



Financial Statements
June 30, 2023

Council Bluffs Community School District

Council Bluffs Community School District

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Council Bluffs Community School District

Directory of Officials

June 30, 2023

<u>Officials</u>	<u>Board of Education</u>	<u>Term Expires</u>
Jared Tripp	President	2025
David Caziahr	Vice President	2027
Angela Griner	Board Member	2027
Teresa Hardiman	Board Member	2027
Lauren Myers	Board Member	2025
Patrick Peters	Board Member	2025
Dr. Tracy Ozzello	Board Member	2027
	<u>School Officials</u>	
Dr. Vickie Murillo	Superintendent	
Lori Lehan	Chief Financial Officer	



Independent Auditor's Report

The Board of Education
Council Bluffs Community School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Council Bluffs Community School District ("the District"), as of and for the year ended June 30, 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 District 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; budgetary comparison schedule of revenues, expenditures, and changes in fund balances – budget and actual – all governmental funds and proprietary funds; schedule of the District's proportionate share of the net pension liability; schedule of district contributions; and schedule of changes in the District's total OPEB liability and related ratios 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 GAAS, 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 District's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of changes in special revenue fund – student activity funds, schedule of revenues by source and expenditures by function – all governmental funds, and 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 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Sallie LLP". The signature is written in a cursive, flowing style.

Mankato, Minnesota
June 27, 2024

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

2023 FINANCIAL HIGHLIGHTS

General Fund revenues and transfers in increased from \$137,227,323 in fiscal year 2022 to \$137,862,025 in fiscal year 2023. The increase in General Fund revenues is attributable to federal ESSER funds related to COVID. General Fund expenditures and transfers out to other funds increased from \$135,969,052 in fiscal year 2022 to \$141,891,606 in fiscal year 2023. The difference between fiscal year 2023 revenues and expenditures resulted in a current year net deficit of \$4,029,581. As a result, the District's General Fund balance decreased from \$18,538,281 in fiscal year 2022 to \$14,508,700 in fiscal year 2023, which represents a 21.7% decrease from the prior year, attributable to less ESSER and GEER II funds received and increased insurance costs.

The District's solvency ratio (unreserved-undesignated fund balance/general fund revenues-AEA Flow-through) decreased from 12.00% at June 30, 2022, to 9.11% at June 30, 2023. The State School Budget Review Committee recommends a solvency ratio of 5%-10%.

USING THIS ANNUAL REPORT

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

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Council Bluffs Community School District as a whole and present an overall view of the District's finances.

