

**Bondurant-Farrar Community
School District
Bondurant, Iowa**

Financial and Compliance Report
Year Ended June 30, 2023

INTRODUCTORY SECTION (Unaudited)

Table of contents	i
Board of Education and School District Administration	ii

FINANCIAL SECTION

Independent auditor's report	1-3
Management's discussion and analysis	4-15
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	16-17
Statement of activities	18-19
Governmental fund financial statements:	
Balance sheet- governmental funds	20
Reconciliation of total governmental fund balances to net position of governmental activities	21
Statement of revenues, expenditures and changes in fund balances- governmental funds	22
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	23
Proprietary fund financial statements:	
Statement of net position	24
Statement of revenues, expenses and changes in net position	25
Statement of cash flows	26-27
Notes to financial statements	28-57
Required supplementary information:	
Budgetary comparison schedule of revenues, expenditures/expenses and changes in balances budget and actual- all governmental and enterprise funds	58-59
Schedule of changes in the district's total OPEB liability and related ratios	60-61
Schedule of the district's proportionate share of the net pension liability	62-63
Schedule of the district's contributions	64-65
Notes to required supplementary information	66-67
Other supplementary information:	
Nonmajor governmental funds:	
Combining balance sheet	68
Combining statement of revenues, expenditures and changes in fund balances	69
Schedule of combining balance sheet- capital projects fund- by account	70
Combining schedule of revenues, expenditures and changes in fund balances- capital projects fund- by account	71
Nonmajor enterprise funds:	
Combining balance sheet	72
Combining statement of revenues, expenditures and changes in fund balances	73
Combining statement of cash flows	74-75
Other:	
Schedule of changes in special revenue fund, student activity accounts	76
Schedule of revenues by source and expenditures by function, all governmental funds	77-78

COMPLIANCE SECTION

Schedule of expenditures of federal awards	79-80
Notes to the schedule of expenditures of federal awards	81
Summary schedule of prior audit findings	82
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	83-84
Independent auditor's report on compliance for each major federal program and on internal control over compliance as required by the Uniform Guidance	85-87
Schedule of findings and questioned costs	88-92
Corrective action plan	93

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Bondurant-Farrar Community School District

Board of Education and School District Administration

Year Ended June 30, 2023

Board of Education

	Title	Term Expires
Stacia Sanny	President	2023
Chris Freese	Vice President	2023
Garry Lenhart	Director	2025
Sue Uguilini	Director	2023
Kayla Vandehaar	Director	2023

School District Administration

Rich Powers	Superintendent
Cari Aylsworth	Board Secretary

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Independent Auditor's Report

To the Board of Education
Bondurant-Farrar Community School District
Bondurant, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bondurant-Farrar Community School District, Iowa as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bondurant-Farrar Community School District, Iowa, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 16 to the financial statements, Bondurant-Farrar Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result, June 30, 2022 governmental activities net position is restated by \$298,315. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the district's proportionate share of the net pension liability and schedules of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, and budgetary comparison information, on pages 4-15 and 58-67 be presented to supplement the basic financial statements.

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

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

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

Supplementary Information

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

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

The District's basic financial statements for the years ended June 30, 2014 through 2021, which are not presented herein, were audited by other auditors whose report thereon dated February 15, 2022 expressed unmodified opinions on the basic financial statements. Their report on the Schedule of Revenues by Source and Expenditures by Function for the years ended June 30, 2014 through 2021 stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2014 through 2021 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2024 on our consideration of the Bondurant-Farrar Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bondurant-Farrar Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bondurant-Farrar Community School District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
March 21, 2024

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Bondurant-Farrar Community School District

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

Bondurant-Farrar Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2023 FINANCIAL HIGHLIGHTS

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of \$6,087,805 during the year ended June 30, 2023.
- Total revenues for the fiscal year ended June 30, 2023 and 2022 of \$41,635,936 and \$39,013,515 were comprised of general revenues in the amount of \$31,220,507 and \$28,692,787 and program revenues totaling \$10,415,429 and \$10,320,728, respectively.
- The District's General Fund balance decreased by \$2,133,425, the unassigned fund balance decreased by \$1,020,857, committed fund balance decreased \$1,150,000, and the nonspendable/ restricted/ assigned fund balance increased by \$37,432.

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 Bondurant-Farrar 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 Bondurant-Farrar 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 Bondurant-Farrar Community School District acts solely as an agent or custodian for the benefit of those outside of the School District.
- Notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the schedule of the District's total OPEB liability and related ratios, and the District's proportionate share of net pension liability and related pension contributions.
- Other supplementary information provides detailed information about the nonmajor funds.

Bondurant-Farrar Community School District

**Management’s Discussion and Analysis
Year Ended June 30, 2023**

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

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

Bondurant-Farrar Community School District

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

Bondurant-Farrar Community School District

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

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

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

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

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

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

Bondurant-Farrar Community School District

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position – Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2023 compared to June 30, 2022.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change 2022-23
	Restated				Restated		
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
Current and other assets	\$ 43,480,891	\$ 39,718,481	\$ 1,804,026	\$ 1,620,458	\$ 45,284,917	\$ 41,338,939	9.5%
Capital assets	90,375,722	84,538,507	128,776	162,053	90,504,498	84,700,560	6.9%
Total assets	133,856,613	124,256,988	1,932,802	1,782,511	135,789,415	126,039,499	7.7%
Deferred outflows of resources	3,167,382	3,363,072	85,540	90,908	3,252,922	3,453,980	-5.8%
Long-term liabilities	67,555,297	54,760,979	236,566	39,305	67,791,863	54,800,284	23.7%
Other liabilities	4,100,114	5,907,637	53,457	131,704	4,153,571	6,039,341	-31.2%
Total liabilities	71,655,411	60,668,616	290,023	171,009	71,945,434	60,839,625	18.3%
Deferred inflows of resources	15,112,432	22,516,308	26,191	267,071	15,138,623	22,783,379	-33.6%
Net position:							
Net investment in capital assets	40,826,728	36,867,239	128,776	162,053	40,955,504	37,029,292	10.6%
Restricted	11,468,539	8,807,294	-	-	11,468,539	8,807,294	30.2%
Unrestricted	(2,039,115)	(1,239,397)	1,573,352	1,273,286	(465,763)	33,889	1474.4%
Total net position	\$ 50,256,152	\$ 44,435,136	\$ 1,702,128	\$ 1,435,339	\$ 51,958,280	\$ 45,870,475	13.3%

The District's combined net position increased by 13.3 percent or \$6,087,805 from the prior year net position.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$3,926,212 or 10.6 percent.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$2,661,245 from the prior year, primarily from an increase in restrictions for school infrastructure due to the District accumulating statewide sales, services and use tax for future debt payments.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from \$33,889 to a deficit (\$465,763).

Bondurant-Farrar Community School District

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

Figure A-4 shows the changes in net position for the year ended June 30, 2023 compared to June 30, 2022.

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total District		Total
	Not restated				Not restated		Percentage
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	Change 2022-23
Revenues:							
Program revenues:							
Charges for services	\$ 2,712,252	\$ 2,348,233	\$ 1,055,209	\$ 300,178	\$ 3,767,461	\$ 2,648,411	42.3%
Operating grants and contributions and restricted interest	5,634,500	5,797,236	914,469	1,875,081	6,548,969	7,672,317	-14.6%
Capital grants	98,999	-	-	-	98,999	-	0.0%
General revenues:							
Property tax	11,216,273	9,365,967	-	-	11,216,273	9,365,967	19.8%
Income surtax	190,158	162,473	-	-	190,158	162,473	17.0%
Statewide sales, services and use tax	2,910,606	3,165,648	-	-	2,910,606	3,165,648	-8.1%
Utility excise tax	1,576,918	1,452,092	-	-	1,576,918	1,452,092	8.6%
Other taxes	12,704	795,398	-	-	12,704	795,398	-98.4%
Revenue in lieu of taxes	1,631	269,221	-	-	1,631	269,221	-99.4%
Unrestricted state grants	14,404,527	13,445,426	-	-	14,404,527	13,445,426	7.1%
Unrestricted investment earnings	842,614	35,388	39,259	1,174	881,873	36,562	2312.0%
Miscellaneous	25,817	-	-	-	25,817	-	100.0%
Total revenues	39,626,999	36,837,082	2,008,937	2,176,433	41,635,936	39,013,515	6.7%
Program expenses:							
Governmental activities:							
Instruction	18,567,542	16,082,819	10,089	65	18,577,631	16,082,884	15.5%
Support services	10,634,932	8,848,845	8,591	5,831	10,643,523	8,854,676	20.2%
Noninstructional	5,247	944	1,741,768	1,505,637	1,747,015	1,506,581	16.0%
Other expenditures	4,579,962	3,782,696	-	-	4,579,962	3,782,696	21.1%
Total expenses	33,787,683	28,715,304	1,760,448	1,511,533	35,548,131	30,226,837	17.6%
Excess of revenues over expenses before transfers	5,839,316	8,121,778	248,489	664,900	6,087,805	8,786,678	-30.7%
Transfers	(18,300)	-	18,300	-	-	-	0.0%
Change in net position	5,821,016	8,121,778	266,789	664,900	6,087,805	8,786,678	-30.7%
Beginning net position, as restated	44,435,136	36,015,043	1,435,339	770,439	45,870,475	36,785,482	24.7%
Ending net position	\$ 50,256,152	\$ 44,136,821	\$ 1,702,128	\$ 1,435,339	\$ 51,958,280	\$ 45,572,160	14.0%

Governmental activities:

Local tax (property tax, income surtax, statewide sales, services and use tax, utility excise tax, and other taxes) and unrestricted state grants account for 76.5 percent of the total governmental activities revenue. The District's expenses primarily relate to instructional and support services which account for 86.4 percent of the total governmental activities expenses.

The increase in total governmental activities revenue of \$2,789,917 is primarily due to the increase in property taxes of \$1,850,306 from increased assess valuations and an increase of \$807,226 in unrestricted investment earnings from higher interest rates.

Total expenses for governmental activities increased by \$5,072,379. The increase is primarily reflected in instruction and support services due to increased expenses related to salaries and benefits.

Bondurant-Farrar Community School District

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

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

Figure A-5 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
	Not restated		Change	Not restated		Change
	June 30, 2023	June 30, 2022	2022-2023	June 30, 2023	June 30, 2022	2022-2023
Instruction	\$ 18,567,542	\$ 16,082,819	13.38%	\$ 12,686,724	\$ 10,157,274	24.9%
Support services	10,634,932	8,848,845	16.79%	9,261,840	7,736,737	19.7%
Noninstructional	5,247	944	82.01%	5,247	944	455.8%
Other expenses	4,579,962	3,782,696	17.41%	3,388,121	2,674,880	26.7%
Total	\$ 33,787,683	\$ 28,715,304	15.01%	\$ 25,341,932	\$ 20,569,835	23.2%

The cost financed by users of the District's programs for the year ended June 30, 2023 was \$2,712,252 compared to year ended June 30, 2022 \$2,348,233 primarily for tuition from other districts.

Federal and state governments subsidized certain programs with grants and contributions totaling \$5,733,499 for the year ended June 30, 2023 compared to year ended June 30, 2022 \$5,797,236.

The net cost of governmental activities was financed respectively for the years ended June 30, 2023 with \$11,216,273 in property tax, \$190,158 in income surtax, \$2,910,606 in statewide sales, services and use tax, \$1,576,918 in utility excise tax, \$12,704 in other taxes, \$1,631 in revenue in lieu of taxes, \$14,404,527 in unrestricted state grants, \$842,614 in unrestricted investment earnings and \$25,817 in miscellaneous.

Business-Type Activities

Revenues of the District's business-type activities were \$2,008,937 and expenses were \$1,760,448. The District's business-type activities include the nonmajor School Nutrition Fund and Construction Class Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, and investment income.

Revenues decreased \$167,496 due to fiscal year 2023 returning to the pre-pandemic child nutrition programs. Expenses increased \$248,915 due to wage increases.

