</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 70,330,185</u>	<u>18,963,718</u>	<u>10,070,187</u>	<u>4,284,475</u>	<u>103,648,565</u>
RECONCILIATION					
Total fund balances - governmental funds				\$	40,263,927
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 in the funds.					149,687,314
Long-term liabilities, including long-term debt, compensated absences payable, other post employment benefits payable and net pension liability are not due and payable in the current period and therefore are not reported in the funds.					(154,720,353)
Accrued interest payable on long-term liabilities is not due and payable in the current period, and therefore is not reported as a liability in the funds.					(736,400)
Deferred outflows of resources and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds, as follows:					
Deferred outflows of resources				16,572,711	
Deferred inflows of resources				<u>(4,708,399)</u>	11,864,312
Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicles to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.					<u>4,886,544</u>
Net position - governmental activities				\$	<u>51,245,344</u>

See accompanying notes to the financial statements

Council Bluffs Community School District

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds For the Year Ended June 30, 2021

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Local sources:					
Local tax	\$ 34,265,030	13,201,601	1,201,904	1,230,348	49,898,883
Tuition	3,346,516	--	--	--	3,346,516
Other	1,717,922	315,347	115,301	683,575	2,832,145
State sources	77,600,159	127,256	37,338	38,929	77,803,682
Federal sources	13,142,045	--	--	--	13,142,045
Total revenues	<u>130,071,672</u>	<u>13,644,204</u>	<u>1,354,543</u>	<u>1,952,852</u>	<u>147,023,271</u>
EXPENDITURES					
Current					
Instruction:					
Regular instruction	82,558,479	96,979	--	309,183	82,964,641
Other instruction	82,195	--	--	716,960	799,155
	<u>82,640,674</u>	<u>96,979</u>	<u>--</u>	<u>1,026,143</u>	<u>83,763,796</u>
Support services:					
Student services	5,957,415	16,009	--	23,520	5,996,944
Instructional staff services	4,788,717	255,642	--	17,129	5,061,488
Administration services	13,417,830	468,423	900	48,786	13,935,939
Operation and maintenance of plant services	8,564,901	790,779	26,000	890,051	10,271,731
Transportation services	4,917,511	978,211	--	565	5,896,287
	<u>37,646,374</u>	<u>2,509,064</u>	<u>26,900</u>	<u>980,051</u>	<u>41,162,389</u>
Other expenditures:					
Facilities acquisition	--	19,747,253	--	--	19,747,253
Long-term debt:					
Principal	--	--	4,955,000	--	4,955,000
Interest and fiscal charges	--	--	2,478,905	--	2,478,905
AEA flowthrough	4,592,835	--	--	--	4,592,835
	<u>4,592,835</u>	<u>19,747,253</u>	<u>7,433,905</u>	<u>--</u>	<u>31,773,993</u>
Total expenditures	<u>124,879,883</u>	<u>22,353,296</u>	<u>7,460,805</u>	<u>2,006,194</u>	<u>156,700,178</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,191,789	(8,709,092)	(6,106,262)	(53,342)	(9,676,907)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	<u>(240,497)</u>	<u>(6,432,786)</u>	<u>6,629,283</u>	<u>44,000</u>	<u>--</u>
CHANGE IN FUND BALANCES	4,951,292	(15,141,878)	523,021	(9,342)	(9,676,907)
FUND BALANCES, BEGINNING OF YEAR	<u>12,328,718</u>	<u>26,658,128</u>	<u>8,315,836</u>	<u>2,638,152</u>	<u>49,940,834</u>
FUND BALANCES, END OF YEAR	<u>\$ 17,280,010</u>	<u>11,516,250</u>	<u>8,838,857</u>	<u>2,628,810</u>	<u>40,263,927</u>
RECONCILIATION					
Net change in fund balances - total governmental funds					\$ (9,676,907)
Internal service funds are used by management to change the cost of certain activities to individual funds. The change in net position is reported with governmental activities.					(1,041,509)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense.					10,620,976
The current year District employer share of IPERS contributions are reported as expenditures in governmental funds, but are reported as a deferred outflow of resources in the statement of net position, and pension expense is reported as an expense in the statement of activities.					(3,134,077)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.					4,955,000
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds.					(103,388)
Change in net position - governmental activities					\$ <u>1,620,095</u>

See accompanying notes to the financial statements

Council Bluffs Community School District

Statement of Net Position – Proprietary Funds June 30, 2021

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Enterprise	School Nutrition	Internal Service Employee Health
ASSETS			
Current assets:			
Cash, cash equivalents and pooled investments	\$	1,909,553	3,055,419
Accounts receivable		700,211	269,414
Due from other funds		135	425,949
Inventories		134,889	--
Prepaid expenses		102	--
Investments		--	2,007,979
Total current assets		2,744,890	5,758,761
Noncurrent assets:			
Capital assets, net of accumulated depreciation		291,104	--
Total assets		3,035,994	5,758,761
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows		309,741	--
Total assets and deferred outflows of resources	\$	3,345,735	5,758,761
LIABILITIES			
Current liabilities:			
Accounts payable	\$	101,848	16,955
Salaries and benefits payable		294,777	855,262
Compensated absences		7,981	--
Total current liabilities		404,606	872,217
Long-term liabilities:			
Other post employment benefits		413,980	--
Net pension liability		1,120,629	--
Total long-term liabilities		1,534,609	--
Total liabilities		1,939,215	872,217
DEFERRED INFLOWS OF RESOURCES			
Advances from grantors		23,829	--
OPEB related deferred inflows		131,110	--
Pension related deferred inflows		62,798	--
Total deferred inflows of resources		217,737	--
NET POSITION			
Net investment in capital assets		291,104	--
Unrestricted		897,679	4,886,544
Total net position		1,188,783	4,886,544
Total liabilities, deferred inflows of resources, and net position	\$	3,345,735	5,758,761

See accompanying notes to the financial statements

Council Bluffs Community School District

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds For the Year Ended June 30, 2021

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Enterprise	School Nutrition	Internal Service Employee Health
OPERATING REVENUES			
Local sources:			
Charges for services	\$	84,035	10,643,664
OPERATING EXPENSES			
Support services:			
Administration services		--	12,316,503
Non-instructional programs:			
Food service operations:			
Salaries		1,855,286	--
Benefits		876,893	--
Purchased services		52,060	--
Supplies		3,110,113	--
Miscellaneous		7,710	--
Depreciation		50,630	--
Total operating expenses		5,952,692	12,316,503
OPERATING LOSS		(5,868,657)	(1,672,839)
NON-OPERATING REVENUES:			
State sources		52,470	--
Federal sources		5,970,899	--
Other		1,538	631,330
Total non-operating revenues		6,024,907	631,330
CHANGE IN NET POSITION		156,250	(1,041,509)
NET POSITION, BEGINNING OF YEAR		1,032,533	5,928,053
NET POSITION, END OF YEAR	\$	1,188,783	4,886,544