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

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

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

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

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

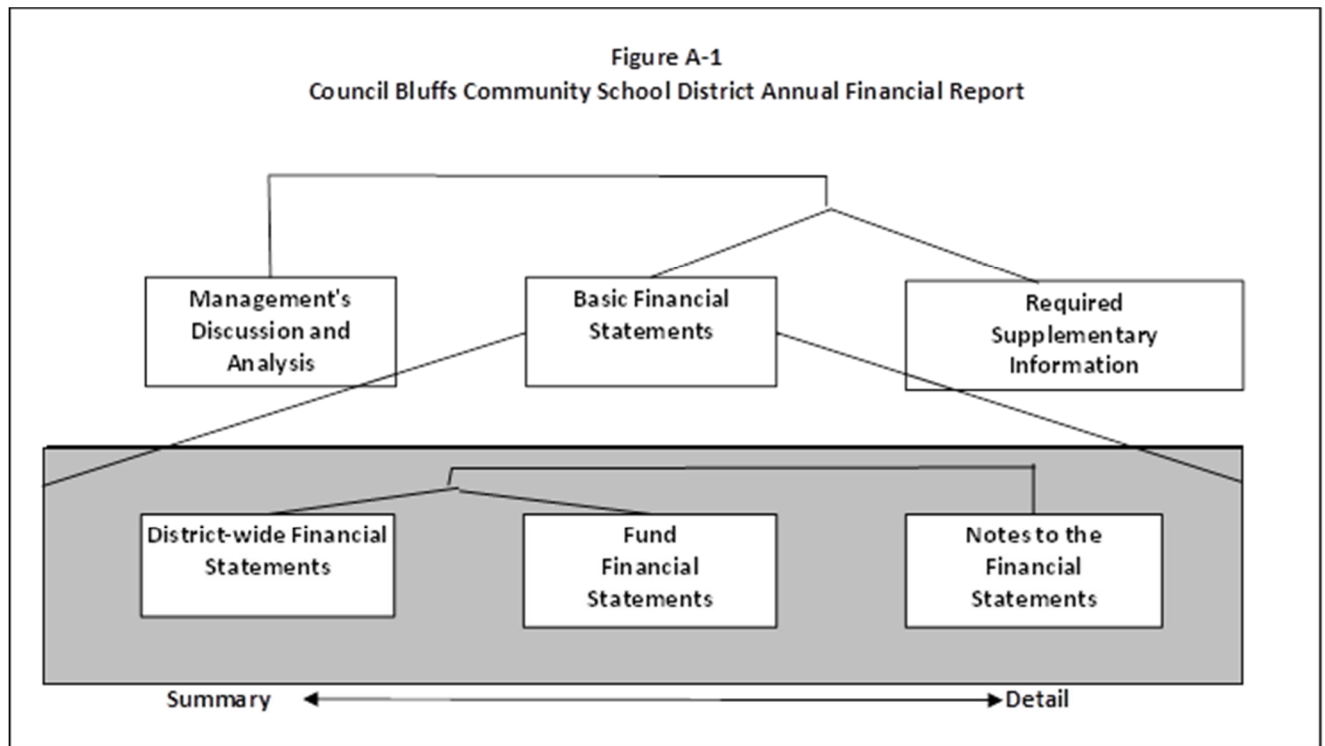


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2				
Major Features of the Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements: Governmental Funds	Fund Statements: Proprietary Funds	Fund Statements: 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	Instances in which the District administers resources on behalf of someone else, such as scholarship programs
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 fund net assets Statement of cash flows	Statement of fiduciary net position
Accounting basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow/inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of fund balance that is applicable to a future reporting period	Consumption/acquisition of fund balance that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future reporting period
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during 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

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 and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two Government-wide statements report the District's net position and how they have changed. Net Position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net Position are an indicator of whether financial position is improving or deteriorating, respectively. To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities need to be considered.

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

Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property tax and state aid finance most of these activities.

Business-type activities: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program and self-insurance program is included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

1. *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance District's programs. The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund. The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures, and changes in fund balances.

2. *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way the Government-wide statements. The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities but provide more detail and additional information such as cash flows. The District currently has two enterprise funds, the School Nutrition Fund and the Regular Education Preschool Fund. Internal service funds are used to report the same functions presented as governmental activities in the government-wide financial statements. The District maintains one internal service fund to account for the premium and claim payments for the self-insured health insurance plans for District employees. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. Because the service provided by the District predominately benefits governmental, rather than business-type functions, it has been included within governmental activities in the government-wide financial statements. The required financial statements for proprietary funds include a statement of revenues, expenses, and changes in fund net position, and a statement of cash flows.
3. *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others, such as the custodial fund which is held for food shelf and backpack program. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Figure A-3 below provides a summary of the District's net position at June 30, 2023 compared to June 30, 2022.

Figure A-3
Statements of Net Position

	Governmental Activities		Business-type Activities		Total School District		Percent Change
	June 30,		June 30,		June 30,		June 30,
	2023	2022	2023	2022	2023	2022	2023-2022
Current and other assets	\$ 109,089,303	\$ 112,313,222	\$ 5,342,563	\$ 4,130,386	\$ 114,431,866	\$ 116,443,608	-1.73%
Capital assets	159,404,863	150,591,671	405,775	397,866	159,810,638	150,989,537	5.84%
Total assets	268,494,166	262,904,893	5,748,338	4,528,252	274,242,504	267,433,145	2.55%
Deferred outflows of resources	10,352,376	10,985,429	217,281	224,826	10,569,657	11,210,255	-5.71%
Long-term liabilities	119,329,293	94,754,351	910,758	356,857	120,240,051	95,111,208	26.42%
Other liabilities	26,709,024	21,395,024	564,410	409,617	27,273,434	21,804,641	25.08%
Total liabilities	146,038,317	116,149,375	1,475,168	766,474	147,513,485	116,915,849	26.17%
Deferred inflows of resources	50,754,188	91,686,331	347,501	1,164,308	51,101,689	92,850,639	-44.96%
Net Position							
Net investment in capital assets	78,005,086	63,235,681	405,775	397,866	78,410,861	63,633,547	23.22%
Restricted	27,767,595	28,314,470	-	-	27,767,595	28,314,470	-1.93%
Unrestricted	(23,718,644)	(25,495,535)	3,737,175	2,424,430	(19,981,469)	(23,071,105)	-13.39%
Total net position	\$ 82,054,037	\$ 66,054,616	\$ 4,142,950	\$ 2,822,296	\$ 86,196,987	\$ 68,876,912	25.15%

This section explains the differences between the current and prior year's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and changes in net position.

The District's combined net position increased 25.15% over the prior year.

Restricted net position represents resources subject to external restrictions, constitutional provisions, or enabling legislation on how funds can be used. The District's restricted net position decreased 6.67% compared to last year, primarily a result of unspent categorical revenues and capital projects.

Unrestricted net position- the part of net position used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased 19.20% due to results from GASB 68-*Accounting and Financial Reporting for Pensions*.