Bondurant-Farrar Community School District

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

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$24,976,179; an increase of \$4,429,350 from last year's ending fund balances of \$20,546,829. The increase is primarily due to the issuance of \$1,610,000 general obligation bonds and \$8,390,000 in revenue bonds. The District spent \$5,951,440 for facilities acquisition in 2023 compared to \$19,183,730 in 2022.

Governmental Fund Highlights

The District's General Fund financial position decreased by \$2,133,425. The District's General Fund revenues of \$29,392,323 reflect a \$1,023,602 increase from prior year revenue of \$28,368,721. The increase is primarily due to an increase in local tax and tuition revenue. Property tax increased from increases in assessed valuation. Expenditures reflected an increase from \$27,350,966 in 2022 to \$31,476,730 in 2023. The increase in expenditures is primarily due to general wage increases and the timing of purchases due to supply coupled with increased costs.

The General Fund balance decreased from \$7,882,496 to \$5,749,071. This represents 18.3 percent of total expenditures or 67 days. Unassigned General Fund fund balance on June 30, 2023 is \$3,890,072 or 12.4 percent of total expenditures.

The Capital Projects Fund balance increased from \$8,555,131 in fiscal year 2022 to \$13,840,344 in fiscal year 2023. The District expended \$5,951,440 for facilities purchases and improvements in 2023 compared to \$19,183,730 in 2022 as explained above. In addition, the Capital Projects Fund issued \$1,610,000 in general obligation bonds and \$8,390,000 in revenue bonds.

The Debt Service Fund balance increased \$663,066 from \$3,073,699 in 2022 to \$3,736,765 in 2023. The District paid \$6,016,051 in debt service principal and interest from transfers in of statewide sales, services and use tax of \$3,351,129 and local taxes of \$3,276,200.

Proprietary Fund Highlights

Enterprise funds net position increased from \$1,435,339 in 2022 to \$1,702,128 in 2023. This is primarily due to increased charges for service in the school nutrition program.

Bondurant-Farrar Community School District

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

BUDGETARY HIGHLIGHTS

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except its internal service fund. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for individual funds are not presented in the budgetary comparison.

The District had one budget amendment on April 24, 2023, which increased overall expenditures by \$9,336,930.

The District's total actual revenues were \$1,726,806 more than the total budgeted revenues due to receiving more in local and state revenue sources, a variance of 4.3%.

Total expenditures were less than budgeted by \$11,644,987, primarily in the other expenditures function which related primarily to timing of capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the District had invested \$90,504,498 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. See Figure A-6. This amount represents a net increase of \$5,803,938 from last year. More detailed information about capital assets is available in Note 5 for the financial statements. Depreciation expense for the year was \$2,159,077.

The original cost of the District's capital assets was \$112,935,177. Governmental funds account for \$112,127,148 with the remainder of \$808,029 the proprietary school nutrition fund.

Figure A-6 Capital Assets (Net of Depreciation)

	Restated		Restated		Restated		Total
	Governmental Activities		Business-Type Activities		Total District		Percentage
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	Change 2022-23
Land and construction in progress	\$ 34,558,692	\$ 28,054,979	\$ -	\$ -	\$ 34,558,692	\$ 28,054,979	23.2%
Buildings	49,805,057	51,047,462	-	-	49,805,057	51,047,462	-2.4%
Land improvements	3,094,035	3,201,690	-	-	3,094,035	3,201,690	-3.4%
Machinery and equipment	2,089,276	1,652,721	128,776	162,053	2,218,052	1,814,774	22.2%
Intangible right to use lease building	161,630	195,657	-	-	161,630	195,657	-17.4%
Intangible right to use lease equipment	53,216	79,822	-	-	53,216	79,822	-33.3%
Intangible right to use IT subscription	613,816	306,176	-	-	613,816	306,176	100.5%
Total	\$ 90,375,722	\$ 84,538,507	\$ 128,776	\$ 162,053	\$ 90,504,498	\$ 84,700,560	6.9%

Bondurant-Farrar Community School District

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

Long-Term Debt

As of June 30, 2023, the District had \$58,509,447 in long-term obligations outstanding. See Figure A-7.

Figure A-7 Outstanding Long-Term Obligations

	Restated		Restated		Restated		Total Percentage Change 2022-23
	Governmental Activities		Business-Type Activities		Total District		
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022	
General obligation bonds	\$ 41,343,869	\$ 41,958,587	\$ -	\$ -	\$ 41,343,869	\$ 41,958,587	-1.5%
Revenue bonds	13,291,346	5,720,000	-	-	13,291,346	5,720,000	57.0%
Notes payable	3,630,000	4,335,000	-	-	3,630,000	4,335,000	-16.3%
Land purchase agreement	-	567,600	-	-	-	567,600	-100.0%
Lease obligation	240,253	299,337	-	-	240,253	299,337	-19.7%
IT subscription obligation	3,979	7,861	-	-	3,979	7,861	-49.4%
Total	\$ 58,509,447	\$ 52,888,385	\$ -	\$ -	\$ 58,509,447	\$ 52,888,385	10.6%

More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements. The District paid \$4,415,566 in principal and \$1,754,465 in interest and fiscal fees.

The District has two series of School Infrastructure Sales, Services and Use Tax Revenue Bonds which are to be repaid using statewide sales, services and use tax collected in the Capital Project Fund which mature in 2043.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

- The rapid growth of the District provides financial challenges. The District continues to have significant capital project needs to meet the enrollment growth. As the need for facilities increases, the taxable valuation of the district increases at a far less rate causing the District to continuously be right on the verge of the debt limit if growth continues at the current rate. The District continues to explore options to increase efficiency while having as much support for students, faculty and staff as allowed by maintaining fiscal responsibility.
- The Iowa school funding formula is a complex formula that is pupil driven and increasing total spending authority occurs by increasing the number of pupils or increasing the cost per pupil. Due to the District's location in the larger metropolitan area in central Iowa near the junction of Interstate 80 and Interstate 35, continued growth is expected. Certified enrollment numbers have reflected an increase over the last ten years and increased 4.86% in 2023, 1.88% in 2022 and 5.9% in 2020 with the student served population increasing as well. Based on demographer projections, Bondurant-Farrar's student growth is expected to continue, averaging approximately 100 students per year for the next ten years. This steady growth will require careful planning of the District's infrastructure needs in a fiscally responsible manner. State funding will continue to be an important subject of interest in future years due to the uncertainty of the state aid formula and special programs.
- The District has a financial solvency ratio target of 7-17%. It has been important to maintain an adequate cash reserve levy to achieve and maintain a strong financial solvency as we open a new building. It is equally important to benchmark, monitor and adjust recurring expenses such as salaries and benefits which represent approximately 78% of the operating budget.

Bondurant-Farrar Community School District

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

- Along with the student enrollment growth and the opening of a new building, comes the need to hire staff. The District will continue to evaluate class size and make fiscally responsible decisions that are best for the children of the district, however, the economy continues to be a factor that could have consequences for the district in regard to state revenues, property valuations, enrollment and staffing, especially in light of the COVID pandemic.

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 Cari Aylsworth, Director of Business Services, Bondurant-Farrar Community School District, 300 Garfield St. SW, Bondurant, Iowa 50035.

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Bondurant-Farrar Community School District

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 24,507,527	\$ 1,667,071	\$ 26,174,598
Restricted cash and investments	2,644,667	-	2,644,667
Receivables:			
Property tax:			
Delinquent	23,428	-	23,428
Succeeding year	14,189,563	-	14,189,563
Income surtax	146,899	-	146,899
Accounts	588,561	50,365	638,926
Due from other governments	1,355,481	-	1,355,481
Inventories	-	86,590	86,590
Prepaid expenses	24,765	-	24,765
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	34,558,692	-	34,558,692
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	49,805,057	-	49,805,057
Land improvements	3,094,035	-	3,094,035
Machinery and equipment	2,089,276	128,776	2,218,052
Intangible right to use lease building	161,630	-	161,630
Intangible right to use lease equipment	53,216	-	53,216
Intangible right to use IT subscription	613,816	-	613,816
Total capital assets	90,375,722	128,776	90,504,498
Total assets	133,856,613	1,932,802	135,789,415
Deferred Outflows of Resources:			
OPEB related deferred outflows	459,559	10,957	470,516
Pension related deferred outflows	2,707,823	74,583	2,782,406
Total deferred outflows of resources	3,167,382	85,540	3,252,922

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	1,219,218	1,777	1,220,995
Salaries and benefits payable	2,718,986	3,195	2,722,181
Accrued interest	161,910	-	161,910
Unearned revenue	-	48,485	48,485
Noncurrent liabilities:			
Portion due within one year:			
Revenue bonds	970,000	-	970,000
General obligation bonds	2,180,000	-	2,180,000
Capital loan notes	710,000	-	710,000
Lease obligation	62,549	-	62,549
IT subscription obligation	3,979	-	3,979
Early retirement	56,800	-	56,800
Portion due after one year:			
Revenue bonds	12,321,346	-	12,321,346
General obligation bonds	39,163,869	-	39,163,869
Capital loan notes	2,920,000	-	2,920,000
Lease obligation	177,704	-	177,704
Early retirement	154,350	-	154,350
Net OPEB liability	1,423,984	33,244	1,457,228
Net pension liability	7,410,716	203,322	7,614,038
Total liabilities	71,655,411	290,023	71,945,434
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	14,189,563	-	14,189,563
OPEB related deferred inflows	28,878	646	29,524
Pension related deferred inflows	893,991	25,545	919,536
Total deferred inflows of resources	15,112,432	26,191	15,138,623
Net Position:			
Net investment in capital assets	40,826,728	128,776	40,955,504
Restricted for:			
Categorical funding	984,234	-	984,234
Debt service	2,306,055	-	2,306,055
School infrastructure	4,744,809	-	4,744,809
Management levy	1,439,760	-	1,439,760
Physical plant and equipment levy	1,783,442	-	1,783,442
Student activities	210,239	-	210,239
Unrestricted	(2,039,115)	1,573,352	(465,763)
Total net position	\$ 50,256,152	\$ 1,702,128	\$ 51,958,280

Bondurant-Farrar Community School District

**Statement of Activities
Year Ended June 30, 2023**

Functions/Programs	Expenses
Governmental activities:	
Instruction	\$ 18,567,542
Support services:	
Student	1,038,438
Instructional staff	2,409,578
Administration	3,631,121
Operation of plant	2,266,473
Transportation	1,289,322
	<u>10,634,932</u>
Noninstructional programs	<u>5,247</u>
Other:	
AEA flowthrough	1,191,841
Unallocated depreciation*	1,654,110
Interest	1,734,011
	<u>4,579,962</u>
Total governmental activities	<u>33,787,683</u>
Business-type activities:	
Instruction	10,089
Support services	8,591
Noninstructional programs	
Food service operations	1,741,768
Total business-type activities	<u>1,760,448</u>
Total	<u>\$ 35,548,131</u>
General revenues and transfers:	
General revenues:	
Property tax levied for:	
General purposes	
Capital outlay	
Other	
Statewide sales and services tax	
Income surtax	
Utility excise tax	
Other taxes	
Revenue in lieu of taxes	
Unrestricted state grants	
Unrestricted investment earnings	
Insurance recoveries	
Gain on sale of capital assets	
Transfers	
Total general revenues	
Change in net position	
Net position, beginning of year, as restated	
Net position, end of year	