See accompanying notes to the financial statements

Council Bluffs Community School District

Statement of Cash Flows – Proprietary Funds For the Year Ended June 30, 2021

	Business-Type Activities Enterprise Funds	Governmental Activities
	Enterprise	Internal Service
	School Nutrition	Employee Health
CASH FLOWS FROM OPERATING ACTIVITIES:		
Received from user charges	\$ 83,900	10,810,945
Payments to employees	(1,851,256)	--
Receipts (payments) of employee benefits	(664,815)	717,729
Payments to suppliers for goods and services	(2,814,683)	(13,465,393)
Net cash used in operating activities	<u>(5,246,854)</u>	<u>(1,936,719)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State subsidies received	52,470	--
Federal subsidies received	5,084,262	--
Other nonoperating receipts (payments)	(4,368)	631,330
Net cash provided by noncapital financing activities	<u>5,132,364</u>	<u>631,330</u>
CASH FLOWS FROM INVESTING ACTIVITIES,		
Purchases of investments	<u>--</u>	<u>(6,316)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES,		
Acquisition of capital assets	<u>(202,254)</u>	<u>--</u>
NET CHANGE IN CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS	(316,744)	(1,311,705)
CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS, BEGINNING OF YEAR	2,226,297	4,367,124
CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS, END OF YEAR	\$ 1,909,553	3,055,419
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (5,868,657)	(1,672,839)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	50,630	--
Noncash food commodities	380,923	--
Decrease (increase) in accounts receivable	(135)	167,281
(Increase) decrease in prepaid expenses	163	(425,949)
Increase in inventories	(27,316)	--
Decrease in deferred outflows of resources	3,995	--
(Decrease) increase in accounts payable	1,430	(48,082)
Increase in salaries and benefits payable	1,406	717,729
Decrease in incurred and unpaid claims	--	(674,859)
Increase in other post employment benefits	184,114	--
Increase in net pension liability	176,832	--
Decrease in deferred inflows of resources	(150,239)	--
Net cash used in operating activities	<u>\$ (5,246,854)</u>	<u>(1,936,719)</u>

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

2 During the year ended June 30, 2021 the District received \$380,923 of federal commodities

See accompanying notes to the financial statements

Council Bluffs Community School District

**Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2021**

	<u>Custodial Funds</u>
ASSETS	
Due from other governments	\$ <u>189,162</u>
LIABILITIES	
Accounts payable	158,268
NET POSITION	
Restricted for individuals, organizations and other governments	<u>30,894</u>
Total liabilities and net position	\$ <u>189,162</u>

See accompanying notes to the financial statements

Council Bluffs Community School District

**Statement of Changes in Fiduciary Net Position – Fiduciary Funds
June 30, 2021**

	<u>Custodial Funds</u>
ADDITIONS	
Receipts from other governments	\$ 1,449,136
Other	132,572
Total additions	<u>1,581,708</u>
DEDUCTIONS	
Payments on behalf of other governments	1,458,496
Other expenses	150,897
Total deductions	<u>1,609,393</u>
CHANGE IN NET POSITION	<u>(27,685)</u>
NET POSITION, BEGINNING OF YEAR	--
CHANGE IN ACCOUNTING PRINCIPLE	<u>58,579</u>
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>58,579</u>
NET POSITION, END OF YEAR	<u>\$ 30,894</u>

See accompanying notes to the financial statements

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

(1) Organization and Summary of Significant Accounting Policies

The Council Bluffs Community School District (the District) is a political subdivision of the State of Iowa and operates public schools for children in grades pre-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 Carter Lake, Crescent and Council Bluffs, Iowa and the predominately agricultural territory in Pottawattamie County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

For financial reporting purposes, the 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. GASB 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 GASB criteria.

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

B. Basis of Presentation

Government-wide financial statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. 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 services.

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

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

Restricted net position results when constraints placed on net position use are either externally imposed or 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 often has constraints on resources that are imposed by management, but can be removed or modified.

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental 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 that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

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

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

The District reports the following major proprietary funds:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

The Internal Service Fund is used to account for self-funded health insurance provided to other departments or funds of the District. The District's internal service fund is presented in the proprietary fund financial statements. Because the principal users of the internal services are the District's governmental activities, the financial activity of the internal service fund is included in the governmental activities column when presented in the government-wide financial statements.

The District also reports the following fiduciary fund which focuses on net position and changes in net position.

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

C. *Measurement Focus and Basis of Accounting*

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized 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 revenues as soon as all eligibility requirements imposed by the provider have been satisfied.

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

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

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

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

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

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 cost.

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

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

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax levy is certified by the Board of Education. 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 levy 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 recognized, the related revenue is deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1.5% per month penalty for delinquent payments; is based on January 1, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021 and reflects the tax levy contained in the budget certified to the County Board of Supervisors in April 2020.

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

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 500
Buildings	5,000
Land improvements	5,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

Capital Assets are depreciated using the straight line method of depreciation over the following estimated useful lives:

<u>Asset Class</u>	<u>Amount</u>
Buildings	50 years
Land improvements	20 years
Furniture and equipment	5-15 years

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the employer after the measurement date, but before the end of the employer's reporting period, and gains on advance refunding of debt.

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

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recognized when incurred in the government-wide financial statements. A liability for these amounts is recognized in governmental funds only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2021. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

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.

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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources in the government wide presentation consist of unspent grant proceeds as well as succeeding year property tax receivable, other receivables not collected within sixty days after year end, the unamortized portion of the unrecognized items not yet charged to pension and other post employment benefit expense.

Unavailable revenue on the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied and of other advances.

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

Nonspendable - Amounts not in spendable form, such as inventories.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed - Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal actions of the government's highest level of decision making authority. These amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action it used to commit those amounts. The Board of Education is the District's highest level of authority. All actions concerning approving, eliminating, or modifying of minimal fund balances will be accomplished through resolution. At June 30, 2021, the District had no committed fund balance.

Assigned - Consists of amounts that are constrained by the government intended to be used for specific purposes, but are neither restricted nor committed. The authority for making an assignment is not required to be the District's highest decision making authority. Furthermore, the nature of the actions necessary to remove or modify an assignment is not as prescriptive as it is with regards to committed fund balances. The District management staff will have the overall responsibilities for monitoring these balances. At June 30, 2021, the District had no assigned fund balance.

Unassigned - All amounts not included in the preceding classifications.

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

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.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. The District did not exceed its General Fund unspent authorized budget.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

G. 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.

H. Total Other Post Employment Benefits (OPEB)

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

I. Recent Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*. The standard implements a single approach to accounting for leases. Lessees will be required to recognize a lease liability, measured at the present value of expected payments net of incentives, and an intangible right-to-use asset for all leases with terms of greater than 12 months. As payments are made, lessees will reduce the liability and recognize interest expense. Lease terms will include options to extend or terminate leases if it is reasonably certain that those options will be exercised. The standard will be effective for reporting periods beginning after June 15, 2021. The District is currently evaluating the effect the new standard will have on the financial statements.

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Notes to Basic Financial Statements June 30, 2021

In May 2021, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The statement provides guidance on the accounting and financial reporting for SBITA for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The standard will be effective for reporting periods beginning after June 15, 2022. The District is currently evaluating the effect the new standard will have on the financial statements

J. *Change in Accounting Principle*

In January 2017, Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

K. *Subsequent Events*

The District considered events occurring through January 24, 2022 for recognition or disclosure in the financial statements as subsequent events. That date is the date the financial statements were available to be issued.