Changes in Net Position

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

Figure A-4
Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total School District		Percent Change
	June 30,		June 30,		June 30,		June 30,
	2023	2022	2023	2022	2023	2022	2023-2022
Program revenues							
Charges for services	\$ 4,008,556	\$ 3,700,452	\$ 241,911	\$ 168,241	\$ 4,250,467	\$ 3,868,693	9.87%
Operating grants, contributions and restricted interest	38,694,947	39,446,012	7,651,091	7,567,221	46,346,038	47,013,233	-1.42%
Capital grants, contributions, and restricted interest	6,355,137	3,128,163	-	-	6,355,137	3,128,163	103.16%
General revenues							
Property and other tax	41,537,226	41,162,853	-	-	41,537,226	41,162,853	0.91%
Statewide sales, services and use tax	11,926,948	10,732,790	-	-	11,926,948	10,732,790	11.13%
Unrestricted state grants	60,657,103	60,594,355	-	-	60,657,103	60,594,355	0.10%
Unrestricted investment earnings	239,089	17,385	-	-	239,089	17,385	1275.26%
Other	573,287	412,801	-	-	573,287	412,801	38.88%
Total revenues	163,992,293	159,194,811	7,893,002	7,735,462	171,885,295	166,930,273	2.97%
Program expenses							
Instruction	82,264,622	83,520,573	-	-	82,264,622	83,520,573	-1.50%
Support services	46,318,154	41,713,299	-	-	46,318,154	41,713,299	11.04%
Non-instructional programs	-	-	6,315,093	6,150,264	6,315,093	6,150,264	2.68%
Other expenses	19,667,351	19,103,350	-	-	19,667,351	19,103,350	2.95%
Total expenses	148,250,127	144,337,222	6,315,093	6,150,264	154,565,220	150,487,486	2.71%
Net Transfers	257,255	(48,317)	(257,255)	48,317	-	-	-
Change in Net Position	15,999,421	14,809,272	1,320,654	1,633,515	17,320,075	16,442,787	5.34%
Beginning Net Position	66,054,616	51,245,344	2,822,296	1,188,781	68,876,912	52,434,125	31.36%
Ending Net Position	\$ 82,054,037	\$ 66,054,616	\$ 4,142,950	\$ 2,822,296	\$ 86,196,987	\$ 68,876,912	25.15%

In fiscal year 2023, property tax, statewide sales, service and use tax and unrestricted state grants accounted for 69.59% of revenue from governmental activities, compared to 70.93% in fiscal year 2022, while charges for services and operating grants and contributions accounted for 100% of the revenue from business type activities in both fiscal year 2023 and 2022.

As shown in Figure A-4, the District as a whole experienced a 2.97% increase in revenues for fiscal year 2023, compared to a 9.01% increase in fiscal year 2022, and a 2.71% increase in expenses for fiscal year 2023 compared to a 0.57% decrease in fiscal year 2022.

Governmental Activities

Revenues for governmental activities were \$163,992,293 and expenses were \$148,250,127 for the year ended June 30, 2023. Net transfers in totaled \$257,255. The District levied a cash reserve levy and minimized increases in expenditures to minimize the decrease in the District's solvency ratio.

Figure A-5 presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs, and other expenses for the year ended June 30, 2023 compared to the year ended June 30, 2022.

Figure A-5
Total and Net Cost of Governmental Activities

	Total Cost			Net Cost		
	Year Ended June 30,		Percent Change	Year Ended June 30,		Percent Change
	2023	2022		2023	2022	
Instruction	\$ 82,264,622	\$ 83,520,573	-1.50%	\$ 44,358,547	\$ 45,205,254	-1.87%
Support services	46,318,154	41,713,299	11.04%	46,261,133	41,597,589	11.21%
Other expenses	19,667,351	19,103,350	2.95%	8,571,807	11,259,752	-23.87%
Total	<u>\$ 148,250,127</u>	<u>\$ 144,337,222</u>	2.71%	<u>\$ 99,191,487</u>	<u>\$ 98,062,595</u>	1.15%

The cost financed by users of the District's programs was \$4,008,556.

Federal and state governments subsidized certain programs with grants and contributions totaling \$38,694,947. The net cost of governmental activities were financed with \$41,537,226 in property tax; \$11,926,948 in statewide sales, services and use tax; \$60,657,103 in unrestricted state grants; \$239,089 in unrestricted investment earnings; and \$573,287 in other general revenues.

Business-Type Activities

Revenues of the District's business-type activities were \$7,893,002 and expenses were \$6,315,093. The District's business-type activities include the School Nutrition Fund and the Preschool Fund. Revenues of these activities were comprised of charges for services, federal and state reimbursements, and investment income. The District provided free breakfast and lunch, without charge, in all CEP (Community Eligibility Provision) schools within the District schools under a key provision of The Healthy, Hunger Free Kids Act (HHFKA, Public Law 111-296; December 13, 2010). CEP schools are defined as schools in low-income areas in the aggregate for the specific school. The district is reimbursed using a formula based on the percentage of students participating in other specific means-tested programs.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balance of \$40,121,087 for 2023 and \$45,411,802 for 2022. The decrease was attributable to the construction costs for the middle school renovation project and the Early Learning Center project.

Governmental Fund Highlights

The District's General Fund financial position is the product of many factors. General Fund revenues increased from fiscal year 2022 attributable to additional ESSER and grant funding. Expenditures increased due to transfers-out to other funds for capital projects paid with ESSER funds.

Capital Project Fund balance decreased from fiscal year 2022 due to less state funding received for the Early Learning Center project.

Proprietary Fund Highlights

The School Nutrition Fund net position increased 46.3% from \$2,823,681 at June 30, 2022, to \$4,148,868 at June 30, 2023, attributable to a reduction of shared IPERS unfunded pension liability.

Budgetary Highlights

It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the District had invested \$159.8 million, net of accumulated depreciation/amortization, in a broad range of capital assets including land, buildings, athletic facilities and transportation equipment. More detailed information about capital assets is available in Note 4 to the financial statements. Depreciation/amortization expense for the year was \$13.7 million.

The original cost of the District's capital assets was \$305.1 million. Governmental funds account for \$303.8 million with the remainder in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in work-in-progress category related to the Early Learning Center construction project.