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

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 1,499,719	\$ 4,381,099	\$ -	\$ (12,686,724)	\$ -	\$ (12,686,724)
523,963	-	-	(514,475)	-	(514,475)
108,640	-	-	(2,300,938)	-	(2,300,938)
478,063	37,090	-	(3,115,968)	-	(3,115,968)
36,892	-	98,999	(2,130,582)	-	(2,130,582)
64,975	24,470	-	(1,199,877)	-	(1,199,877)
1,212,533	61,560	98,999	(9,261,840)	-	(9,261,840)
-	-	-	(5,247)	-	(5,247)
-	1,191,841	-	-	-	-
-	-	-	(1,654,110)	-	(1,654,110)
-	-	-	(1,734,011)	-	(1,734,011)
-	1,191,841	-	(3,388,121)	-	(3,388,121)
2,712,252	5,634,500	98,999	(25,341,932)	-	(25,341,932)
-	-	-	-	(10,089)	(10,089)
-	-	-	-	(8,591)	(8,591)
1,055,209	914,469	-	-	227,910	227,910
1,055,209	914,469	-	-	209,230	209,230
\$ 3,767,461	\$ 6,548,969	\$ 98,999	(25,341,932)	209,230	(25,132,702)
			6,139,820	-	6,139,820
			1,197,277	-	1,197,277
			3,879,176	-	3,879,176
			2,910,606	-	2,910,606
			190,158	-	190,158
			1,576,918	-	1,576,918
			12,704	-	12,704
			1,631	-	1,631
			14,404,527	-	14,404,527
			842,614	39,259	881,873
			16,717	-	16,717
			9,100	-	9,100
			(18,300)	18,300	-
			31,162,948	57,559	31,220,507
			5,821,016	266,789	6,087,805
			44,435,136	1,435,339	45,870,475
\$	\$	\$	50,256,152	\$ 1,702,128	\$ 51,958,280

Bondurant-Farrar Community School District

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

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Assets					
Cash and pooled investments	\$ 7,727,616	\$ 13,981,687	\$ 1,088,912	\$ 1,696,966	\$ 24,495,181
Restricted cash and investments	-	-	2,644,667	-	2,644,667
Receivables:					
Property tax:					
Delinquent	13,258	2,344	5,686	2,140	23,428
Succeeding year	8,406,188	1,542,523	3,740,852	500,000	14,189,563
Income surtax	146,899	-	-	-	146,899
Accounts	280,019	293,166	-	15,376	588,561
Due from other governments	1,121,877	233,604	-	-	1,355,481
Due from other funds	10,772	-	-	-	10,772
Prepaid items	24,765	-	-	-	24,765
Total assets	\$ 17,731,394	\$ 16,053,324	\$ 7,480,117	\$ 2,214,482	\$ 43,479,317
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 710,200	\$ 452,807	\$ 2,500	\$ 53,711	\$ 1,219,218
Salaries and benefits payable	2,718,986	-	-	-	2,718,986
Due to other funds	-	-	-	10,772	10,772
Total liabilities	3,429,186	452,807	2,500	64,483	3,948,976
Deferred inflows of resources, unavailable revenue:					
Succeeding year property tax	8,406,188	1,542,523	3,740,852	500,000	14,189,563
Income surtax	146,899	-	-	-	146,899
Other	50	217,650	-	-	217,700
Total deferred inflows of resources	8,553,137	1,760,173	3,740,852	500,000	14,554,162
Fund balances:					
Nonspendable:					
Prepaid items	24,765	-	-	-	24,765
Restricted for:					
Categorical funding	984,234	-	-	-	984,234
Debt service	-	-	3,736,765	-	3,736,765
Management levy purposes	-	-	-	1,439,760	1,439,760
Student activities	-	-	-	210,239	210,239
School infrastructure	-	12,056,902	-	-	12,056,902
Physical plant and equipment levy	-	1,783,442	-	-	1,783,442
Committed for curriculum, facilities and new staff	850,000	-	-	-	850,000
Unassigned	3,890,072	-	-	-	3,890,072
Total fund balances	5,749,071	13,840,344	3,736,765	1,649,999	24,976,179
Total liabilities, deferred inflows of resources and fund balances	\$ 17,731,394	\$ 16,053,324	\$ 7,480,117	\$ 2,214,482	\$ 43,479,317

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

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

Total fund balances of governmental funds \$ 24,976,179

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

Capital assets used in governmental activities are not financial resources and, therefore,
are not reported as assets in the governmental funds. 90,375,722

The Internal Service Fund is used to charge costs of the District's self-funded insurance
plan to the governmental funds. The net position of the Internal Service Fund is
therefore included under governmental activities. 12,346

Other assets are not available to pay for current period expenditures and,
therefore, are deferred in the funds. 364,599

Pension and OPEB related deferred outflows of resources and deferred inflows of
resources are not due and payable in the current year and, therefore, are not reported
in the governmental funds as follows:

OPEB related deferred outflows of resources	459,559
OPEB related deferred inflows of resources	(28,878)
Pension related deferred outflows of resources	2,707,823
Pension related deferred inflows of resources	(893,991)

Long-term liabilities, including bonds payable and compensated absences,
are not due and payable in the current period and, therefore, are not
reported as liabilities in the governmental funds:

Revenue bonds, current	(970,000)
Revenue bonds, noncurrent	(12,185,000)
Premium on revenue bonds	(136,346)
General obligation bonds, current	(2,180,000)
General obligation bonds, noncurrent	(38,765,000)
Premium on general obligation bonds	(398,869)
Capital loan notes, current	(710,000)
Capital loan notes, noncurrent	(2,920,000)
Lease obligation, current	(62,549)
Lease obligation, noncurrent	(177,704)
IT subscription obligation, current	(3,979)
Accrued interest	(161,910)
Early retirement	(211,150)
Net OPEB liability	(1,423,984)
Net pension liability	(7,410,716)

Net position of governmental activities	\$ 50,256,152
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See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2023

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Revenues:					
Local sources:					
Property tax	\$ 6,139,820	\$ 1,197,277	\$ 2,903,576	\$ 975,600	\$ 11,216,273
Utility excise tax	907,273	152,422	369,646	147,577	1,576,918
Other tax	180,984	1,228	2,978	1,189	186,379
Tuition	1,499,699	-	-	-	1,499,699
Other	841,610	614,934	67,353	589,648	2,113,545
State appropriations	18,756,684	3,299,275	382	152	22,056,493
Federal appropriations	1,066,253	40,000	-	-	1,106,253
Total revenues	29,392,323	5,305,136	3,343,935	1,714,166	39,755,560
Expenditures:					
Current:					
Instruction:	18,889,793	-	-	565,455	19,455,248
Support services:					
Student	1,086,824	-	-	-	1,086,824
Instructional staff	2,421,593	-	-	-	2,421,593
Administration	3,471,114	150,086	-	107,213	3,728,413
Operation and maintenance of plant	3,508,897	353,649	-	427,338	4,289,884
Transportation	901,421	251,686	-	22,048	1,175,155
	11,389,849	755,421	-	556,599	12,701,869
Noninstructional programs	5,247	-	-	-	5,247
Other expenditures:					
Capital outlay facilities acquisition	-	5,951,440	-	-	5,951,440
AEA flowthrough	1,191,841	-	-	-	1,191,841
Debt service:					
Principal	-	-	4,415,566	-	4,415,566
Interest and fiscal fees	-	153,980	1,600,485	-	1,754,465
	1,191,841	6,105,420	6,016,051	-	13,313,312
Total expenditures	31,476,730	6,860,841	6,016,051	1,122,054	45,475,676
Excess (deficiency) of revenues over (under) expenditures	(2,084,407)	(1,555,705)	(2,672,116)	592,112	(5,720,116)
Other financing sources (uses):					
Issuance of long-term debt	-	10,000,000	-	-	10,000,000
Premium on issuance of long-term debt	-	141,949	-	-	141,949
Proceeds from sale of capital assets	9,100	-	-	-	9,100
Insurance recoveries	16,717	-	-	-	16,717
Transfers in	-	765,947	3,351,129	22,384	4,139,460
Transfers (out)	(74,835)	(4,066,978)	(15,947)	-	(4,157,760)
Total other financing sources (uses)	(49,018)	6,840,918	3,335,182	22,384	10,149,466
Net change in fund balances	(2,133,425)	5,285,213	663,066	614,496	4,429,350
Fund balances, beginning of year	7,882,496	8,555,131	3,073,699	1,035,503	20,546,829
Fund balances, end of year	\$ 5,749,071	\$ 13,840,344	\$ 3,736,765	\$ 1,649,999	\$ 24,976,179

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2023**

Net change in fund balances - total governmental funds \$ 4,429,350

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

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

Capital outlay	\$ 7,961,413	
Depreciation expense	(2,124,198)	5,837,215
	(9,100)	
Proceeds from sale of capital assets	9,100	-
Gain on sale of capital assets	9,100	-

The increase in net position of the Internal Service Fund represents an overcharge to the governmental funds and is incorporated into the change in net position of governmental activities. 2,872

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

Income surtax	16,483	
Statewide sales, services and use tax	(388,511)	
Other local grants	217,650	(154,378)
	217,650	(154,378)

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

Issuance of long-term debt	(10,000,000)	
Premium on issuance of long-term debt	(141,949)	
Repayment of revenue bond and general obligation bond principal	3,080,000	
Repayment of note payable	705,000	
Payment of land purchase agreement	567,600	
Payment of lease obligations	59,084	
Payment of IT subscription obligation	3,882	
Amortization of bond premium	105,321	
Interest expense	(84,867)	(5,705,929)
	(84,867)	(5,705,929)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Early retirement		17,525
Net OPEB liability		(89,262)
Pension expense		1,483,623
		1,483,623

Change in net position of governmental activities \$ 5,821,016

Bondurant-Farrar Community School District

**Statement of Net Position
Proprietary Funds
June 30, 2023**

	Nonmajor Enterprise	Governmental Activities, Internal Service Fund
Assets		
Current assets:		
Cash and pooled investments	\$ 1,667,071	\$ 12,346
Receivables, accounts	50,365	-
Inventories	86,590	-
Total current assets	1,804,026	12,346
Noncurrent assets:		
Capital assets being depreciated, net of accumulated depreciation:		
Machinery and equipment	128,776	-
Total noncurrent assets	128,776	-
Total assets	1,932,802	12,346
Deferred Outflows of Resources:		
OPEB related deferred outflows	10,957	-
Pension related deferred outflows	74,583	-
Total deferred outflows of resources	85,540	-
Liabilities		
Current liabilities:		
Accounts payable	1,777	-
Salaries and benefits payable	3,195	-
Unearned revenue	48,485	-
Total current liabilities	53,457	-
Noncurrent liabilities:		
Net OPEB liability	33,244	-
Net pension liability	203,322	-
Total noncurrent liabilities	236,566	-
Total liabilities	290,023	-
Deferred Inflows of Resources:		
OPEB related deferred inflows	646	-
Pension related deferred inflows	25,545	-
Total deferred inflows of resources	26,191	-
Net Position		
Investment in capital assets	128,776	-
Unrestricted	1,573,352	12,346
Total net position	\$ 1,702,128	\$ 12,346

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

**Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2023**

	Nonmajor Enterprise	Governmental Activities, Internal Service Fund
Operating revenues:		
Local sources:		
Charges for service	\$ 1,033,573	\$ 75,400
Miscellaneous	21,636	-
Total operating revenues	1,055,209	75,400
Operating expenses:		
Instruction:		
Other instruction:		
Purchased services	2,545	-
Supplies	7,544	-
Support services:		
Administration:		
Services	-	72,528
Operation and maintenance of plant:		
Purchased services	8,591	-
Noninstructional programs:		
Salaries	575,673	-
Benefits	77,170	-
Purchased services	39,851	-
Supplies	1,012,729	-
Other	1,466	-
Depreciation	34,879	-
Total operating expenses	1,760,448	72,528
Operating income (loss)	(705,239)	2,872
Nonoperating revenues:		
State sources	10,949	-
Federal sources	903,520	-
Interest on investments	39,259	-
Total nonoperating revenues	953,728	-
Income before transfers	248,489	2,872
Transfers in	18,300	-
Change in net position	266,789	2,872
Net position, beginning of year	1,435,339	9,474
Net position, end of year	\$ 1,702,128	\$ 12,346

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

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

	Nonmajor Enterprise	Governmental Activities, Internal Service Fund
Cash flows from operating activities:		
Cash received from:		
Charges for services	\$ 998,067	\$ -
Miscellaneous services	21,636	75,400
Cash payments to:	-	
Employees for services	(700,663)	-
Suppliers for goods and services	(1,006,421)	(72,528)
Net cash provided by (used in) operating activities	(687,381)	2,872
Cash flows from noncapital financing activities:		
Proceeds from other funds	18,300	-
State grants received	10,949	-
Federal grants received	755,684	-
Net cash provided by noncapital financing activities	784,933	-
Cash flows from capital financing activities and related activities,		
Acquisition of capital assets	(1,602)	-
Net cash (used in) operating activities	(1,602)	-
Cash flows from investing activities, interest on investments	39,259	-
Net increase in cash and cash equivalents	135,209	2,872
Cash and cash equivalents:		
Beginning of year	1,531,862	9,474
End of year	\$ 1,667,071	\$ 12,346
(Continued)		

Bondurant-Farrar Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2023

	Nonmajor Enterprise	Governmental Activities, Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (705,239)	\$ 2,872
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Commodities consumed	151,851	-
Depreciation	34,879	-
(Increase) decrease in:		
Inventories	(2,263)	-
Accounts receivable	(50,111)	-
Increase (decrease) in:		
Accounts payable	(91,874)	-
Salaries and benefits payable	(978)	-
Net OPEB benefits	2,449	-
Net pension liability	(40,700)	-
Unearned revenue	14,605	-
Net cash provided by (used in) operating activities	\$ (687,381)	\$ 2,872
Noncash investing, capital and financing activities:		
Federal commodities	\$ 151,851	\$ -

See Notes to Basic Financial Statements.