(2) **Cash, Cash Equivalents and Pooled Investments**

The District's bank deposits at June 30, 2021 were entirely covered by federal depository insurance, or by the State Sinking Fund, in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to 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.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2021, the District had investments in the Iowa Schools Joint Investment Trust Direct (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$1,732,384. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAA by Standard & Poor's Financial Services.

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

The District had the following fair value measurements at June 30, 2021:

	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and money market funds	\$ 3,911,219	3,911,219	--	--
U.S. Government and Treasury obligations	5,471,062	--	5,471,062	--
	<u>\$ 9,382,281</u>	<u>3,911,219</u>	<u>5,471,062</u>	<u>--</u>

(3) Interfund Transfers

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

Transfer to	Transfer from	Amount
Debt Service Fund	Capital Projects Fund	\$ 6,629,283
General Fund	Capital Projects Fund	75,922
Capital Projects Fund	General Fund	272,419
Other Governmental Fund	General Fund	44,000
		<u>\$ 7,021,624</u>

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

(4) Capital Assets

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

	Balance, Beginning of Year	Increases	Decreases	Balance, End of Year
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 4,352,694	--	--	4,352,694
Construction in progress	18,747,033	15,279,117	16,787,470	17,238,680
Total capital assets not being depreciated	<u>23,099,727</u>	<u>15,279,117</u>	<u>16,787,470</u>	<u>21,591,374</u>
Capital assets being depreciated:				
Buildings and land improvements	220,945,697	20,517,666	2,860,538	238,602,825
Furniture and equipment	8,833,500	2,763,606	2,668,860	8,928,246
Total capital assets being depreciated	<u>229,779,197</u>	<u>23,281,272</u>	<u>5,529,398</u>	<u>247,531,071</u>
Less accumulated depreciation for:				
Buildings and land improvements	106,540,895	9,313,841	2,221,396	113,633,340
Furniture and equipment	7,271,691	1,198,385	2,668,285	5,801,791
Total accumulated depreciation	<u>113,812,586</u>	<u>10,512,226</u>	<u>4,889,681</u>	<u>119,435,131</u>
Total capital assets being depreciated, net	<u>115,966,611</u>	<u>12,769,046</u>	<u>639,717</u>	<u>128,095,940</u>
Governmental activities capital assets, net	<u>\$ 139,066,338</u>	<u>28,048,163</u>	<u>17,427,187</u>	<u>149,687,314</u>
Business-type activities				
Furniture and equipment	\$ 803,632	202,254	--	1,005,886
Less accumulated depreciation	664,152	50,630	--	714,782
Business-type activities capital assets, net	<u>\$ 139,480</u>	<u>151,624</u>	<u>--</u>	<u>291,104</u>

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

Depreciation expense was charged by the District as follows:

Governmental activities:			
Instruction:			
Other		\$	61,180
Support services:			
Instructional			82,528
Administration			17,605
Operation and maintenance of plant			142,223
Transportation			29,961
			<u>333,497</u>
Unallocated			<u>10,178,729</u>
Total depreciation expense - governmental activities		\$	<u>10,512,226</u>
Business-type activities:			
Nutrition services		\$	<u>50,630</u>

The District has entered into various construction contracts totaling approximately \$34,700,000 for renovations and improvements at District facilities. At June 30, 2021, project costs of approximately \$15,900,000 has been incurred related to these projects. The remaining balance of approximately \$18,800,000 will be paid as work on the projects progresses.

(5) Long-Term Liabilities

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

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental activities					
General obligation bonds	\$ 36,745,000	--	--	36,745,000	1,400,000
Premium on general obligation bonds	907,177	--	48,168	859,009	--
Revenue bonds	47,736,000	--	4,955,000	42,781,000	5,112,000
Quality zone academy bonds	1,500,000	--	--	1,500,000	--
Qualified school construction bonds	5,650,000	--	--	5,650,000	--
Compensated absences	311,948	--	6,291	305,657	305,657
OPEB liability	4,699,392	451,905	--	5,151,297	--
Net pension liability	53,063,619	8,664,771	--	61,728,390	--
Total	\$ <u>150,613,136</u>	<u>9,116,676</u>	<u>5,009,459</u>	<u>154,720,353</u>	<u>6,817,657</u>
Business-type activities					
Compensated liabilities	\$ 10,605	--	2,624	7,981	7,981
OPEB liability	229,866	184,114	--	413,980	--
Net pension liability	943,797	176,832	--	1,120,629	--
Total	\$ <u>1,184,268</u>	<u>360,946</u>	<u>2,624</u>	<u>1,542,590</u>	<u>7,981</u>

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

Details of the District's June 30, 2021 general obligation (GO) bond indebtedness are as follows:

Year Ending June 30,	Bond Issue of May 1, 2019			
	Interest Rates	Principal	Interest	Total
2022	2.190%	--	898,350	898,350
2023	2.190%	--	898,350	898,350
2024	2.190%	--	898,350	898,350
2025	2.190%	--	898,350	898,350
2026	2.190%	--	898,350	898,350
Thereafter	2.190%	27,245,000	7,498,400	34,743,400
		<u>\$ 27,245,000</u>	<u>11,990,150</u>	<u>39,235,150</u>

Year Ending June 30,	Bond Issue of May 1, 2020			
	Interest Rates	Principal	Interest	Total
2022	1.370%	\$ 1,400,000	130,150	1,530,150
2023	1.370%	1,500,000	110,970	1,610,970
2024	1.370%	1,550,000	90,420	1,640,420
2025	1.370%	1,600,000	69,185	1,669,185
2026	1.370%	1,700,000	47,265	1,747,265
Thereafter	1.370%	1,750,000	23,975	1,773,975
		<u>\$ 9,500,000</u>	<u>471,965</u>	<u>9,971,965</u>

Year Ending June 30,	Total GO Bonds		
	Principal	Interest	Total
2022	\$ 1,400,000	1,028,500	2,428,500
2023	1,500,000	1,009,320	2,509,320
2024	1,550,000	988,770	2,538,770
2025	1,600,000	967,535	2,567,535
2026	1,700,000	945,615	2,645,615
Thereafter	28,995,000	7,522,375	36,517,375
	<u>\$ 36,745,000</u>	<u>12,462,115</u>	<u>49,207,115</u>

On May 1, 2020, the District issued \$27,245,000 of general obligation, Series 2020, bonds for construction improvements and renovations of the District's two middle schools, Kirn and Wilson. The bonds bear interest at 2.190% per annum. During the year ended June 30, 2021, principal and interest paid were \$-0- and \$898,350, respectively.

On May 1, 2021, the District issued \$9,500,000 of general obligation, Series 2021, bonds to fund continued improvements and renovations of the District's two middle schools, Kirn and Wilson. The bonds bear interest at 2.190% per annum. No principal or interest were paid during fiscal year 2021.