Council Bluffs Community School District
Management's Discussion and Analysis
June 30, 2023

Figure A-6
Capital Asset Summary

	Governmental Activities		Business-type Activities		Total School District		
	June 30,		June 30,		June 30,		Percent
	2023	2022	2023	2022	2023	2022	Change
Land	\$ 3,976,025	\$ 3,976,025	\$ -	\$ -	\$ 3,976,025	\$ 3,976,025	0.00%
Construction in Progress	22,072,318	5,686,245	-	-	22,072,318	5,686,245	288.17%
Lease right-of-use assets	7,658,497	8,458,474	-	-	7,658,497	8,458,474	-9.46%
Buildings and land improvements	121,881,977	127,604,893	-	-	121,881,977	127,604,893	-4.48%
Furniture and equipment	3,816,046	4,866,034	405,775	397,866	4,221,821	5,263,900	-19.80%
Totals	<u>\$ 159,404,863</u>	<u>\$ 150,591,671</u>	<u>\$ 405,775</u>	<u>\$ 397,866</u>	<u>\$ 159,810,638</u>	<u>\$ 150,989,537</u>	5.84%

Long-Term Debt

At June 30, 2023, the District had \$120.1 million in outstanding long-term debt. This represents an increase of 26.8% from the prior year, attributable to changes in assumptions related to the net pension liability.

Figure A-7
Long-term Liabilities Summary

	2023	2022	% Change 2022-2023
General obligation bonds	\$ 33,845,000	\$ 35,345,000	-4.2%
Premium on general obligation bonds	762,671	810,841	-5.9%
Revenue bonds	32,361,000	37,709,000	-14.2%
Quality zone academy bonds	1,500,000	1,500,000	0.0%
Qualified school construction bonds	5,650,000	5,650,000	0.0%
Lease liability	7,738,318	8,490,999	-8.9%
Compensated absences - governmental	319,620	275,684	15.9%
Compensated absences - business-type activities	6,209	5,809	6.9%
Termination benefits	175,069	42,619	310.8%
Net OPEB liability	3,825,141	3,763,901	1.6%
Net pension liability	<u>34,057,023</u>	<u>1,233,598</u>	2660.8%
Totals	<u>\$ 120,240,051</u>	<u>\$ 94,827,451</u>	26.8%

Economic Factors Bearing on the District's Future

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

- The political environment in Iowa makes planning for future funding difficult. The Iowa legislature usually sets changes in school funding one to four months prior to the start of the fiscal year.
- The levels of state and federal funding for education are not keeping pace with the increases in cost and mandated growth. The district received 2.5% increase in state funding for the year ended June 30, 2023. Although the district's financial position is currently stable, small increases in future state aid will negatively affect future district finances.
- Higher rates of inflation experienced during the school year, and the shortage of qualified staff, are an impediment for maintaining current educational supports. These same inflationary pressures have substantially increased the cost of capital projects and equipment replacement.
- Costs associated with special education continue rising. The special education deficit for 2023 was \$4.4 million compared to a deficit of \$2.2 million in 2022.
- Unfunded mandates at the state or federal level.
- States funding private and charter schools at the expense of public schools.
- The district experienced a weighted enrollment decrease in FY 2022 of 237.3 students, and a decrease of 182.3 students for FY 2023. Iowa school funding is based on student enrollment. A national trend has emerged of more school-aged students being educated at home or in private or charter schools, creating economic pressures for public school districts.
- Fixed costs are anticipated to increase regarding routine maintenance and utilities.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lori Lehan, Chief Financial Officer, Council Bluffs Community School District, 300 W Broadway, Suite 1600, Council Bluffs, Iowa, 51503.

Council Bluffs Community School District
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents and pooled investments	\$ 39,458,392	\$ 4,476,896	\$ 43,935,288
Restricted cash, cash equivalents, and pooled investments	10,663,359	-	10,663,359
Receivables			
Property tax levied for subsequent year	40,815,155	-	40,815,155
Accounts	8,697,018	104,192	8,801,210
Due from other governments	386,902	-	386,902
Investments	8,683,568	752,564	9,436,132
Inventories	50,267	8,911	59,178
Prepaid expenses	334,642	-	334,642
Lease right of use assets, net of accumulated amortization	7,658,497	-	7,658,497
Capital assets, not being depreciated	26,048,343	-	26,048,343
Capital assets, net of accumulated depreciation	125,698,023	405,775	126,103,798
Total assets	268,494,166	5,748,338	274,242,504
Deferred Outflows of resources			
Deferred gain on refunding	1,892,949	-	1,892,949
OPEB related deferred outflows	207,011	12,841	219,852
Pension related deferred outflows	8,252,416	204,440	8,456,856
Total deferred outflows of resources	10,352,376	217,281	10,569,657