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Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 1. Significant Accounting Policies

Reporting entity:

The Bondurant-Farrar Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the cities of Bondurant and Farrar, Iowa, portions of the City of Altoona, Iowa and agricultural territory in Jasper and Polk Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

For financial reporting purposes, Bondurant-Farrar Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Bondurant-Farrar Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly governed organizations: The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Polk and Jasper County Assessors' Conference Boards.

Basis of presentation:

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

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

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

Restricted net position: Result when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 1. Significant Accounting Policies (Continued)

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

Fund financial statements: Separate financial statements are provided for governmental and proprietary funds. The District does not have any fiduciary funds. 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 receipts that are not allocated by law or contractual agreement to some other fund are accounted or in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

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

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

The District reports the following nonmajor governmental funds:

The Management Fund, a special revenue fund, is utilized to account for the payment of property insurance as well as early retirement incentives.

The Student Activity Fund, a special revenue fund, is utilized to account for the various student run organizations and athletic accounts of the District.

The District reports the following proprietary funds:

The District's proprietary funds are the Enterprise Funds, School Nutrition Fund and Construction Class Fund, and the Internal Service Fund.

The School Nutrition Fund is considered a nonmajor fund. The School Nutrition Fund is used to account for the food service operations of the District.

The Construction Class Fund is a nonmajor fund used to account for the construction of houses within the District for educational purposes.

Bondurant-Farrar Community School District

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

Note 1. Significant Accounting Policies (Continued)

The Internal Service Fund is used to account for the Internal Revenue Service section 125 flexible benefits program. The Internal Service Fund is charged back to the Governmental Funds and shown combined in the statement of net position and statement of activities.

Measurement focus and basis of accounting:

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statements are reported using the accrual basis of accounting. The District does not have any fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual.

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

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

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 1. Significant Accounting Policies (Continued)

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

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

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

Cash, pooled investments and cash equivalents:

The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investments in Iowa School Joint Investment Trust (ISJIT) which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

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

Property taxes:

Property taxes receivable is recognized in the funds on the levy date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Education is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is recorded as a deferred inflow and will not be recorded as revenue until the year for which it is levied.

Property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with a 1½ percent per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2022.

Bondurant-Farrar Community School District

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

Note 1. Significant Accounting Policies (Continued)

Inventories:

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

Prepaid items:

The District accounts for the prepaid items by using the purchases method. Items prepaid include postage, registration, insurance, software package renewals, security and subscriptions.

Due from other governments:

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

Capital assets:

Capital assets, which include property, machinery and equipment and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on 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.

	Assets	Amount
Land		\$ 1
Buildings		2,500
Land improvements		2,500
Intangibles		100,000
Machinery and equipment		
School Nutrition Fund equipment		500
Other machinery and equipment		2,500

Bondurant-Farrar Community School District

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

Note 1. Significant Accounting Policies (Continued)

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

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

Leases:

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

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

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

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

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

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

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

Salaries and benefits payable:

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2023, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2023.

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 1. Significant Accounting Policies (Continued)

Subscription-Based Information Technology Arrangements (SBITA):

The District has entered into contracts that convey control of the right to use information technology software. The District has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements.

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

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

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

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

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

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

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.

Total OPEB liability:

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

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 1. Significant Accounting Policies (Continued)

Unearned revenue:

Proprietary funds defer revenue recognition in connection with resources that have been received but not earned. Unearned revenue in the governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue consists primarily of grant advances, school registration fees, and meal deposits collected for the programs and services in the next school year.

Cash flows:

For the purpose of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Fund balances:

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

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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

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

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The authority to assign fund balances has been delegated to the Director of Business Affairs by the Board of Education.

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

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

Deferred outflows/inflows of resources:

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

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 1. Significant Accounting Policies (Continued)

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

Net Position:

In the government-wide statement of net position and the proprietary funds, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2023, unspent bond proceeds were \$8,960,453. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted through enabling legislation consists of \$984,234 for categorical funding, \$2,306,055 for debt service, \$4,744,809 for school infrastructure, \$1,439,760 for management levy, \$1,783,442 for physical plant and equipment levy, and \$210,239 for student activities.

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

Interfund transactions:

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

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

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

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

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 2. Budgets and Budgetary Accounting

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

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functional areas, not by fund. These four functional areas are instruction, support services, noninstructional programs and other expenditures. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula. The District did not exceed budgeted expenditures.

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

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

Note 3. Deposits and Pooled Investments

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

Interest rate risk: The District's investment policy as set in state statute limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but that maturities shall be consistent with the needs and use of the District.

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 3. Deposits and Pooled Investments (Continued)

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

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. As of June 30, 2023, the District's investments were as follows:

	Fair Value	Investment Maturities (in Years)				Level Input	Rating	
		<1	1-5	6-10	>10		Standard & Poor	Fitch
Investments Pools, State and Local Government								
Series Securities	\$ 910,000	\$ -	\$ 910,000	\$ -	\$ -	N/A	N/A	N/A
Money Market Funds:								
Iowa Schools Joint Investment Trust (ISJIT)	23,813,287	23,813,287	-	-	-	N/A	AAAm	N/A
Goldman Sachs Financial Square Governmental Fund	1,734,667	1,734,667	-	-	-	N/A	AAAm	N/A
	<u>\$ 26,457,954</u>	<u>\$ 25,547,954</u>	<u>\$ 910,000</u>	<u>\$ -</u>	<u>\$ -</u>			

At June 30, 2023, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Fund which are valued at amortized cost of \$23,813,287 pursuant to Rule 2a-7 under the investment Company Act of 2040. There were no limitations or restrictions on withdrawals of the ISJIT investments.

The District has cash and investments held with agent of \$2,644,667, which will be used for future debt service as of June 30, 2023.

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

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2023, the District had no investments subject to concentration of credit risk.

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned. For an investment this is the risk that in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's deposits in banks at June 30, 2023 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure that there will be no loss of public funds. The District's investments are held in the name of the District and are not exposed to custodial credit risk.

Bondurant-Farrar Community School District

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

Note 4. Interfund Activity

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

	Transfer in	Transfer out
Major Funds:		
General Fund	\$ -	\$ 74,835
Capital Projects Fund	765,947	4,066,978
Debt Service Fund	3,351,129	15,947
Nonmajor Governmental Fund, Student Activity Fund	22,384	-
Nonmajor Enterprise Fund, Student Nutrition	18,300	-
Total	\$ 4,157,760	\$ 4,157,760

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

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

	Due From	Due To
Major Funds:		
General Fund	\$ 10,772	\$ -
Nonmajor Governmental Fund, Student Activity Fund	-	10,772
Total	\$ 10,772	\$ 10,772

Note 5. Capital Assets

A summary of changes capital assets is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 806,427	\$ 1,602	\$ -	\$ 808,029
Less accumulated depreciation	644,374	34,879	-	679,253
Total capital assets being depreciated, net	162,053	(33,277)	-	128,776
Business-type activities capital assets, net	\$ 162,053	\$ (33,277)	\$ -	\$ 128,776

Bondurant-Farrar Community School District

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

Note 5. Capital Assets (Continued)

	Restated Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,436,901	\$ 567,600	\$ -	\$ 3,004,501
Construction in progress	25,618,078	6,080,131	144,018	31,554,191
Total capital assets not being depreciated	28,054,979	6,647,731	144,018	34,558,692
Capital assets being depreciated/ amortized:				
Land improvements	64,848,950	53,582	217,499	64,685,033
Buildings and building equipment	5,500,806	144,018	-	5,644,824
Machinery and equipment	5,285,625	827,819	136,285	5,977,159
Intangible right to use leased building	272,218	-	-	272,218
Intangible right to use leased equipment	133,367	-	-	133,367
Intangible right to use IT subscription	423,574	432,281	-	855,855
Total capital assets being depreciated/amortized	76,464,540	1,457,700	353,784	77,568,456
Less accumulated depreciation/ amortization for:				
Land improvements	13,801,488	1,295,987	217,499	14,879,976
Buildings and building equipment	2,299,116	251,673	-	2,550,789
Machinery and equipment	3,632,904	391,264	136,285	3,887,883
Intangible right to use leased building	76,561	34,027	-	110,588
Intangible right to use leased equipment	53,545	26,606	-	80,151
Intangible right to use IT subscription	117,398	124,641	-	242,039
Total accumulated depreciation/amortization	19,981,012	2,124,198	353,784	21,751,426
Total capital assets being depreciated/amortized, net	56,483,528	(666,498)	-	55,817,030
Governmental activities capital assets, net	\$ 84,538,507	\$ 5,981,233	\$ 144,018	\$ 90,375,722

Bondurant-Farrar Community School District

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

Note 5. Capital Assets (Continued)

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

Governmental activities:		
Instruction		\$ 109,014
Support services:		
Instructional staff		92,748
Administration		63,918
Operation and maintenance of plant		52,514
Transportation		151,894
Unallocated depreciation		1,654,110
Total governmental activities depreciation/amortization expense		\$ 2,124,198
Business-type activities:		
Food services		34,879
Total business-type activities depreciation expense		\$ 34,879

Note 6. General Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2023:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 41,460,000	\$ -	\$ 1,600,000	\$ 39,860,000	\$ 1,650,000
General obligation bond premium	498,587	-	99,718	398,869	-
Private placement,					
General obligation bonds	-	1,610,000	525,000	1,085,000	530,000
Revenue bonds	5,720,000	8,390,000	955,000	13,155,000	970,000
Revenue bond premium	-	141,949	5,603	136,346	-
General obligation capital loan notes	4,335,000	-	705,000	3,630,000	710,000
Land purchase agreement	567,600	-	567,600	-	-
Building lease obligation	208,976	-	31,360	177,616	32,915
Equipment lease obligation	90,361	-	27,724	62,637	29,634
IT subscription obligation	7,861	-	3,882	3,979	3,979
Early retirement	228,675	35,800	53,325	211,150	56,800
Net pension liability	261,447	7,149,269	-	7,410,716	-
Total OPEB liability	1,382,472	41,512	-	1,423,984	-
Total	\$ 54,760,979	\$ 17,368,530	\$ 4,574,212	\$ 67,555,297	\$ 3,983,328
Business-type activities:					
Net pension liability	\$ 7,200	\$ 196,122	\$ -	\$ 203,322	\$ -
Total OPEB liability	32,105	1,139	-	33,244	-
Total	\$ 39,305	\$ 197,261	\$ -	\$ 236,566	\$ -

OPEB liabilities and pension liabilities are generally liquidated by the General Fund.

Bondurant-Farrar Community School District

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

Note 6. General Long-Term Debt (Continued)

Early Retirement:

The District offered a voluntary early retirement plan to its employees in fiscal year 2023. Eligible licensed employees had to be at least age fifty-five and had to have completed at least twelve years of continuous service to the District.