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

Details of the District's June 30, 2021 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue of March 1, 2016 Series A			
	Interest Rates	Principal	Interest	Total
2022	2.800%	215,000	55,566	270,566
2023	2.800%	221,000	49,504	270,504
2024	2.800%	228,000	43,274	271,274
2025	2.800%	234,000	36,848	270,848
2026	2.800%	240,000	30,254	270,254
Thereafter	2.800%	900,000	51,198	951,198
		\$ 2,038,000	266,644	2,304,644

Year Ending June 30,	Bond Issue of March 1, 2016 Series B			
	Interest Rates	Principal	Interest	Total
2022	2.800%	2,610,000	708,428	3,318,428
2023	2.800%	2,684,000	634,830	3,318,830
2024	2.800%	2,847,000	559,160	3,406,160
2025	2.800%	3,015,000	477,666	3,492,666
2026	2.800%	3,100,000	392,658	3,492,658
Thereafter	2.800%	11,693,000	669,552	12,362,552
		\$ 25,949,000	3,442,294	29,391,294

Year Ending June 30,	Bond Issue of October 24, 2017 Series A			
	Interest Rates	Principal	Interest	Total
2022	2.190%	818,000	154,548	972,548
2023	2.190%	864,000	135,758	999,758
2024	2.190%	829,000	117,275	946,275
2025	2.190%	869,000	99,010	968,010
2026	2.190%	914,000	79,650	993,650
Thereafter	2.190%	2,949,000	114,417	3,063,417
		\$ 7,243,000	700,658	7,943,658

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Year Ending June 30,	Bond Issue of December 12, 2017 Series B			
	Interest Rates	Principal	Interest	Total
2022	2.190%	630,000	99,393	729,393
2023	2.190%	629,000	86,166	715,166
2024	2.190%	681,000	71,821	752,821
2025	2.190%	678,000	56,809	734,809
2026	2.190%	642,000	42,158	684,158
Thereafter	2.190%	1,449,000	45,629	1,494,629
		<u>\$ 4,709,000</u>	<u>401,976</u>	<u>5,110,976</u>

Year Ending June 30,	Bond Issue of March 3, 2019 Series 2019			
	Interest Rates	Principal	Interest	Total
2022	2.190%	\$ 839,000	89,488	928,488
2023	2.190%	833,000	61,064	894,064
2024	2.190%	792,000	32,453	824,453
2025	2.190%	378,000	6,426	384,426
		<u>\$ 2,842,000</u>	<u>189,431</u>	<u>3,031,431</u>

Year Ending June 30,	Total Revenue Bonds		
	Principal	Interest	Total
2022	\$ 5,112,000	1,107,423	6,219,423
2023	5,231,000	967,322	6,198,322
2024	5,377,000	823,983	6,200,983
2025	5,174,000	676,759	5,850,759
2026	4,896,000	544,720	5,440,720
Thereafter	16,991,000	880,796	17,871,796
	<u>\$ 42,781,000</u>	<u>5,001,003</u>	<u>47,782,003</u>

The District has pledged future statewide sales, services and use tax revenues to repay the bonds issued March 1, 2016, October 24, 2017, December 12, 2017 and March 3, 2019. The bonds were issued for the purpose of defraying a portion of the costs of renovating buildings within the District. 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 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 60% of statewide sales, services and use tax revenues. For the current year, principal and interest paid on the bonds was \$6,198,705 and total statewide sales, services and use tax revenues were \$9,105,319.

The resolutions providing for the issuance of the statewide sales, services and use tax revenues include the following provisions:

- a) Certain proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The accrued interest on the revenue bond proceeds shall be placed into a sinking account. The balance of the proceeds shall be deposited to the project account.

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

- b) The District will make transfers from the statewide sales, services and use tax account and those proceeds shall be placed in a revenue account.
- c) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

Advance Refundings

In previous years, the District has completed advance refundings on various bond issues, taking advantage of improvements in interest rates available to the District. In an advance refunding, the difference between the reacquisition price and the net carrying amount of the old debt is reported in the statement of net position as a deferred outflow of resources, and amortized on the statement of activities using the straight-line method. As of June 30, 2021, \$2,528,505 of unamortized gain on advance refunding was reported as deferred outflows of resources in the statement of net position.

Quality Zone Academy Bonds

On November 24, 2009, the District issued Quality Zone Academy Bonds (QZAB) which are held by Security Bank of Kansas City. Annual transfers from the Capital Projects Fund to a debt sinking fund will be made to pay the indebtedness due July 1, 2024 of \$1,500,000. Details of the District's June 30, 2021 QZAB bond indebtedness are as follows:

Year Ending June 30,	Bond Issue of November 24, 2009			
	Interest Rates	Principal	Interest	Total
2022	2.600%	\$ --	33,750	33,750
2023	2.600%	--	33,750	33,750
2024	2.600%	--	33,750	33,750
2025	2.600%	1,500,000	16,875	1,516,875
		<u>\$ 1,500,000</u>	<u>118,125</u>	<u>1,618,125</u>

Qualified School Construction Bonds

On November 24, 2009, the District issued Qualified School Construction Bonds (QSCB). Annual transfers from the Capital Projects Fund to a debt sinking fund will be made to pay the indebtedness due July 1, 2025, of \$5,650,000. Details of the District's June 30, 2021 QSCB bond indebtedness are as follows:

Year Ending June 30,	Bond Issue of November 24, 2009			
	Interest Rates	Principal	Interest	Total
2022	2.600%	\$ --	146,900	146,900
2023	2.600%	--	146,900	146,900
2024	2.600%	--	146,900	146,900
2025	2.600%	--	146,900	146,900
2025	2.600%	5,650,000	73,450	5,723,450
		<u>\$ 5,650,000</u>	<u>661,050</u>	<u>6,311,050</u>

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

(6) Pension and Retirement Benefits

Plan Description

The District contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. 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. For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary.

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

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

Disability and Death Benefits

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

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

Contributions

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

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

The District's contributions to IPERS for the year ended June 30, 2021 were \$6,702,752.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the District reported a liability of 62,849,019 for its proportionate share of the net pension liability. The District's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2020, the District's proportion was 0.900964 percent, which was a decrease of 0.025477 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$9,970,147. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 69,429	1,489,681
Changes of assumptions	3,226,018	--
Net difference between projected and actual earnings on pension plan investments	3,533,113	--
Changes in proportion and differences between District contributions and proportionate share of contributions	546,047	1,251,418
District contributions subsequent to the measurement date	<u>6,702,752</u>	<u>--</u>
Total	<u>\$ 14,077,359</u>	<u>2,741,099</u>

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

Deferred outflows of resources related to pensions included \$6,702,752 resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>		
2022	\$	873,027
2023		1,184,576
2024		981,871
2025		1,751,273
2026		<u>(157,239)</u>
	\$	<u>4,633,508</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2017)	2.60% per annum
Salary increases (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)	7.0% per annum, compounded annually, net of pension plan 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, 2020 valuation were based on the results of an actuarial experience study dated March 24, 2017, and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic 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	22.0%	5.60%
International equity	17.5	6.08
Global smart beta equity	6.0	5.82
Core plus fixed income	28.0	1.71
Public credit	4.0	3.32
Cash	1.0	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	<u>3.0</u>	3.01
Total	<u>100%</u>	

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

Discount Rate

The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
District's proportionate share of the net pension liability	\$ 104,795,418	62,849,019	27,677,585

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

(7) **Other Postemployment Benefits (OPEB)**

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

OPEB Benefits – Individuals who are employed by the District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical 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, 2021, the following employees were covered by the benefit terms:

Inactive employees or retirees currently participating in the OPEB plan	17
Active employees	<u>1,200</u>
Total	<u>1,217</u>

Total OPEB Liability - The District's total OPEB liability of \$5,412,445 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions - The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and the entry age normal level percent of pay cost method, applied to all periods included in the measurement.