Council Bluffs Community School District
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	7,799,702	45,254	7,844,956
Retainage payable	941,048	-	941,048
Salaries and benefits payable	13,325,491	398,515	13,724,006
Accrued expenses	1,939,757	-	1,939,757
Accrued interest payable	1,236,160	-	1,236,160
Current portion of long-term debt	8,916,600	6,209	8,922,809
Incurred and unpaid claims	1,239,137	-	1,239,137
Unearned revenue	-	120,641	120,641
Advances from grantors	227,729	-	227,729
Long-term debt, net of current portion	73,435,078	-	73,435,078
Other post employment benefits	3,601,733	223,408	3,825,141
Net pension liability	33,375,882	681,141	34,057,023
Total liabilities	146,038,317	1,475,168	147,513,485
Deferred Inflows of Resources			
Property tax levied for subsequent year	40,815,155	-	40,815,155
OPEB related deferred inflows	3,475,789	215,596	3,691,385
Pension related deferred inflows	6,463,244	131,905	6,595,149
Total deferred inflows of resources	50,754,188	347,501	51,101,689
Net Position			
Net investment in capital assets	78,005,086	405,775	78,410,861
Restricted for			
Categorical funding	3,391,368	-	3,391,368
Debt service	8,193,672	-	8,193,672
Management levy purposes	1,912,010	-	1,912,010
Student activities	351,573	-	351,573
School infrastructure	9,167,003	-	9,167,003
Physical plant and equipment	4,751,969	-	4,751,969
Unrestricted	(23,718,644)	3,737,175	(19,981,469)
Total net position	\$ 82,054,037	\$ 4,142,950	\$ 86,196,987

Council Bluffs Community School District

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular instruction	\$ 81,286,575	\$ 3,220,502	\$ 33,897,519	\$ -	\$ (44,168,554)	\$ -	\$ (44,168,554)
Other instruction	978,047	788,054	-	-	(189,993)	-	(189,993)
	<u>82,264,622</u>	<u>4,008,556</u>	<u>33,897,519</u>	<u>-</u>	<u>(44,358,547)</u>	<u>-</u>	<u>(44,358,547)</u>
Support services							
Student services	6,952,142	-	-	-	(6,952,142)	-	(6,952,142)
Instructional staff services	4,980,484	-	-	-	(4,980,484)	-	(4,980,484)
Administration services	16,094,775	-	-	-	(16,094,775)	-	(16,094,775)
Operation and maintenance of plant	11,777,085	-	-	-	(11,777,085)	-	(11,777,085)
Transportation services	6,513,668	-	57,021	-	(6,456,647)	-	(6,456,647)
	<u>46,318,154</u>	<u>-</u>	<u>57,021</u>	<u>-</u>	<u>(46,261,133)</u>	<u>-</u>	<u>(46,261,133)</u>
Other expenses							
Facilities acquisition	469,604	-	-	6,355,137	5,885,533	-	5,885,533
Long-term debt interest	2,963,485	-	173,687	-	(2,789,798)	-	(2,789,798)
AEA flowthrough	4,566,720	-	4,566,720	-	-	-	-
Depreciation / amortization (unallocated)*	11,667,542	-	-	-	(11,667,542)	-	(11,667,542)
	<u>19,667,351</u>	<u>-</u>	<u>4,740,407</u>	<u>6,355,137</u>	<u>(8,571,807)</u>	<u>-</u>	<u>(8,571,807)</u>
Total governmental activities	148,250,127	4,008,556	38,694,947	6,355,137	(99,191,487)	-	(99,191,487)
Business Type Activities							
Non-instructional programs							
Preschool operations	92,083	87,550	-	-	-	(4,533)	(4,533)
Food service operations	6,223,010	154,361	7,651,091	-	-	1,582,442	1,582,442
Total business-type activities	<u>6,315,093</u>	<u>241,911</u>	<u>7,651,091</u>	<u>-</u>	<u>-</u>	<u>1,577,909</u>	<u>1,577,909</u>
Total primary government	<u>\$ 154,565,220</u>	<u>\$ 4,250,467</u>	<u>\$ 46,346,038</u>	<u>\$ 6,355,137</u>	<u>(99,191,487)</u>	<u>1,577,909</u>	<u>(97,613,578)</u>

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

Council Bluffs Community School District

Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Primary Government		
					Governmental Activities	Business-Type Activities	Total
General Revenues							
Property and other tax levied for							
General purposes					35,900,239	-	35,900,239
Debt service					1,278,784	-	1,278,784
Capital outlay					4,358,203	-	4,358,203
Statewide sales, services and use tax					11,926,948	-	11,926,948
Unrestricted state grants					60,657,103	-	60,657,103
Unrestricted investment earnings					239,089	-	239,089
Other					573,287	-	573,287
Total general revenues					114,933,653	-	114,933,653
Transfers					257,255	(257,255)	-
Change in Net Position					15,999,421	1,320,654	17,320,075
Net Position, Beginning of Year					66,054,616	2,822,296	68,876,912
Net Position, End of Year					\$ 82,054,037	\$ 4,142,950	\$ 86,196,987