In fiscal year 2023, for the licensed employees early retirement benefit, the District paid a stipend equal to \$5,000 in July. In addition, the District will pay \$600 per month towards the premium of the District's group health insurance plan until the employee become eligible for Medicare.

At June 30, 2023, the District has obligations to ten participants with a total liability of \$211,150. Actual early retirement expenditures for the year ended June 30, 2023 totaled \$53,325. The early retirement obligation is paid from the nonmajor special revenue fund, the Management Fund.

General Obligation Bonds:

On September 22, 2022, the District issued \$1,610,000 General Obligation School Bonds Series 2022 in a private placement. The bonds, combined with the previously issued General Obligation School Bonds Series 2021 and the Revenue Bonds Series 2022 issued on the same day, will complete the funding for the middle school facility, various athletic field improvements, and land acquisition for a future new elementary school.

Details of the District's June 30, 2023, general obligation bond indebtedness is as follows:

Year ending June 30:	General Obligation Bonds, Series 2016A				General Obligation Bonds, Series 2016B			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2024	2.00%	\$ 620,000	\$ 38,000	\$ 658,000	3.00%	\$ -	\$ 125,700	\$ 125,700
2025	2.00%	635,000	25,600	660,600	3.00%	-	125,700	125,700
2026	2.00%	645,000	12,900	657,900	3.00%	-	125,700	125,700
2027		-	-	-	3.00%	-	125,700	125,700
2028		-	-	-	3.00%	-	125,700	125,700
2029-2033		-	-	-	3.00%	1,595,000	604,650	2,199,650
2034-2038		-	-	-	3.00%	2,595,000	157,950	2,752,950
Total		\$ 1,900,000	\$ 76,500	\$ 1,976,500		\$ 4,190,000	\$ 1,391,100	\$ 5,581,100

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 6. General Long-Term Debt (Continued)

Year ending June 30:	General Obligation Bonds, Series 2017				General Obligation Bonds, Series 2018			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2024	3.00%	\$ -	\$ 286,038	\$ 286,038	1.00%	\$ 455,000	\$ 136,118	\$ 591,118
2025	3.00%	-	286,037	286,037	1.00%	465,000	122,467	587,467
2026	3.00%	395,000	286,038	681,038	1.00%	85,000	108,518	193,518
2027	3.00%	1,020,000	274,188	1,294,188	1.00%	130,000	105,967	235,967
2028	3.00%	1,045,000	243,587	1,288,587	1.00%	140,000	102,067	242,067
2029-2033	3.00%	4,215,000	749,038	4,964,038	1.0-3.3%	690,000	440,044	1,130,044
2034-2038	3.0-3.25%	2,675,000	256,412	2,931,412	3.75%	2,265,000	295,181	2,560,181
Total		\$ 9,350,000	\$ 2,381,338	\$ 11,731,338		\$ 4,230,000	\$ 1,310,362	\$ 5,540,362

Year ending June 30:	General Obligation Bonds, Series 2021				Private Placement General Obligation Bonds, Series 2022			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2024	5.00%	\$ 575,000	\$ 479,150	\$ 1,054,150	2.95%	\$ 530,000	\$ 32,008	\$ 562,008
2025	5.00%	605,000	450,400	1,055,400	2.95%	520,000	16,372	536,372
2026	5.00%	635,000	420,150	1,055,150	2.95%	35,000	1,033	36,033
2027	5.00%	700,000	388,400	1,088,400	-	-	-	-
2028	3.00%	735,000	353,400	1,088,400	-	-	-	-
2029-2033	1.5-2.0%	3,910,000	1,522,037	5,432,037	-	-	-	-
2034-2038	2.00%	5,210,000	1,150,625	6,360,625	-	-	-	-
2039-2041	2.0-2.125%	7,820,000	324,875	8,144,875	-	-	-	-
Total		\$ 20,190,000	\$ 5,089,037	\$ 25,279,037		\$ 1,085,000	\$ 49,413	\$ 1,134,413

Year ending June 30:	Total		
	Principal	Interest	Total
2024	\$ 2,180,000	\$ 1,097,014	\$ 3,277,014
2025	2,225,000	1,026,576	3,251,576
2026	1,795,000	954,339	2,749,339
2027	1,850,000	894,255	2,744,255
2028	1,920,000	824,754	2,744,754
2029-2033	10,410,000	3,315,769	13,725,769
2034-2038	12,745,000	1,860,168	14,605,168
2039-2041	7,820,000	324,875	8,144,875
Total	\$ 40,945,000	\$ 10,297,750	\$ 51,242,750

Bond Refunding Escrow

In prior years, the District levied for additional debt service tax revenues beyond the current year needs. This additional revenue has been placed in an irrevocable escrow account to refund \$910,000 of the principal due on the September 4, 2018 general obligation bonds when those bonds become callable on June 1, 2026. The bonds will remain on the District's financial statements until the call date. The balance of the escrow fund at June 30, 2023 was \$910,000.

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 6. General Long-Term Debt (Continued)

Revenue Bonds

On September 22, 2022, the District issued \$8,390,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2022.

The District pledged future statewide sales, services and use tax revenues to repay the \$10,000,000 bonds issued in June 2013 and \$8,390,000 issued in September 2022. The bonds were issued for the purpose of financing a portion of the costs of a new K-2 elementary building and to complete the funding for the middle school facility, various athletic field improvements, and land acquisition for a future new elementary school. 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 2043. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to required approximately 35 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$16,951,470. During the year ended June 30, 2023, principal of \$955,000 and interest of \$386,474 was paid on the bonds. Statewide sales, services and use tax revenues were \$3,299,117.

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

- The bonds will be redeemed from the future earnings of the school infrastructure sales, services and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.
- A reserve will be maintained in the amount of \$1,430,710 to be used solely for the purpose of paying principal and interest in the event the funds available within the sinking fund are not sufficient for that purpose.
- Sufficient monthly deposits amounting to one twelfth of the next principal payment and one sixth of the next interest payment shall be made to the sinking fund for the purpose of making the bond principal and interest payments when due.
- Any monies remaining in the revenue fund after the required transfer to the sinking fund may be transferred to the project fund to be used for any lawful purpose.

As of June 30, 2023, the District had \$1,734,667 in the required reserve and sinking fund.

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 6. General Long-Term Debt (Continued)

Annual debt service requirements on the outstanding indebtedness as of June 30, 2023 are as follows:

Year ending June 30:	Rate	Revenue Bonds, Series 2013			Rate	Revenue Bonds, Series 2022		
		Principal	Interest	Total		Principal	Interest	Total
2024	2.00%	\$ 670,000	\$ 127,060	\$ 797,060	5.00%	\$ 300,000	\$ 302,631	\$ 602,631
2025	2.00%	685,000	113,168	798,168	5.00%	300,000	287,631	587,631
2026	2.50%	705,000	97,162	802,162	5.00%	300,000	272,631	572,631
2027	2.75%	720,000	78,450	798,450	5.00%	300,000	257,631	557,631
2028	3.00%	740,000	68,550	808,550	5.00%	300,000	242,631	542,631
2029-2033	3.00%	1,545,000	69,900	1,614,900	3.00%	1,965,000	1,004,956	2,969,956
2034-2038		-	-	-	3.00%	2,390,000	662,919	3,052,919
2039-2043		-	-	-	3.00%	2,235,000	211,150	2,446,150
Total		\$ 5,065,000	\$ 554,290	\$ 5,619,290		\$ 8,090,000	\$ 3,242,180	\$ 11,332,180

Year ending June 30:	Total Revenue Bonds		
	Principal	Interest	Total
2024	\$ 970,000	\$ 429,691	\$ 1,399,691
2025	985,000	400,799	1,385,799
2026	1,005,000	369,793	1,374,793
2027	1,020,000	336,081	1,356,081
2028	1,040,000	311,181	1,351,181
2029-2033	3,510,000	1,074,856	4,584,856
2034-2038	2,390,000	662,919	3,052,919
2039-2043	2,235,000	211,150	2,446,150
Total	\$ 13,155,000	\$ 3,796,470	\$ 16,951,470

General Obligation Capital Loan Note Payable

On December 8, 2020 the District issued \$5,755,000 of general obligation capital loan notes to finance construction of a seventh/eighth grade building.

Details of the District's June 30, 2023 general obligation capital loan note indebtedness are as follows:

Year ending June 30:	Rate	General Obligation Capital Loan Notes		
		Principal	Interest	Total
2024	1.00%	\$ 710,000	\$ 36,300	\$ 746,300
2025	1.00%	720,000	29,200	749,200
2026	1.00%	725,000	22,000	747,000
2027	1.00%	735,000	14,750	749,750
2028	1.00%	740,000	7,400	747,400
Total		\$ 3,630,000	\$ 109,650	\$ 3,739,650

Land Purchase Agreement

On October 12, 2020, the District entered into a land purchase agreement totaling \$1,767,000. As of June 30, 2023, the purchase agreement has been paid in full.

Bondurant-Farrar Community School District

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

Note 6. General Long-Term Debt (Continued)

Leases

The District has entered into a lease agreement with Free Range LLC for a building. The lease began on April 15, 2020 and terminates on April 14, 2028. Rent is payable in equal monthly installments. Annual debt service requirements for the building lease are as follows:

Year ending June 30:	Building Lease			
	Rate	Principal	Interest	Total
2024	3.00%	\$ 32,915	\$ 4,885	\$ 37,800
2025	3.00%	35,748	3,852	39,600
2026	3.00%	37,436	2,764	40,200
2027	3.00%	40,408	1,592	42,000
2028	3.00%	31,109	391	31,500
Total		\$ 177,616	\$ 13,484	\$ 191,100

The District has entered into lease agreements for copier and postage equipment. As of June 30, 2023, the value of the lease liabilities was \$62,637. The lease agreements have an interest rate of 3.0 percent with final maturity on June 30, 2026. The future principal and interest lease payments as of June 30, 2023 were as follows:

Year ending	Pitney Bowes Postage				Access Lease			
	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2024	3.00%	\$ 1,364	\$ 68	\$ 1,432	3.00%	\$ 28,270	\$ 1,409	\$ 29,679
2025	3.00%	1,406	26	1,432	3.00%	29,130	550	29,680
2026		-	-	-	3.00%	2,467	6	2,473
Total		\$ 2,770	\$ 94	\$ 2,864		\$ 59,867	\$ 1,965	\$ 61,832

Year ending	Total Equipment Lease			
	Rate	Principal	Interest	Total
2024		\$ 29,634	\$ 1,477	\$ 31,111
2025		30,536	576	31,112
2026		2,467	6	2,473
Total		\$ 62,637	\$ 2,059	\$ 64,696

Bondurant-Farrar Community School District

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

Note 6. General Long-Term Debt (Continued)

Subscription Based Information Technology (SBITA)

The District has entered into an IT subscription agreement with WeVideo for a technology. The agreement began on July 10, 2021 and terminates on August 10, 2023. Annual debt service requirements for the agreement are as follows:

Year ending June 30:	SBITA			
	Rate	Principal	Interest	Total
2024	3.00%	\$ 3,979	\$ 99	\$ 4,078

Note 7. Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan description: The District's defined benefit OPEB plan, the Bondurant-Farrar Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. The medical/prescription drug coverage is provided through a self-funded plan with stop-loss limits from First Administrators. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees and their dependents. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The full monthly premium rates as of September 1, 2022 for each plan are as shown below:

Rate Tier	Copay			
	Copay 1000	Select 1500	HDHP 2500 NE	MV 6350 E
Single	\$ 791	\$ 749	\$ 661	\$ 507
Spouse	1,583	1,497	1,318	1,003

Employees covered by benefit terms: At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	289
	<u>300</u>

Bondurant-Farrar Community School District

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

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

Total OPEB Liability: The District's total OPEB liability of \$1,457,228 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2021 for a reporting date of June 30, 2022 rolled forward to June 30, 2023.

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

Inflation	3.00% per annum
Salary increases	3.25% per annum
Discount rate	3.54% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.0% with an ultimate health care cost trend rate of 5.0%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP2021 generational projection of future mortality improvement. The actuarial assumptions used in the roll forward June 30, 2023 valuation were based on the results of an actuarial experience study for the period 2010– 2020.