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

Rate of Inflation (effective June 30, 2019)	2.50 percent per annum
Salary increases (effective June 30, 2019)	3.25 percent, average, including inflation. Rates vary by membership group
Discount rate (effective June 30, 2019)	2.45 percent per annum
Healthcare cost trend rate (effective June 30, 2020)	6.40 percent for the year ending June 30, 2021, gradually decreasing to an ultimate rate of 4.00 percent for years ending June 30, 2076 and beyond.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.45% which reflects the Fidelity 20-year Municipal GO AA Index as of the measurement date.

Mortality rates were based on the RP-2014 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale MP-2017.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

Total OPEB liability, beginning of year	\$ <u>4,633,833</u>
Changes during the year:	
Service cost	425,565
Interest	156,660
Changes in assumptions	304,956
Benefit payments	<u>(108,569)</u>
Net changes	<u>778,612</u>
Total OPEB liability, end of year	\$ <u><u>5,412,445</u></u>

Changes in assumptions reflect the following changes:

- Discount rate was changed from 3.13% to 2.45% based on updated 20-year municipal bond rates.
- Mortality table changed from the RP-2000 to the RP-2014 table based on the June 2018 Iowa Public Employees' Retirement System (IPERS) Demographic Assumptions Study.
- The percent of future retirees assumed to elect coverage at retirement changed from 50% to 40% to reflect recent plan experience.

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 (1.45%) or 1% higher (3.45%) than the current discount rate.

	1% Decrease (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
Total OPEB liability	\$ 5,883,872	5,412,445	4,968,645

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

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 if it were calculated using healthcare cost trend rates that are 1% lower (5.4%) or 1% higher (7.4%) than the current healthcare cost trend rates.

	1% Decrease (5.4%)	Discount Rate (6.4%)	1% Increase (7.4%)
Total OPEB liability	\$ 4,658,661	5,412,445	6,328,882

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the District recognized OPEB expense of \$353,575. At June 30, 2021, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	668,652
Changes in assumptions	<u>276,588</u>	<u>1,492,556</u>
Total deferred inflows of resources related to OPEB	<u>\$ 276,588</u>	<u>2,161,208</u>

The amount reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	
2022	\$ (228,650)
2023	(228,650)
2024	(228,650)
2025	(228,650)
2026	(228,650)
Thereafter	<u>(741,370)</u>
	<u>\$ (1,884,620)</u>

Additionally, the District offered an incentive to certain employees to elect to take early retirement from the District during the 2019, 2017 and 2016 fiscal years. If the employees elected to take early retirement, funds were set aside for the benefit of the employee to pay health insurance premiums. The funds are available to the employees for the next seven years, or until the amount of the funds set aside for each employee have been spent. As of June 30, 2021, the District was liable for future payments to plan participants of \$152,832.

(8) Self Insurance Program

The District has established a self insurance medical program which is accounted for in the Employee Health Fund (an internal service fund). This program provides employees health benefit coverage up to a maximum of \$200,000 per employee per year. The District purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

The District makes payments to the Employee Health Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The incurred and unpaid claims liability is based on liabilities incurred at the date of the financial statements and the amount of loss that can be reasonably estimated. Change in the Fund's claims liability amount is shown below.

Incurred and unpaid claims, beginning of year	\$ 674,859
Incurred claims	11,084,589
Payments	<u>(11,048,678)</u>
Incurred and unpaid claims, end of year	<u>\$ 710,770</u>

(9) 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 District's ending fund balances for categorical funding by project as of and for the year ended June 30, 2021 are as follows:

<u>Project</u>	<u>Amount</u>
9022 - Restricted funds	\$ 262,408
3376 - Educator quality	161,764
3204 - Teacher salary supplement	16,568
3116 - TLC state aid	190,523
3342 - Early readers	138,855
3117 - Voluntary preschool	160,836
3225 - Reading recovery	8,360
3216 - Early intervention	1,351
3315 - Empowerment professional development	7,490
3222 - Non-public textbooks	<u>1,854</u>
	<u>\$ 950,009</u>

(10) Risk Management

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of property, 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.

(11) 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 expended for this purpose totaled \$4,592,835 for the year ended June 30, 2021.

Council Bluffs Community School District

Notes to Basic Financial Statements June 30, 2021

(12) Lease Commitments

The District has entered into a lease agreement for the use of various vehicles and buses for student transportation as well as administrative office space. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 1,324,837
2023	283,575
2024	264,984

(13) 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

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

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Council Bluffs	Tax Increment Financing	\$ 604,825

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2021, this reimbursement amounted to \$28,476.

(14) COVID-19 Funding

The District has been awarded approximately \$28,300,000 in funding through the Elementary and Secondary School Emergency Relief (ESSER) Fund, as authorized under the CARES Act and the American Rescue Plan Act. The District has spent approximately \$6,700,000 of this award through June 30, 2021.

There is considerable flexibility in determining how best to use the ESSER award, that includes funding the cost of personal protective equipment, cleaning and sanitizing materials, and activities that will support remote learning for all students. The District has approximately \$21,600,000 in ESSER funding that has been awarded, and remains unobligated as of June 30, 2021, and is not included in the financial statements. The District's timeframe for obligating funds awarded under ESSER extends through September 30, 2024.

(15) Subsequent Event

On August 4, 2021, the District issued \$9,400,000 of Sales Tax Revenue refunding bonds, bearing interest at 1.029%, which mature on January 1, 2029. The proceeds from the bonds were used to call all outstanding principal amounts of the District's 2017 Series A Sales Tax Revenue bonds and the District's 2019 Sales Tax Revenue bonds.

Council Bluffs Community School District

Required Supplementary Information Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances – Budget and Actual – All Governmental Funds and Proprietary Fund For the Year Ended June 30, 2021

	Governmental	Proprietary	Total Actual	Budgeted Amounts		Final to Actual Variance
	Fund Types Actual	Fund Type Actual		Original	Final	
REVENUES						
Local sources	\$ 56,077,544	85,573	56,163,117	46,648,084	46,648,084	9,515,033
State sources	77,803,682	52,470	77,856,152	87,003,686	87,003,686	(9,147,534)
Federal sources	13,142,045	5,970,899	19,112,944	13,583,680	13,583,680	5,529,264
Total revenues	<u>147,023,271</u>	<u>6,108,942</u>	<u>153,132,213</u>	<u>147,235,450</u>	<u>147,235,450</u>	<u>5,896,763</u>
EXPENDITURES/EXPENSES						
Instruction	83,763,796	--	83,763,796	81,590,000	81,590,000	(2,173,796)
Support services	41,162,389	--	41,162,389	42,475,700	42,475,700	1,313,311
Non-instructional programs	--	5,952,692	5,952,692	5,650,000	5,650,000	(302,692)
Other expenditures	31,773,993	--	31,773,993	29,053,693	33,393,693	1,619,700
Total expenditures/expenses	<u>156,700,178</u>	<u>5,952,692</u>	<u>162,652,870</u>	<u>158,769,393</u>	<u>163,109,393</u>	<u>456,523</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	(9,676,907)	156,250	(9,520,657)	(11,533,943)	(15,873,943)	(6,353,286)
BALANCES, Beginning of year	<u>49,940,834</u>	<u>1,032,533</u>	<u>50,973,367</u>	<u>50,973,367</u>	<u>50,973,367</u>	<u>--</u>
BALANCES, End of year	<u>\$ 40,263,927</u>	<u>1,188,783</u>	<u>41,452,710</u>	<u>39,439,424</u>	<u>35,099,424</u>	<u>(6,353,286)</u>

See accompanying independent auditor's report

Council Bluffs Community School District

Notes to Required Supplementary Information – Budgetary Reporting For the Year Ended June 30, 2021

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

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functional areas, not by fund. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents functional expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula.