Council Bluffs Community School District

Balance Sheet – Governmental Funds

June 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash, cash equivalents and pooled investments	\$ 22,534,665	\$ 12,283,618	\$ -	\$ 2,580,813	\$ 37,399,096
Restricted cash	-	-	10,663,359		10,663,359
Receivables					
Property tax - succeeding year	33,241,290	4,308,933	1,264,943	1,999,989	40,815,155
Accounts	6,778,064	882,194	10,749	40,348	7,711,355
Due from other governments	386,902	-	-	-	386,902
Due from other funds	1,240,276	994,881	-	-	2,235,157
Investments	5,610,475	2,045,798	-	-	7,656,273
Inventories	50,267	-	-	-	50,267
Prepaid items	285,916	-	-	48,726	334,642
Total assets	\$ 70,127,855	\$ 20,515,424	\$ 11,939,051	\$ 4,669,876	\$ 107,252,206
Liabilities					
Accounts payable	\$ 6,288,331	\$ 1,346,471	\$ 4,000	\$ 133,603	\$ 7,772,405
Due to other funds	994,881	-	1,240,276	-	2,235,157
Retainage payable	-	941,048	-	-	941,048
Advances from grantors	227,729	-	-	-	227,729
Salaries and benefits payable	12,927,167	-	-	272,701	13,199,868
Accrued expenses	1,939,757	-	-	-	1,939,757
Total liabilities	22,377,865	2,287,519	1,244,276	406,304	26,315,964
Deferred Inflows of Resources					
Unavailable revenues					
Succeeding year property tax	33,241,290	4,308,933	1,264,943	1,999,989	40,815,155
Fund Balances					
Nonspendable					
Inventories	50,267	-	-	48,726	98,993
Prepaid items	285,916	-	-	-	285,916
Restricted for					
Categorical funding	3,391,368	-	-	-	3,391,368
Debt service	-	-	9,429,832	-	9,429,832
School infrastructure	-	9,167,003	-	-	9,167,003
Physical plant and equipment	-	4,751,969	-	-	4,751,969
Management levy purposes	-	-	-	1,863,284	1,863,284
Student activities	-	-	-	351,573	351,573
Unassigned	10,781,149	-	-	-	10,781,149
Total fund balances	14,508,700	13,918,972	9,429,832	2,263,583	40,121,087
Total liabilities, deferred inflows of resources, and fund balances	\$ 70,127,855	\$ 20,515,424	\$ 11,939,051	\$ 4,669,876	\$ 107,252,206

Council Bluffs Community School District

Balance Sheet – Governmental Funds

June 30, 2023

Total fund balances of governmental funds		\$ 40,121,087
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.		159,404,863
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(1,236,160)
Deferred outflows of resources related to deferred gains on refunding, pensions, and OPEB and deferred inflows of resources related to pensions and OPEB are not due and payable in the current period and, therefore, are not reported in the governmental funds as follows:		
Deferred outflows of resources	\$ 10,352,376	
Deferred inflows of resources	<u>(9,939,033)</u>	413,343
Long-term liabilities, including bonds payable, leases payable, compensated absences payable, termination benefits payable, net pension liability, and total OPEB liability, are not due and payable in the current period and, therefore, are not reported in the funds.		(119,329,293)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicles, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources to of the internal service funds are included in the governmental activities in the statement of net position.		<u>2,680,197</u>
Net position of governmental activities		<u>\$ 82,054,037</u>

Council Bluffs Community School District
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
Year Ended June 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources					
Local tax	\$ 34,300,844	\$ 16,285,151	\$ 1,278,784	\$ 1,599,395	\$ 53,464,174
Tuition	2,792,576	-	-	-	2,792,576
Other	2,131,289	6,343,515	142,129	829,616	9,446,549
State sources	78,589,159	-	-	-	78,589,159
Federal sources	19,790,902	-	-	-	19,790,902
Total revenues	137,604,770	22,628,666	1,420,913	2,429,011	164,083,360
Expenditures					
Current					
Instruction					
Regular instruction	72,617,374	65,414	-	1,173,943	73,856,731
Other instruction	12,787,715	-	-	-	12,787,715
	85,405,089	65,414	-	1,173,943	86,644,446
Support services					
Student services	7,356,102	26,168	-	-	7,382,270
Instructional staff services	5,379,492	3,210	-	1,581	5,384,283
Administration services	14,380,376	1,199,739	-	14,037	15,594,152
Operation and maintenance of plant services	9,555,397	996,864	-	1,812,407	12,364,668
Transportation services	6,609,425	56,500	-	124	6,666,049
	43,280,792	2,282,481	-	1,828,149	47,391,422
Other expenditures					
Facilities acquisition	-	21,296,448	-	-	21,296,448
Long-term debt					
Principal	-	1,347,616	6,848,000	-	8,195,616
Interest and fiscal charges	-	79,625	2,063,611	-	2,143,236
AEA flowthrough	4,566,720	-	-	-	4,566,720
	4,566,720	22,723,689	8,911,611	-	36,202,020
Total expenditures	133,252,601	25,071,584	8,911,611	3,002,092	170,237,888
Excess (Deficiency) of Revenues over Expenditures	4,352,169	(2,442,918)	(7,490,698)	(573,081)	(6,154,528)
Other Financing Sources (Uses)					
Lease issuance	-	594,935	-	-	594,935
Sale of capital assets	-	11,623	-	-	11,623
Transfers in	257,255	12,639,005	7,549,597	-	20,445,857
Transfers out	(8,639,005)	(11,549,597)	-	-	(20,188,602)
Total other financing sources and uses	(8,381,750)	1,695,966	7,549,597	-	863,813
Change in Fund Balances	(4,029,581)	(746,952)	58,899	(573,081)	(5,290,715)
Fund Balances, Beginning of Year	18,538,281	14,665,924	9,370,933	2,836,664	45,411,802
Fund Balances, End of Year	\$ 14,508,700	\$ 13,918,972	\$ 9,429,832	\$ 2,263,583	\$ 40,121,087

Council Bluffs Community School District
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds
Year Ended June 30, 2023