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	\$ 1,415,577	\$ -	\$ 1,415,577
Changes for the year:			
Service cost	77,503	-	77,503
Interest	51,313	-	51,313
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	-	-	-
Benefit payments	(87,165)	-	(87,165)
Net changes	41,651	-	41,651
Balance at June 30, 2023	<u>\$ 1,457,228</u>	<u>\$ -</u>	<u>\$ 1,457,228</u>

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

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB liability	\$ 1,577,827	\$ 1,457,228	\$ 1,346,603

Bondurant-Farrar Community School District

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

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

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

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	5.00%	6.00%	7.00%
Total OPEB liability	\$ 1,310,358	\$ 1,457,228	\$ 1,631,974

For the year ended June 30, 2023, the District recognized OPEB expense of \$177,876. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,610	\$ (24,198)
Changes of assumptions or other inputs	223,906	(5,326)
Net difference between projected and actual investments	-	-
Total	\$ 470,516	\$ (29,524)

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

Year ended June 30:	
2024	49,060
2025	49,060
2026	49,060
2027	49,060
2028	49,060
Thereafter	195,692
	<u>\$ 440,992</u>

Note 8. Risk Management

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

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 9. Pension and Retirement Benefits

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9118, Des Moines, Iowa 50306-9118 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits – A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

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

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

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

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

In fiscal year 2023, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

Bondurant-Farrar Community School District

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

Note 9. Pension and Retirement Benefits (Continued)

The District's contributions to IPERS for the year ended June 30, 2023 were \$1,781,463.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2023, the District reported a liability of \$7,614,038 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2022, the District's proportion was 0.201528 percent, which was an increase of 0.279346 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$257,140. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 337,529	\$ 104,295
Changes of assumptions	6,460	182
Net difference between projected and actual earnings on pension plan investments	-	815,059
Changes in proportion and differences between District contributions and proportionate share of contributions	656,954	-
District contributions subsequent to the measurement date	1,781,463	-
Total	<u>\$ 2,782,406</u>	<u>\$ 919,536</u>

Deferred outflows of resources of \$1,781,463 related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	\$ (429,352)
2025	(324,408)
2026	(873,105)
2027	1,691,435
2028	16,837
Total	<u>\$ 81,407</u>

There were no non-employer contributing entities to IPERS.

Bondurant-Farrar Community School District

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

Note 9. Pension and Retirement Benefits (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	3.57%
International equity	17.5%	4.79%
Global smart beta equity	6.0%	4.16%
Core plus fixed income	20.0%	1.66%
Public credit	4.0%	3.77%
Cash	1.0%	0.77%
Private equity	13.0%	7.57%
Private real assets	8.5%	3.55%
Private credit	8.0%	3.63%
Total	100%	

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

Note 9. Pension and Retirement Benefits (Continued)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	\$ 14,185,869	\$ 7,614,038	\$ 1,822,449

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

Payables to the Pension Plan – At June 30, 2023, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$1,191,841 for the year ended June 30, 2023 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Bondurant-Farrar Community School District

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

Note 11. Categorical Funding

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

Program	Amount
Gifted and talented	\$ 238,016
Teacher salary supplement	61,488
Professional development	22,050
Four-year old preschool	257,958
Successful progression for early readers	39,729
Teacher leadership	363,661
Other	1,332
Total restricted for categorical funding	\$ 984,234

Note 12. Commitments and Contingencies

The District has financial commitments primarily relating to the new 7-8th grade building and other remodeling projects of \$27,144,997 as of June 30, 2023 of which, approximately \$26,750,605 of costs have been incurred. Sales tax and bond proceeds will fund the majority of these commitments.

Note 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 entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2023 under tax abatement agreements of other entities.

Entity	Tax Abatement Program	Amount of Tax Abated
City of Altoona	Urban renewal and economic development projects	\$ 86,377

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2023, this reimbursement amounted to \$35,433.

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

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

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

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

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

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

GASB Statement No. 99, *Omnibus 2022*, issued April 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Other than the restatement for the implementation of GASB Statement No. 96, as discussed in Note 16 the implementation of the above statements did not have a material impact on the District's Financial Statements.

Bondurant-Farrar Community School District

Notes to Financial Statements Year Ended June 30, 2023

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

As of June 30, 2023, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

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

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

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

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

Note 15. Subsequent Event

On July 19, 2023, the District purchased land for \$3,712,500 in accordance with a purchase agreement signed on December 2, 2022 and subsequently amended in May 2023.

Bondurant-Farrar Community School District

Notes to Financial Statements
Year Ended June 30, 2023

Note 16. Restatement

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

	<u>Governmental Activities</u>
Net position June 30,2022, as previously reported	\$ 44,136,821
Subscription asset	423,574
Subscription accumulated amortization	(117,398)
Subscription liability	(7,861)
Net position June 30,2022, as restated	<u>\$ 44,435,136</u>

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Bondurant-Farrar Community School District

Required Supplementary Information

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Actual to Budget - All Governmental Funds and Enterprise Funds
Year Ended June 30, 2023**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 16,592,814	\$ 1,094,468
State sources	22,056,493	10,949
Federal sources	1,106,253	903,520
Total revenues	39,755,560	2,008,937
Expenditures/expenses:		
Instruction	19,455,248	10,089
Support services	12,701,869	8,591
Noninstructional programs	5,247	1,741,768
Other expenditures	13,313,312	-
Total expenditures/expenses	45,475,676	1,760,448
Excess (deficiency) of revenues over (under) expenditures/expenses	(5,720,116)	248,489
Other financing sources (uses):		
Issuance of long-term debt	10,000,000	-
Premium on issuance of long-term debt	141,949	-
Proceeds from sale of capital assets	9,100	-
Insurance recoveries	16,717	-
Transfers in	4,139,460	18,300
Transfers (out)	(4,157,760)	-
Total other financing sources (uses)	10,149,466	18,300
Net change in fund balance/net position	4,429,350	266,789
Fund balance/net position, beginning of year	20,546,829	1,435,339
Fund balance/net position, end of year	\$ 24,976,179	\$ 1,702,128

See Notes to Required Supplementary Information.

Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 17,687,282	\$ 15,701,212	\$ 15,701,212	\$ 1,986,070
22,067,442	21,679,239	21,679,239	388,203
2,009,773	2,657,240	2,657,240	(647,467)
<u>41,764,497</u>	<u>40,037,691</u>	<u>40,037,691</u>	<u>1,726,806</u>
19,465,337	19,951,500	20,678,000	1,212,663
12,710,460	14,304,408	14,304,408	1,593,948
1,747,015	1,756,000	2,140,000	392,985
<u>13,313,312</u>	<u>13,532,273</u>	<u>21,758,703</u>	<u>8,445,391</u>
<u>47,236,124</u>	<u>49,544,181</u>	<u>58,881,111</u>	<u>11,644,987</u>
<u>(5,471,627)</u>	<u>(9,506,490)</u>	<u>(18,843,420)</u>	<u>13,371,793</u>
10,000,000	1,610,000	1,610,000	8,390,000
141,949	-	-	141,949
9,100	1,500	1,500	7,600
16,717	-	-	16,717
4,157,760	4,673,660	4,673,660	(515,900)
<u>(4,157,760)</u>	<u>(4,718,660)</u>	<u>(4,718,660)</u>	<u>560,900</u>
<u>10,167,766</u>	<u>1,566,500</u>	<u>1,566,500</u>	<u>8,601,266</u>
4,696,139	<u>\$ (7,939,990)</u>	<u>\$ (17,276,920)</u>	<u>\$ 21,973,059</u>
<u>21,982,168</u>			
<u>\$ 26,678,307</u>			

Bondurant-Farrar Community School District

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

	2023	2022
Total OPEB liability		
Changes for the year:		
Service cost	\$ 77,503	\$ 75,064
Interest	51,313	48,866
Changes of benefit terms	-	-
Differences between expected and actual experience	-	251,195
Changes in assumptions or other inputs	-	(6,332)
Benefit payments	(87,165)	(85,865)
Net changes in total OPEB liability	41,651	282,928
Total OPEB liability - beginning	1,415,577	1,132,649
Total OPEB liability - ending	<u>\$ 1,457,228</u>	<u>\$ 1,415,577</u>
Covered employee payroll	\$ 12,888,367	\$ 12,482,680
Total OPEB liability as a percentage of covered employee payroll	11.31%	11.34%

Notes to Schedule:

Changes of benefit terms:

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

Changes of assumption:

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

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

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

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

	2021	2020	2019	2018
\$	81,082	\$ 78,530	\$ 54,279	\$ 54,279
	39,061	36,431	22,263	20,685
	-	-	-	-
	-	53,753	(18,501)	(16,654)
	-	333,130	-	-
	(44,903)	(39,827)	(14,204)	(16,037)
	75,240	462,017	43,837	42,273
	1,057,409	595,392	551,555	509,282
\$	1,132,649	\$ 1,057,409	\$ 595,392	\$ 551,555
\$	13,219,922	\$ 12,803,799	\$ 9,201,933	\$ 8,889,665
	8.57%	8.26%	6.47%	6.20%
	3.50%	3.50%	3.72%	3.72%

Bondurant-Farrar Community School District

Required Supplementary Information

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

Iowa Public Employees' Retirement System

Last Nine Fiscal Years

	2023*	2022*	2021*
District's proportion of the net pension liability	0.201528%	-0.077818%	0.185754%
District's proportionate share of the net pension liability	\$ 7,614	\$ 269	\$ 13,049
District's covered payroll	\$ 16,180	\$ 15,552	\$ 14,742
District's proportionate share of the net pension liability as a percentage of its covered payroll	47.06%	1.73%	88.52%
Plan fiduciary net pension as a percentage of the total pension liability	91.40%	100.81%	82.90%

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

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

Note: Amounts reported in thousands.

See Notes to Required Supplementary Information.

	2020*	2019*	2018*	2017*	2016*	2015*
	0.177471%	0.166165%	0.158550%	0.150889%	0.148017%	0.135255%
\$	10,277	\$ 10,515	\$ 10,561	\$ 9,496	\$ 7,313	\$ 5,364
\$	13,506	\$ 12,472	\$ 11,836	\$ 10,828	\$ 10,141	\$ 8,850
	76.09%	84.31%	89.23%	87.70%	72.11%	60.61%
	85.45%	83.62%	82.21%	85.19%	85.19%	87.61%

Bondurant-Farrar Community School District

**Required Supplementary Information
Schedule of District Contributions
Iowa Public Employees' Retirement System
Last Ten Fiscal Years**

	2023	2022	2021	2020
Statutorily required contribution	\$ 1,781	\$ 1,532	\$ 1,468	\$ 1,392
Contributions in relation to the statutorily required contribution	\$ (1,781)	\$ (1,532)	\$ (1,468)	\$ (1,392)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 18,871	\$ 16,180	\$ 15,552	\$ 14,742
Contributions as a percentage of covered payroll	9.44%	9.47%	9.44%	9.44%

Note: Amounts reported in thousands

See Notes to Required Supplementary Information.

	2019	2018	2017	2016	2015	2014
\$	1,275	\$ 1,114	\$ 1,057	\$ 967	\$ 906	\$ 790
\$	(1,275)	\$ (1,114)	\$ (1,057)	\$ (967)	\$ (906)	\$ (790)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	13,506	\$ 12,472	\$ 11,836	\$ 10,828	\$ 10,141	\$ 8,850
	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

Bondurant-Farrar Community School District

Notes to Required Supplementary Information Year Ended June 30, 2023

Note 1. Budgets and Budgetary Accounting

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

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except the internal service fund. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year-end.

The District had one budget amendment on April 24, 2023, which increased total expenditures \$9,336,930.

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

The District did not exceed budgeted expenditures.