The District did not exceed its General Fund unspent authorized budget.

Council Bluffs Community School District

**Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 June 30, 2021**

Iowa Public Employee's Retirement System
 Last Seven Fiscal Years*
 (In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of net pension liability	0.9009640%	0.9264410%	0.9255480%	0.9084950%	0.9045870%	0.8860090%	0.8331430%
District's proportionate share of the net pension liability	\$ 62,849	54,007	58,553	59,976	56,412	44,047	33,718
District's covered-employee payroll	\$ 70,975	65,784	74,377	68,935	66,214	61,892	54,804
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	88.55%	82.10%	78.72%	87.00%	85.20%	71.17%	61.52%
Plan fiduciary net position as a percentage of the total pension liability	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

* The amounts presented for each fiscal year were determined as of June 30

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

See accompanying independent auditor's report

Council Bluffs Community School District

**Required Supplementary Information
Schedule of District Contributions
June 30, 2021**

Iowa Public Employee's Retirement System
Last Ten Fiscal Years
(In Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contribution	\$ 6,702	6,700	6,210	6,642	6,156	5,913	5,527	4,894	4,638	4,323
Contributions in relation to the statutorily required contribution	<u>6,702</u>	<u>(6,700)</u>	<u>(6,210)</u>	<u>(6,642)</u>	<u>(6,642)</u>	<u>(6,156)</u>	<u>(5,527)</u>	<u>(4,894)</u>	<u>(4,638)</u>	<u>(4,323)</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 employee payroll	\$ 70,996	70,975	65,784	74,377	68,935	66,214	61,892	54,804	53,433	53,502
Contributions as a percentage of covered employee payroll	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.68%	8.08%

See accompanying independent auditor's report

Council Bluffs Community School District

Required Supplementary Information Notes to Required Supplementary Information – Pension Liability June 30, 2021

Notes to Required Supplementary Information – Pension Liability

Changes of benefit terms

There are no significant changes in benefit terms.

Changes of assumptions

The 2018 valuation implemented the following refinements as a 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%.

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

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

Council Bluffs Community School District

Required Supplementary Information Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes June 30, 2021

Council Bluffs Community School District For the Last Four Years				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 425,565	574,698	544,271	566,420
Interest cost	156,660	250,094	228,103	182,551
Differences between expected and actual experience	--	(821,486)	--	--
Changes in assumptions	304,956	(1,562,726)	(32,531)	(325,764)
Benefit payments	<u>(108,569)</u>	<u>(281,428)</u>	<u>(256,574)</u>	<u>(234,235)</u>
Net change in total OPEB liability	778,612	(1,840,848)	483,269	188,972
Total OPEB liability, beginning of year	<u>4,633,833</u>	<u>6,474,681</u>	<u>5,991,412</u>	<u>5,802,440</u>
Total OPEB liability, end of year	<u>\$ 5,412,445</u>	<u>4,633,833</u>	<u>6,474,681</u>	<u>5,991,412</u>
Covered employee payroll	\$ 68,501,684	62,161,786	68,000,000	57,195,598
Total OPEB liability as a percentage of covered employee payroll	7.90%	7.45%	9.52%	10.48%

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

Changes in assumptions reflect the following changes made in the 2021 valuation:

- Discount rate was changed from 3.13% to 2.45% based on updated 20-year municipal bond rates.
- Mortality table changed from the RP-2000 to the RP-2014 table based on the June 2018 Iowa Public Employees' Retirement System (IPERS) Demographic Assumptions Study.
- The percent of future retirees assumed to elect coverage at retirement changed from 50% to 40% to reflect recent plan experience.

Council Bluffs Community School District

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

	Special Revenue		
	Student Activity Funds	Management Levy Fund	Total
ASSETS			
Cash, cash equivalents and pooled investments	\$ 495,947	2,149,933	2,645,880
Receivables:			
Property tax:			
Delinquent	--	29,798	29,798
Succeeding year	--	1,599,988	1,599,988
Accounts	5,820	--	5,820
Prepaid expenses	--	2,989	2,989
Total assets	<u>\$ 501,767</u>	<u>3,782,708</u>	<u>4,284,475</u>
LIABILITIES			
Accounts payable	<u>\$ 55,677</u>	--	<u>55,677</u>
DEFERRED INFLOWS OF RESOURCES			
Succeeding year property tax	<u>--</u>	<u>1,599,988</u>	<u>1,599,988</u>
FUND BALANCES			
Restricted for:			
Management levy purposes	--	2,182,720	2,182,720
Student activities	446,090	--	446,090
Total fund balances	<u>446,090</u>	<u>2,182,720</u>	<u>2,628,810</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 501,767</u>	<u>3,782,708</u>	<u>4,284,475</u>

See accompanying independent auditor's report

Council Bluffs Community School District

**Supplementary Information
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended June 30, 2021**

	Special Revenue		
	Student Activity Funds	Management Levy Fund	Total
REVENUES			
Local sources:			
Local tax	\$ --	1,230,348	1,230,348
Other	683,575	--	683,575
State sources	--	38,929	38,929
Total revenues	<u>683,575</u>	<u>1,269,277</u>	<u>1,952,852</u>
EXPENDITURES			
Current			
Instruction:			
Regular instruction	--	309,183	309,183
Other instruction	716,960	--	716,960
	<u>716,960</u>	<u>309,183</u>	<u>1,026,143</u>
Support services:			
Student services	--	23,520	23,520
Instructional staff services	398	16,731	17,129
Administration services	--	48,786	48,786
Operation and maintenance of plant services	--	890,051	890,051
Transportation services	565	--	565
	<u>963</u>	<u>979,088</u>	<u>980,051</u>
Total expenditures	<u>717,923</u>	<u>1,288,271</u>	<u>2,006,194</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(34,348)</u>	<u>(18,994)</u>	<u>(53,342)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>44,000</u>	<u>--</u>	<u>44,000</u>
CHANGE IN FUND BALANCES	9,652	(18,994)	(9,342)
FUND BALANCES, BEGINNING OF YEAR	<u>436,438</u>	<u>2,201,714</u>	<u>2,638,152</u>
FUND BALANCES, END OF YEAR	<u>\$ 446,090</u>	<u>2,182,720</u>	<u>2,628,810</u>