Net change in fund balances - total governmental funds		\$ (5,290,715)
Amounts reported for governmental activities in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position is reported with governmental activities.		(1,890,378)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation/amortization expense in the current year, as follows:		
Expenditures for capital assets	\$ 22,454,663	
Depreciation/amortization expense	<u>(13,641,471)</u>	8,813,192
Amortization of the deferred gain on bond refunding does not represent a consumption of current resources, and therefore are not reported in the fund financial statements.		(317,778)
Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases liabilities in the Statement of Net Positions. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Proceeds of debt issuances	(594,935)	
Repaid	<u>8,243,786</u>	7,648,851
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		(630,266)
The current year District employer share of IPERS contributions are reported as expenditures in the governmental funds, but are reported as deferred outflow of resources in the Statement of Net Position.		6,739,025
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 government funds, as follows:		
Termination benefits	(132,450)	
Compensated absences	(43,936)	
Other postemployment benefits	3,598	
Pension expenses	<u>1,100,278</u>	927,490
Change in net position of governmental activities		<u>\$ 15,999,421</u>

Council Bluffs Community School District
Statement of Net Position - Proprietary Funds
June 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities
	Major School Nutrition	Nonmajor Regular Education Preschool	Total Enterprise Funds	Internal Service Employee Health
Assets				
Current assets				
Cash, cash equivalents and pooled investments	\$ 4,465,781	\$ 11,115	\$ 4,476,896	\$ 2,059,296
Accounts receivable	104,192	-	104,192	985,663
Inventories	8,911	-	8,911	-
Investments	752,564	-	752,564	1,027,295
Total current assets	5,331,448	11,115	5,342,563	4,072,254
Noncurrent assets				
Capital assets, net of accumulated depreciation/amortization where applicable				
Machinery and equipment	405,775	-	405,775	-
Total assets	5,737,223	11,115	5,748,338	4,072,254
Deferred Outflows of Resources				
OPEB related deferred outflows	12,841	-	12,841	-
Pension related deferred outflows	204,440	-	204,440	-
Total deferred outflows of resources	217,281	-	217,281	-
Liabilities				
Current liabilities				
Accounts payable	45,254	-	45,254	27,297
Salaries and benefits payable	381,482	17,033	398,515	125,623
Incurred and unpaid claims	-	-	-	1,239,137
Compensated absences	6,209	-	6,209	-
Unearned revenue	120,641	-	120,641	-
Total current liabilities	553,586	17,033	570,619	1,392,057
Long-term liabilities				
Other post employment benefits	223,408	-	223,408	-
Net pension liability	681,141	-	681,141	-
Total long-term liabilities	904,549	-	904,549	-
Total liabilities	1,458,135	17,033	1,475,168	1,392,057
Deferred Inflows of Resources				
OPEB related deferred inflows	215,596	-	215,596	-
Pension related deferred inflows	131,905	-	131,905	-
Total deferred inflows of resources	347,501	-	347,501	-
Net Position				
Net investment in capital assets	405,775	-	405,775	-
Unrestricted	3,743,093	(5,918)	3,737,175	2,680,197
Total net position	\$ 4,148,868	\$ (5,918)	\$ 4,142,950	\$ 2,680,197

Council Bluffs Community School District
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Major	Nonmajor	Total Enterprise	Internal Service
	School	Regular Education	Funds	Employee Health
	Nutrition	Preschool		
Operating Revenues				
Local Sources				
Charges for services	\$ 147,106	\$ 87,550	\$ 234,656	\$ 13,833,293
Operating Expenses				
Current				
Regular instruction				
Salaries	-	67,022	67,022	-
Benefits	-	24,721	24,721	-
Purchased services	-	340	340	-
Support Services				
Student services	-	-	-	46,269
Administration services	-	-	-	15,724,896
Operation and maintenance of plant	88,748	-	88,748	-
Non-instructional Programs				
Food service operations				
Salaries	1,887,713	-	1,887,713	-
Benefits	457,797	-	457,797	-
Purchased services	7,307	-	7,307	-
Supplies	3,689,257	-	3,689,257	-
Miscellaneous	10,484	-	10,484	-
Depreciation	81,704	-	81,704	-
Total operating expenses	6,223,010	92,083	6,315,093	15,771,165
Operating Loss	(6,075,904)	(4,533)	(6,080,437)	(1,937,872)
Non-Operating Revenues				
State sources	50,518	-	50,518	-
Federal sources	7,565,709	-	7,565,709	-
Interest income	34,864	-	34,864	47,494
Other	7,255	-	7,255	-
Total non-operating revenues	7,658,346	-	7,658,346	47,494
Income (Loss) before Transfers	1,582,442	(4,533)	1,577,909	(1,890,378)
Transfers out	(257,255)	-	(257,255)	-
Change in Net Position	1,325,187	(4,533)	1,320,654	(1,890,378)
Net Position (Deficit), Beginning of Year	2,823,681	(1,385)	2,822,296	4,570,575
Net Position (Deficit), End of Year	\$ 4,148,868	\$ (5,918)	\$ 4,142,950	\$ 2,680,197