Note 2. Iowa Public Employees' Retirement System Pension Liability

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

Bondurant-Farrar Community School District

Notes to Required Supplementary Information Year Ended June 30, 2023

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

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

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

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

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

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

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

Bondurant-Farrar Community School District

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

	Special Revenue		
	Management Fund	Student Activity	Total
Assets			
Cash and pooled investments	\$ 1,437,620	\$ 259,346	\$ 1,696,966
Receivables:			
Property tax:			
Delinquent	2,140	-	2,140
Succeeding year	500,000	-	500,000
Accounts	-	15,376	15,376
Total assets	\$ 1,939,760	\$ 274,722	\$ 2,214,482
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 53,711	\$ 53,711
Due to other funds	-	10,772	10,772
Total liabilities	-	64,483	64,483
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	500,000	-	500,000
Fund balances			
Restricted for:			
Management levy purposes	1,439,760	-	1,439,760
Student activities	-	210,239	210,239
Total fund balances	1,439,760	210,239	1,649,999
Total liabilities, deferred inflows of resources and fund balances	\$ 1,939,760	\$ 274,722	\$ 2,214,482

Bondurant-Farrar Community School District

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

	Special Revenue		
	Management Fund	Student Activity	Total
Revenues:			
Local sources:			
Property tax	\$ 975,600	\$ -	\$ 975,600
Utility excise tax	147,577	-	147,577
Other tax	1,189	-	1,189
Other	40,714	548,934	589,648
State appropriation	152	-	152
Total revenues	1,165,232	548,934	1,714,166
Expenditures:			
Current:			
Instruction	-	565,455	565,455
Support services:			
Administration	107,213	-	107,213
Operation and maintenance of plant	427,338	-	427,338
Transportation	22,048	-	22,048
Total expenditures	556,599	565,455	1,122,054
Excess (deficiency) of revenues over (under) expenditures before transfers	608,633	(16,521)	592,112
Transfers in	-	22,384	22,384
Net change in fund balances	608,633	5,863	614,496
Fund balances, beginning of year	831,127	204,376	1,035,503
Fund balances, end of year	\$ 1,439,760	\$ 210,239	\$ 1,649,999

Bondurant-Farrar Community School District

Schedule of Combining Balance Sheet

Capital Projects Fund - By Account

June 30, 2023

	Capital Projects Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Assets				
Cash and pooled investments	\$ 11,771,093	\$ 1,836,330	\$ 374,264	\$ 13,981,687
Receivables:				
Property tax:				
Delinquent	-	2,344	-	2,344
Succeeding year	-	1,542,523	-	1,542,523
Accounts	-	-	293,166	293,166
Due from other governments	233,604	-	-	233,604
Total assets	\$ 12,004,697	\$ 3,381,197	\$ 667,430	\$ 16,053,324
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities, accounts payable	\$ 46,362	\$ 55,232	\$ 351,213	452,807
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	-	1,542,523	-	1,542,523
Other	-	-	217,650	217,650
Total deferred inflows of resources	-	1,542,523	217,650	1,760,173
Fund Balances:				
Restricted for:				
School infrastructure	11,958,335	-	98,567	12,056,902
Physical plant and equipment	-	1,783,442	-	1,783,442
Total fund balances	11,958,335	1,783,442	98,567	13,840,344
Total liabilities, deferred inflows of resources and fund balances	\$ 12,004,697	\$ 3,381,197	\$ 667,430	\$ 16,053,324

Bondurant-Farrar Community School District

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund - By Account
Year Ended June 30, 2023**

	Capital Projects Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Property tax	\$ -	\$ 1,197,277	\$ -	\$ 1,197,277
Utility excise tax	-	152,422	-	152,422
Other tax	-	1,228	-	1,228
Other	374,228	114,669	126,037	614,934
State appropriations	3,299,117	158	-	3,299,275
Federal appropriations	40,000	-	-	40,000
Total revenues	3,713,345	1,465,754	126,037	5,305,136
Expenditures:				
Current:				
Support services:				
Administration	94,319	55,767	-	150,086
Operation and maintenance of plant	-	353,649	-	353,649
Transportation	251,686	-	-	251,686
Other expenditures:				
Facilities acquisition	136,716	802,811	5,011,913	5,951,440
Debt service:				
Interest and fiscal charges	153,980	-	-	153,980
Total expenditures	636,701	1,212,227	5,011,913	6,860,841
Excess (deficiency) of revenues over (under) expenditures	3,076,644	253,527	(4,885,876)	(1,555,705)
Other financing sources (uses):				
Issuance of long-term debt	8,390,000	-	1,610,000	10,000,000
Premium on issuance of long-term debt	141,949	-	-	141,949
Transfers in	15,947	-	750,000	765,947
Transfers (out)	(3,281,428)	(785,550)	-	(4,066,978)
Total other financing sources (uses)	5,266,468	(785,550)	2,360,000	6,840,918
Net change in fund balance	8,343,112	(532,023)	(2,525,876)	5,285,213
Fund balance, beginning of year	3,615,223	2,315,465	2,624,443	8,555,131
Fund balance, end of year	\$ 11,958,335	\$ 1,783,442	\$ 98,567	\$ 13,840,344

Bondurant-Farrar Community School District

**Combining Statement of Net Position
Enterprise Funds
June 30, 2023**

	School Nutrition	Construction Class	Total
Assets			
Current assets:			
Cash and pooled investments	\$ 1,453,305	\$ 213,766	\$ 1,667,071
Receivables, accounts	50,365	-	50,365
Inventories	24,090	62,500	86,590
Total current assets	1,527,760	276,266	1,804,026
Noncurrent assets:			
Capital assets being depreciated, net of accumulated depreciation:			
Machinery and equipment	128,776	-	128,776
Total noncurrent assets	128,776	-	128,776
Total assets	1,656,536	276,266	1,932,802
Deferred Outflows of Resources:			
OPEB related deferred outflows	10,957	-	10,957
Pension related deferred outflows	74,583	-	74,583
Total deferred outflows of resources	85,540	-	85,540
Liabilities			
Current liabilities:			
Accounts payable	247	1,530	1,777
Salaries and benefits payable	3,195	-	3,195
Unearned revenue	48,485	-	48,485
Total current liabilities	51,927	1,530	53,457
Noncurrent liabilities:			
Net OPEB liability	33,244	-	33,244
Net pension liability	203,322	-	203,322
Total noncurrent liabilities	236,566	-	236,566
Total liabilities	288,493	1,530	290,023
Deferred Inflows of Resources:			
OPEB related deferred inflows	646	-	646
Pension related deferred inflows	25,545	-	25,545
Total deferred inflows of resources	26,191	-	26,191
Net Position			
Investment in capital assets	128,776	-	128,776
Unrestricted	1,298,616	274,736	1,573,352
Total net position	\$ 1,427,392	\$ 274,736	\$ 1,702,128

Bondurant-Farrar Community School District

**Combining Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended June 30, 2023**

	School Nutrition	Construction Class	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 1,033,573	\$ -	\$ 1,033,573
Miscellaneous	21,636	-	21,636
Total operating revenues	1,055,209	-	1,055,209
Operating expenses:			
Instruction:			
Other instruction:			
Purchased services	-	2,545	2,545
Supplies	-	7,544	7,544
Support services:			
Operation and maintenance of plant:			
Purchased services	8,591	-	8,591
Noninstructional programs:			
Salaries	575,673	-	575,673
Benefits	77,170	-	77,170
Purchased services	39,851	-	39,851
Supplies	1,012,729	-	1,012,729
Other	1,466	-	1,466
Depreciation	34,879	-	34,879
Total operating expenses	1,750,359	10,089	1,760,448
Operating (loss)	(695,150)	(10,089)	(705,239)
Nonoperating revenues:			
State sources	10,949	-	10,949
Federal sources	903,520	-	903,520
Interest on investments	39,259	-	39,259
Total nonoperating revenues	953,728	-	953,728
Income (loss) before transfers	258,578	(10,089)	248,489
Transfers in	18,300	-	18,300
Change in net position	276,878	(10,089)	266,789
Net position, beginning of year	1,150,514	284,825	1,435,339
Net position, end of year	\$ 1,427,392	\$ 274,736	\$ 1,702,128

Bondurant-Farrar Community School District

**Combining Statement of Cash Flows
Enterprise Funds
Year Ended June 30, 2023**

	School Nutrition	Construction Class	Total
Cash flows from operating activities:			
Cash received from:			
Charges for services	\$ 998,067	\$ -	\$ 998,067
Miscellaneous services	21,636	-	21,636
Cash payments to:			
Employees for services	(700,663)	-	(700,663)
Suppliers for goods and services	(942,897)	(63,524)	(1,006,421)
Net cash (used in) operating activities	(623,857)	(63,524)	(687,381)
Cash flows from noncapital financing activities:			
Proceeds from other funds	18,300	-	18,300
State grants received	10,949	-	10,949
Federal grants received	755,684	-	755,684
Net cash provided by noncapital financing activities	784,933	-	784,933
Cash flows from capital financing activities and related activities,			
Acquisition of capital assets	(1,602)	-	(1,602)
Net cash (used in) capital financing activities	(1,602)	-	(1,602)
Cash flows from investing activities,			
interest on investments	39,259	-	39,259
Net increase (decrease) in cash and cash equivalents	198,733	(63,524)	135,209
Cash and cash equivalents:			
Beginning of year	1,254,572	277,290	1,531,862
End of year	\$ 1,453,305	\$ 213,766	\$ 1,667,071

(Continued)

Bondurant-Farrar Community School District

Combining Statement of Cash Flows (Continued)

Enterprise Funds

Year Ended June 30, 2023

	School Nutrition	Construction Class	Total
Reconciliation of operating (loss) to net cash (used in) operating activities:			
Operating (loss)	\$ (695,150)	\$ (10,089)	\$ (705,239)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:			
Commodities consumed	151,851	-	151,851
Depreciation	34,879	-	34,879
(Increase) decrease in:			
Inventories	(3,263)	1,000	(2,263)
Accounts receivable	(50,111)	-	(50,111)
Increase (decrease) in:			
Accounts payable	(37,439)	(54,435)	(91,874)
Salaries and benefits payable	(978)	-	(978)
Net OPEB benefits	2,449	-	2,449
Net pension liability	(40,700)	-	(40,700)
Unearned revenue	14,605	-	14,605
Net cash (used in) operating activities	\$ (623,857)	\$ (63,524)	\$ (687,381)
Noncash investing, capital and financing activities:			
Federal commodities	\$ 151,851	\$ -	\$ 151,851

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Bondurant-Farrar Community School District

**Schedule of Changes in Special Revenue Fund,
Student Activity Accounts
Year Ended June 30, 2023**

Account	Balance Beginning of Year	Revenues and Transfers in	Expenditures	Balance End of Year
HS Musical	\$ 9,313	\$ 3,103	\$ 4,202	\$ 8,214
HS Play	2,777	7,581	2,195	8,163
Speech	-	1,470	1,445	25
Speech resale	55	-	40	15
Vocal Music	-	1,015	1,015	-
Instrumental Music	-	2,825	2,825	-
Instrumental Music Resale	8,644	9,761	6,149	12,256
Jayz Danz Drill Team	-	1,119	1,119	-
Jayz Danz Resale	10,113	22,071	20,308	11,876
General Athletics	76,709	324,879	329,089	72,499
Prom Account	8,961	8,495	7,923	9,533
We Care	6,728	28,750	29,127	6,351
Jump Rope for Heart	388	-	-	388
3rd Grade Bubble Account	313	-	-	313
Honor Society	-	150	150	-
Yearbook- HS	1,932	215	-	2,147
Art Club	-	1,532	1,532	-
Industrial Tech- Donations	3	-	-	3
Club Hola	5,594	-	1,948	3,646
Archery	8,602	18,781	17,874	9,509
FBLA	12	20,072	18,240	1,844
FFA	6,829	26,715	21,469	12,075
FCCLA	109	157	432	(166)
Student Council	6,128	5,961	4,920	7,169
Middle School Student Council	8,162	38,916	38,734	8,344
Anderson Student Council	438	-	345	93
Robotics	10,522	6,560	6,458	10,624
After School Activities	16,624	25,075	32,303	9,396
Yearbook- MS	4,787	3,111	4,121	3,777
Elementary Yearbook	8,535	6,780	3,895	11,420
Art Department	-	724	724	-
Blue Jay Digital	2,098	5,500	6,873	725
Total	\$ 204,376	\$ 571,318	\$ 565,455	\$ 210,239