See accompanying independent auditor's report

Council Bluffs Community School District

**Supplementary Information
Combining Balance Sheet
Capital Projects Fund
June 30, 2021**

	Capital Projects			
	Statewide Sales, Services and Use Tax Fund	Physical Plant and Equipment Levy Fund	Middle School Remodel Fund	Total
ASSETS				
Cash, cash equivalents and pooled investments	\$ 8,267,895	3,224,597	254,655	11,747,147
Receivables				
Property tax:				
Delinquent	--	96,743	--	96,743
Succeeding year	--	4,188,905	--	4,188,905
Accounts	762,391	143,529	--	905,920
Due from other funds	157,658	114,761	--	272,419
Investments	--	--	1,732,384	1,732,384
Prepaid expenses	--	20,200	--	20,200
Total assets	<u>\$ 9,187,944</u>	<u>7,788,735</u>	<u>1,987,039</u>	<u>18,963,718</u>
LIABILITIES				
Accounts payable	\$ 1,099,425	218,468	1,112,514	2,430,407
Retainage payable	8,936	11,877	807,343	828,156
Total liabilities	<u>1,108,361</u>	<u>230,345</u>	<u>1,919,857</u>	<u>3,258,563</u>
DEFERRED INFLOWS OF RESOURCES				
Succeeding year property tax	--	4,188,905	--	4,188,905
FUND BALANCES				
Restricted for:				
School infrastructure	8,079,583	--	67,182	8,146,765
Physical plant and equipment	--	3,369,485	--	3,369,485
Total fund balances	<u>8,079,583</u>	<u>3,369,485</u>	<u>67,182</u>	<u>11,516,250</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,187,944</u>	<u>7,788,735</u>	<u>1,987,039</u>	<u>18,963,718</u>

See accompanying independent auditor's report

Council Bluffs Community School District

Supplementary Information Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Fund For the Year Ended June 30, 2021

	Capital Projects			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Middle School Remodel Fund	
REVENUES				
Local sources:				
Local tax	\$ 9,105,319	4,096,282	--	13,201,601
Other	11,684	255,935	47,728	315,347
State sources	--	127,256	--	127,256
Total revenues	<u>9,117,003</u>	<u>4,479,473</u>	<u>47,728</u>	<u>13,644,204</u>
EXPENDITURES				
Current				
Instruction:				
Regular instruction	--	96,979	--	96,979
Support services:				
Student services	--	16,009	--	16,009
Instructional staff services	--	255,642	--	255,642
Administration services	11,160	457,263	--	468,423
Operation and maintenance of plant services	94,803	695,976	--	790,779
Transportation services	--	978,211	--	978,211
	<u>105,963</u>	<u>2,403,101</u>	<u>--</u>	<u>2,509,064</u>
Other expenditures:				
Facilities acquisition	1,950,359	1,505,394	16,291,500	19,747,253
Total expenditures	<u>2,056,322</u>	<u>4,005,474</u>	<u>16,291,500</u>	<u>22,353,296</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,060,681</u>	<u>473,999</u>	<u>(16,243,772)</u>	<u>(8,709,092)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out), net	<u>(6,471,625)</u>	<u>114,761</u>	<u>(75,922)</u>	<u>(6,432,786)</u>
CHANGE IN FUND BALANCES	589,056	588,760	(16,319,694)	(15,141,878)
FUND BALANCES, BEGINNING OF YEAR	<u>7,490,527</u>	<u>2,780,725</u>	<u>16,386,876</u>	<u>26,658,128</u>
FUND BALANCES, END OF YEAR	<u>\$ 8,079,583</u>	<u>3,369,485</u>	<u>67,182</u>	<u>11,516,250</u>

See accompanying independent auditor's report

Council Bluffs Community School District

**Supplementary Information
Schedule of Changes in Special Revenue Fund – Student Activity Funds
For the Year Ended June 30, 2021**

	Balance Beginning of Year	Revenues	Expenditures	Transfer-In	Balance End of Year
Bloomer	\$ 2,108	36	19	--	2,125
Carter Lake	5,942	--	243	--	5,699
College View	4,991	--	100	--	4,891
Crescent	5,119	54	--	--	5,173
Edison	5,975	--	3,196	--	2,779
Franklin	3,385	--	--	--	3,385
Hoover	5,831	62	1,514	--	4,379
Lewis & Clark	6,774	--	116	--	6,658
Longfellow	488	--	161	--	327
Roosevelt	2,342	900	872	--	2,370
Rue	1,263	--	125	--	1,138
Kirn JHS	15,691	22,502	16,859	--	21,334
Woodrow Wilson JHS	82,698	15,823	22,443	--	76,078
Tucker Center	10,904	4,409	301	--	15,012
Thomas Jefferson SHS	867	223,289	211,522	44,000	56,634
Abraham Lincoln SHS	282,060	416,393	460,452	--	238,001
Kanesville AHS	--	107	--	--	107
	<u>\$ 436,438</u>	<u>683,575</u>	<u>717,923</u>	<u>44,000</u>	<u>446,090</u>

See accompanying independent auditor's report

Council Bluffs Community School District

Supplementary Information Schedule of Revenues by Source and Expenditures by Function All Governmental Funds For the Ten Years Ended June 30

	Modified Accrual Basis									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES:										
Local sources:										
Local tax	\$ 49,898,883	47,116,434	46,774,297	44,323,678	43,801,727	43,238,410	44,181,757	42,564,152	42,421,544	45,325,106
Tuition	3,346,516	2,925,467	3,032,774	2,821,210	2,072,728	3,111,592	2,980,020	2,712,434	2,335,207	2,777,515
Other	2,832,145	6,265,853	5,139,171	6,222,710	8,272,191	11,536,471	4,606,014	5,651,958	5,236,703	6,556,766
State sources	77,803,682	75,344,025	73,899,808	73,715,542	71,137,987	68,460,009	64,465,411	59,383,774	57,386,553	55,525,497
Federal sources	13,142,045	6,371,821	7,193,561	6,937,113	6,334,306	5,345,763	5,209,908	5,954,736	5,772,683	7,369,888
Total revenues	<u>147,023,271</u>	<u>138,023,600</u>	<u>136,039,611</u>	<u>134,020,253</u>	<u>131,618,939</u>	<u>131,692,245</u>	<u>121,443,110</u>	<u>116,267,054</u>	<u>113,152,690</u>	<u>117,554,772</u>
EXPENDITURES:										
Instruction:										
Regular instruction	82,964,641	77,762,484	78,762,757	79,624,932	76,829,228	38,316,380	37,638,119	35,487,624	36,537,506	33,131,109
Special instruction	--	--	--	--	210,132	35,036,446	34,556,075	31,250,302	28,628,797	29,276,353
Other Instruction	799,155	1,064,250	1,062,140	1,032,203	984,951	3,424,823	3,854,800	3,503,366	3,842,876	3,887,216
Support services:										
Student services	5,996,944	5,354,198	5,273,415	4,772,703	4,567,443	4,525,022	2,590,784	3,104,599	2,881,955	2,829,534
Instructional staff services	5,061,488	5,081,385	4,990,387	5,001,210	4,758,274	4,766,189	5,643,280	2,379,699	2,393,281	3,463,196
Administration services	13,935,939	14,666,146	16,394,940	13,904,795	12,918,487	12,774,696	12,396,728	12,372,695	11,867,856	11,275,283
Operation and maintenance of plant	10,271,731	10,927,154	10,506,491	9,698,273	9,662,729	9,653,140	7,946,294	9,176,788	7,412,240	7,647,550
Transportation services	5,896,287	5,335,801	5,726,678	4,916,161	4,351,358	3,901,109	3,670,708	3,488,486	3,350,459	3,038,034
Other expenditures:										
Facilities acquisition	19,747,253	18,282,084	8,638,085	3,440,995	6,222,821	14,441,067	10,029,827	3,583,145	8,227,957	12,168,670
Long-term debt:										
Principal	4,955,000	4,707,000	3,975,000	5,547,353	6,206,361	4,768,213	4,803,071	3,635,000	3,495,000	1,000,000
Interest and fiscal charges	2,478,905	2,599,150	1,854,780	1,827,941	1,890,080	2,793,246	2,926,614	2,919,818	2,976,221	2,813,716
AEA flowthrough	4,592,835	4,437,170	4,340,347	4,323,348	4,114,100	4,040,318	3,894,362	3,695,117	3,554,916	3,542,694
Total expenditures	<u>\$ 156,700,178</u>	<u>150,216,822</u>	<u>141,525,020</u>	<u>134,089,914</u>	<u>132,715,964</u>	<u>138,440,649</u>	<u>129,950,662</u>	<u>114,596,639</u>	<u>115,169,064</u>	<u>114,073,355</u>

See accompanying independent auditor's report

Council Bluffs Community School District

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through the State of Iowa Department of Education:			
Title I	84.010	S010A190015/S010A200015	\$ 2,303,206
Title I - carryover	84.010	S010A190015/S010A200015	555,159
Total Title I			<u>2,858,365</u>
COVID-19 - Governor's Emergency Education Relief Fund	84.425C	S425C200036	432,400
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	S425D200014	5,541,793
Total Education Stabilization Fund			<u>5,974,193</u>
Vocational Education - Basic Grants to States	84.048	V048A200015	180,686
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		170,742
Education for Homeless Children and Youth	84.196	S196A190016	47,045
Twenty-First Century Community Learning Centers	84.287	S287C190015	747,248
Title III - English Language Acquisition State Grants	84.365	S365A190015	77,147
Special Education - State Personnel Development	84.323		2,388
Title IIA - Federal Teacher Quality Program	84.367	S367A190014/S367A200014	376,496
Title IV - Student Support and Academic Enrichment Program	84.424	S424A190016	199,070
Total passed through the State of Iowa Department of Education			<u>10,633,380</u>
Passed through Green Hills Area Education Agency:			
Special Education Cluster			
IDEA, Part B	84.027	H027A200097	485,859
Total U.S. DEPARTMENT OF EDUCATION			<u>11,119,239</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through the State of Iowa Department of Education:			
Child Nutrition Cluster			
COVID-19 National School Lunch Program	10.555	202019N109942	827,625
National School Lunch Program	10.555	202019N109942	3,132,293
Food Distribution - Child Nutrition Act (non-cash)	10.555	202019N109942	380,923
Summer Food Service Program for Children	10.559	202019N109942	305,204
School Breakfast Program	10.553	202120N119942	1,084,660
Total Child Nutrition Cluster			<u>5,730,705</u>
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		43,729
Fresh Fruit and Vegetable Program	10.582	202019L160342	180,010
Professional Standards for School Nutrition Employees	10.547	202018L510330	16,455
Total U.S. DEPARTMENT OF AGRICULTURE			<u>5,970,899</u>
U.S. DEPARTMENT OF THE TREASURY			
Passed through the State of Iowa Workforce Development:			
COVID-19 Coronavirus Relief Fund	21.019		95,697
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 17,185,835</u>

The accompanying notes are an integral part of this schedule.

Council Bluffs Community School District

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

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

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
Council Bluffs Community School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 Council Bluffs Community School District (the District) as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 24, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

District's Responses to Findings

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

Purpose of this Report

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



Omaha, Nebraska,
January 24, 2022.

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

To the Board of Education
Council Bluffs Community School District:

Report on Compliance for Each Major Federal Program

We have audited Council Bluffs Community School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Seira Johnson, LLP

Omaha, Nebraska,
January 24, 2022.

Council Bluffs Community School District

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.367	Title IIA – Federal Teacher Quality Program
84.425C	COVID-19 Governor's Emergency Education Relief Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)

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

Auditee qualified as low-risk auditee? _____ x Yes _____ No

II. FINANCIAL STATEMENT FINDINGS

None noted.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

Council Bluffs Community School District

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

Part IV: Other Findings Related to Statutory Reporting:

IV-A-21 Certified Budget – Expenditures for the year ended June 30, 2021 exceeded the amended certified budget amounts in the instructional and non-instructional.

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

Response – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion – Response Accepted.

IV-B-21 Questionable Expenditures

No expenditures that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-21 Travel Expense

No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-21 Business Transactions

No business transactions between the District and District officials were noted.

IV-E-21 Restricted Donor Activity

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

IV-F-21 Bond Coverage

Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

IV-F-21 Board Minutes

No transactions were found that we believe should have been approved by the Board Minutes.

IV-H-21 Certified Enrollment

Comment – We noted a variance in the basic enrollment data certified to the Department of Education. The number of students reported on Line 1 as resident students was overstated by 2.0 students.

Recommendation – The District should contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.

Response – The District will contact the Iowa Department of Education and Department of Management to resolve this matter.

Conclusion – Response accepted.

Council Bluffs Community School District

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2021

IV-I-21 Supplemental Weighting

No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-J-21 Deposits and Investments

No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the District's investment policy were noted.

IV-K-21 Certified Annual Report

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

IV-L-21 Categorical Funding

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

IV-M-21 Statewide Sales, Services and Use Tax

No instances of noncompliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F of the Code of Iowa were noted.

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

Beginning balance		\$	7,490,527
Revenues/transfers in:			
Sales tax revenues	\$	9,105,319	
Other local revenues		<u>11,684</u>	<u>9,117,003</u>
			16,607,530
Expenditures/transfers out:			
School infrastructure construction		1,898,664	
Transfer to the Debt Service Fund		<u>6,629,203</u>	<u>8,527,947</u>
Ending balance		\$	<u><u>8,079,583</u></u>

For the year ended June 30, 2021, the District reduced the following levy as a result of the monies received under Chapter 423E or 423F of the Code of Iowa:

		Rate of Levy Reduction Per \$1,000 of Taxable Valuation	Property Tax Dollars Reduced
Ending balance	\$	2.85	6,629,283

IV-N-21 Revenue Bonds

The District is in compliance with the provisions of the revenue bond resolution.

Council Bluffs Community School District

Audit Staff For the Year Ended June 30, 2021

This audit was performed by:

Justin M. Hope, FHFMA, CPA, Partner

Vanesa L. Salcido, Staff Auditor, CPA

Weston S. Shepard, Staff Auditor

Trey Taubenheim, Staff Auditor