Bondurant-Farrar Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds - Modified Accrual Basis

Last Ten Years

	Years Ended June 30:			
	2023	2022	2021	2020
Revenues:				
Local sources:				
Local tax	\$ 12,979,570	\$ 12,053,966	\$ 10,360,875	\$ 9,423,319
Tuition	1,499,699	1,254,328	1,121,516	1,225,875
Other	2,113,545	1,129,293	773,549	1,515,078
State sources	22,056,493	20,515,433	19,894,936	17,852,035
Federal sources	1,106,253	1,773,538	1,222,163	424,948
Total revenues	\$ 39,755,560	\$ 36,726,558	\$ 33,373,039	\$ 30,441,255
Expenditures:				
Instruction	\$ 19,455,248	\$ 17,377,114	\$ 15,648,331	\$ 14,761,235
Support services:				
Student services	1,086,824	811,958	804,948	720,029
Instructional staff services	2,421,593	2,124,417	2,166,359	2,298,833
Administration services	3,728,413	3,128,339	2,761,208	2,553,853
Operation and maintenance of plant services	4,289,884	3,138,943	3,254,845	2,625,743
Transportation services	1,175,155	859,655	688,697	709,127
Non-instructional programs	5,247	944	500	-
Other expenditures:				
Facilities acquisition	5,951,440	19,183,730	9,929,225	2,583,849
Long-term debt:				
Principal	4,415,566	3,660,463	2,425,000	1,670,000
Interest	1,754,465	1,313,502	883,541	874,315
AEA flowthrough	1,191,841	1,107,816	1,062,055	979,867
Total expenditures	\$ 45,475,676	\$ 52,706,881	\$ 39,624,709	\$ 29,776,851

Years Ended June 30:						
2019	2018	2017	2016	2015	2014	
\$ 7,909,089	\$ 6,955,834	\$ 6,468,399	\$ 5,881,168	\$ 5,331,255	\$ 5,371,175	
1,091,703	1,058,969	1,121,157	962,912	875,767	803,354	
1,291,151	1,136,270	875,304	713,573	805,576	660,680	
16,733,678	15,910,214	14,920,351	12,974,898	12,085,928	10,501,047	
545,373	561,749	402,617	459,427	459,588	433,423	
<u>\$ 27,570,994</u>	<u>\$ 25,623,036</u>	<u>\$ 23,787,828</u>	<u>\$ 20,991,978</u>	<u>\$ 19,558,114</u>	<u>\$ 17,769,679</u>	
\$ 13,485,975	\$ 12,340,797	\$ 11,904,333	\$ 10,868,557	\$ 10,592,170	\$ 9,620,521	
694,620	653,224	634,125	599,763	552,968	472,634	
1,834,858	1,489,514	927,412	924,989	782,579	860,996	
2,294,500	2,199,475	1,990,985	1,876,984	1,860,391	1,591,220	
2,582,739	2,470,683	2,140,385	1,997,918	1,822,454	1,952,144	
864,427	927,132	684,799	695,007	667,891	877,963	
-	-	-	-	-	-	
7,566,018	10,605,397	4,082,370	639,453	2,185,104	11,297,795	
1,690,000	8,035,000	1,915,000	1,295,000	685,000	660,000	
927,484	1,030,557	912,078	586,065	617,555	541,920	
886,249	843,233	777,315	710,923	657,374	572,519	
<u>\$ 32,826,870</u>	<u>\$ 40,595,012</u>	<u>\$ 25,968,802</u>	<u>\$ 20,194,659</u>	<u>\$ 20,423,486</u>	<u>\$ 28,447,712</u>	

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Bondurant-Farrar Community School District

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

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY23 4552	\$ -	\$ 98,688
National School Lunch Program	10.555	FY23 4553	-	527,067
National School Lunch Program- Supply Chain Assistance	10.555	FY23 4014	-	117,915
Commodities -DOD (Noncash)	10.555	FY23	-	75,752
Commodities (Noncash)	10.555	FY23	-	76,099
			<u>-</u>	<u>796,833</u>
Total Child Nutrition Cluster Program			<u>-</u>	<u>895,521</u>
Direct:				
Local Food for Schools	10.185	FY23 4911	-	8,000
Total U.S. Department of Agriculture			<u>-</u>	<u>903,521</u>
Environmental Protection Agency				
Direct:				
National Clean Diesel Emission Reduction Program	66.039	FY23 4364	-	40,000
U.S. Department of Education				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY23 4501	-	128,113
Supporting Effective Instruction State Grants	84.367	FY23 4643	-	23,985
Student Support and Academic Enrichment Program	84.424	FY23 4669	-	10,000
Education Stabilization Fund:				
COVID-19 Discretionary Grants: Rethink K-12				
Education Models Grants	84.425B	FY23 4053	-	7,352
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY23 4048	-	419,197
Total Education Stabilization Fund			<u>-</u>	<u>426,549</u>
(Continued)				

Bondurant-Farrar Community School District

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education (continued)				
Pass-Through Heartland Area Education Agency: Special Education Cluster Program: Special Education - Grants to States IDEA, Part B	84.027	FY23 4521	\$ -	\$ 106,193
English Language Acquisition State Grants	84.365	FY23 4644	-	7,920
Pass-Through Urbandale Community School District: Career and Technical Education- Basic Grants to States	84.048	FY23 4531	-	8,345
Total U.S. Department of Education			-	711,105
U.S. Department of Health and Human Services				
Pass-Through Iowa Department of Human Services: Public Health Emergency Response Grant	93.354	FY23 4624	-	37,711
Total Expenditures of Federal Awards			\$ -	\$ 1,692,337

See notes to schedule of expenditures of federal awards.

Bondurant-Farrar Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2023

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Bondurant-Farrar Community School District under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Bondurant-Farrar Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Bondurant-Farrar Community School District.

Note 2. Summary of significant accounting policies

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

Note 3. Indirect Cost Rate

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

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Bondurant-Farrar Community School District

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

Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Findings Related to Basic Financial Statements:		
2022-001: The District has insufficient segregation of duties over the disbursement process.	Not corrected.	District has not fully implemented processes. See 2023-001.
Other Findings Related to Required Statutory Reporting:		
IV-G-22: The board minutes were not published in accordance with Chapter 279.35 and 279.36 of the Code of Iowa.	Corrected.	
IV-N-22: A notice to bidders was not posted in compliance with Chapter 26.3 of the Code of Iowa.	Corrected.	

Bondurant-Farrar District Office

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

To the Board of Education
Bondurant-Farrar Community School District
Bondurant, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bondurant-Farrar Community School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 21, 2024.

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

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 Bondurant-Farrar Community School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs, as item 2023-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. 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, 2023, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

District's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Bondurant-Farrar Community School District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Bondurant-Farrar Community School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Bohnsack & Frommelt LLP

Moline, Illinois
March 21, 2024



**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
Bondurant-Farrar Community School District
Bondurant, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bondurant-Farrar Community School District’s (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended June 30, 2023. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Bondurant-Farrar complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Bohnsack & Frommelt LLP

Moline, Illinois
March 21, 2024

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Bondurant-Farrar Community School District

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

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?

Yes No

• Significant deficiency identified?

Yes None Reported

• Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?

Yes No

• Significant deficiency identified?

Yes None Reported

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

Unmodified

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

Yes No

Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
----------------	------------------------------------

Education Stabilization Fund:

84.425B	COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants
---------	--

84.425U	COVID-19 ARP- Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)
---------	--

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

Auditee qualified as low-risk auditee?

Yes No

(Continued)

Bondurant-Farrar Community School District

Corrective Action Plan Year Ended June 30, 2023

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

Significant Deficiencies:

2023-001

Finding: For a portion of fiscal year 2023, the District has insufficient segregation of duties over the disbursement process.

Criteria: A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process and report financial data reliably in accordance with generally accepted accounting principles (GAAP).

Condition: One individual at the District has the access to the vendor master file, processes accounts payable and generates checks and the ACH to the bank. This position obtains credit card statements directly and matches cardholder purchase receipts to the credit card statements. This position maintains the check sequence log and prepares the signed checks for mailing by matching the check stub to the invoice.

Cause: One employee has access from initiation to completion of the disbursement process.

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

Context: The deficiency is over all disbursement transactions of the District.

Identification as a repeat finding: This is a repeat finding.

Recommendation: In order to strengthen internal controls over the disbursement process we recommend the following compensating controls be implemented at the District:

- Vendor master file access should be removed from the position processing accounts payable transactions.
- After the Business Manager and Board member have manually signed all checks, the signed checks should not be given back to the position that generated them. Instead, an individual without accounts payable processing access should match the check stub to the invoice, stuff and mail the checks. This position would also maintain the check sequence logs of all bank accounts and ensure there are no gaps in check sequence and follow up if any occur.
- Credit card statements should go directly to the cardholders for review and approval prior to being processed. The cardholders should match their purchase receipts to the statements. Credit cards statements not assigned to a specific employee should go directly to the Business Manager for review and approval.

Response and Corrective Action Plan: The District implemented changes to the disbursement process during the spring of 2023. Assigned duties and available District staff will be reviewed annually for increased opportunities to further segregate duties. During fiscal year 2023, the District implemented additional controls to segregate duties including restricting master vendor file access and requiring signed checks to be routed to an administrative assistant for mailing.

Bondurant-Farrar Community School District

**Corrective Action Plan
Year Ended June 30, 2023**

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

Part IV: Other Findings Related to Statutory Reporting

IV-A-23

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

IV-B-23

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

IV-C-23

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

IV-D-23

Business Transactions – No business transactions between the District and District officials or employees were noted except for the following:

Name, Title, and Business Connection	Transaction Description	Amount
Michael Ugolini Spouse of Board Member	Mowing	\$ 585

In accordance with the Attorney General’s opinion dated November 9, 1976, the above transaction does not appear to represent a conflict of interest.

IV-E-23

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

IV-F-23

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

(Continued)

Bondurant-Farrar Community School District

Corrective Action Plan Year Ended June 30, 2023

IV-G-23

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

IV-H-23

Certified Enrollment:

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

Recommendation: We recommend the District review certified enrollment data for accuracy prior to submission to the state.

Response and Correction Action Plan: The District will continue to review data prior to submission. Unfortunately, facts are learned after certification date that result in required adjustments.

Conclusion: Response accepted.

IV-I-23

Supplementary Weighting: No variances in the supplementary weighting data certified to the Iowa Department of Education were noted.

IV-J-23

Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

IV-K-23

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

IV-L-23

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

Bondurant-Farrar Community School District

Corrective Action Plan Year Ended June 30, 2023

IV-M-23

Statewide Sales and Services Tax: No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2023, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	3,615,223
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	3,299,117	
Other		374,228	
Federal appropriations		40,000	
Issuance of long-term debt		8,390,000	
Premium on issuance of long-term debt		141,949	
Transfers in		15,947	12,261,241
Expenditures/transfers out:			
Administration		94,319	
Transportation		251,686	
School infrastructure:			
Buildings and improvements		136,716	
Debt service		153,980	
Transfers out		3,281,428	3,918,129
Ending balance			\$ 11,958,335

For the year ended June 30, 2023, the District did not have a reduced tax levy as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

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Bondurant-Farrar Community School District

**Corrective Action Plan
Year Ended June 30, 2023**

Findings	Corrective Action Plan	Contact and Anticipated Date of Completion
Findings Related to Basic Financial Statements:		
2023-001: The District has insufficient segregation of duties over the disbursement process.	See response and corrective action plan at 2023-001.	Cari Aylsworth June 30, 2024
Other Findings Related to Required Statutory Reporting:		
IV-H-23: The District identified variances in certified enrollment submitted to the state in October 2022.	See response and corrective action plan at IV-H-23	Cari Aylsworth June 30, 2024

Bondurant-Farrar District Office

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