Council Bluffs Community School District
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities
	Major	Nonmajor		Internal Service
	School	Regular	Total Enterprise	Employee
	Nutrition	Education Preschool	Funds	Health
Operating Activities				
Received from user charges	\$ 324,403	\$ 87,550	\$ 411,953	\$ 13,181,787
Payments to employees	(1,824,160)	(62,142)	(1,886,302)	(15,190)
Payments of employee benefits	(719,367)	(24,721)	(744,088)	(15,593,362)
Payments to suppliers for goods and services	(3,213,901)	(340)	(3,214,241)	-
Net Cash (Used for) from Operating Activities	(5,433,025)	347	(5,432,678)	(2,426,765)
Noncapital Financing Activities				
State subsidies received	50,518	-	50,518	-
Federal subsidies received	6,993,788	-	6,993,788	-
Transfers to other funds	(257,255)	-	(257,255)	-
Other nonoperating receipts (payments)	7,255	-	7,255	-
Net Cash from Noncapital Financing Activities	6,794,306	-	6,794,306	-
Cash Flows from Investing Activities				
Investment income	34,864	-	34,864	47,494
Purchases of investments	(752,564)	-	(752,564)	(27,925)
Net Cash (Used for) from Investing Activities	(717,700)	-	(717,700)	19,569
Capital and Related Financing Activities				
Acquisition of capital assets	(89,613)	-	(89,613)	-
Net Change in Cash, Cash Equivalents and Pooled Investments	553,968	347	554,315	(2,407,196)
Cash, Cash Equivalents and Pooled Investments, Beginning of Year	3,911,813	10,768	3,922,581	4,466,492
Cash, Cash Equivalents and Pooled Investments, End of Year	\$ 4,465,781	\$ 11,115	\$ 4,476,896	\$ 2,059,296

Council Bluffs Community School District
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2023

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Nonmajor Enterprise			Internal Service
	School	Regular	Total Enterprise	Employee
	Nutrition	Education Preschool	Funds	Health
Reconciliation of Operating Loss to Net Cash				
(Used for) from Operating Activities				
Operating Loss	\$ (6,075,904)	\$ (4,533)	\$ (6,080,437)	\$ (1,937,872)
Adjustments to reconcile operating loss to net cash (used for) from operating activities				
Depreciation / amortization	81,704	-	81,704	-
Noncash food commodities	571,921	-	571,921	-
Change in assets and liabilities			-	
Accounts receivable	76,658	-	76,658	(651,506)
Due from other funds	-	-	-	-
Inventories	18,044	-	18,044	-
Prepaid expenses	-	-	-	-
Deferred outflows of resources	7,545	-	7,545	-
Accounts payable	(8,070)	-	(8,070)	340
Due to other funds	-	-	-	-
Salaries and benefits payable	63,153	4,880	68,033	(15,190)
Incurred and unpaid claims	-	-	-	177,463
Compensated absences	400	-	400	-
Unearned revenue	100,639	-	100,639	-
Other post employment benefits	(108,777)	-	(108,777)	-
Net pension liability	656,469	-	656,469	-
Deferred inflows of resources	(816,807)	-	(816,807)	-
Net Cash (Used for) from Operating Activities	<u>\$ (5,433,025)</u>	<u>\$ 347</u>	<u>\$ (5,432,678)</u>	<u>\$ (2,426,765)</u>
Noncash Investing, Capital and Financing Activities:				
Federal commodities	<u>\$ 380,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Council Bluffs Community School District
Statement of Fiduciary Net Position
June 30, 2023

	<u>Custodial Funds</u>
Assets	
Due from other governments	<u>\$ 268,363</u>
Liabilities	
Accounts payable	6,116
Due to other governments	<u>168,833</u>
Total liabilities	<u>174,949</u>
Net Position	
Restricted for individuals, organizations and other governments	<u>\$ 93,414</u>

Council Bluffs Community School District
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2023

	Custodial Funds
Additions	
Receipts from other governments	\$ 2,115,098
Other	237,925
Total additions	<u>2,353,023</u>
Deductions	
Payments on behalf of other governments	2,117,190
Other expenses	196,971
Total deductions	<u>2,314,161</u>
Change in Net Position	38,862
Net Position, Beginning of Year	<u>54,552</u>
Net Position, End of Year	<u><u>\$ 93,414</u></u>

Note 1 - Organization and Summary of Significant Accounting Policies

The Council Bluffs Community School District (the District) is a political subdivision of the State of Iowa and operates public schools for children in grades pre-kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the cities of Carter Lake, Crescent and Council Bluffs, Iowa, and the predominately agricultural territory in Pottawattamie County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

Reporting Entity

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

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

Basis of Presentation

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

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

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, gain on refunding bonds and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position consists of net position not meeting the definition of the preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

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

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The District reports the following major governmental funds:

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

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

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

The District reports the following types of proprietary funds:

The Enterprise Funds are used to account for the business-type activities of the District

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

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

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

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

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

Cash, Cash Equivalents, Investments and Pooled Investments

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

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

Property Tax Receivable

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

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1.5% per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax levy contained in the budget certified to the County Board of Supervisors.

Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

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

Asset Class	Amount
Land	\$ 500
Buildings	5,000
Land improvements	5,000
Furniture and equipment	
School nutrition fund equipment	500
Other machinery and equipment	5,000

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

Asset Class	Estimated Useful Lives (in Years)
Buildings	50 years
Land improvements	20 years
Furniture and equipment	5-15 years

Right to use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 5 to 13 years.

Deferred Outflows of Resources

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

Salaries and Benefits Payable

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

Compensated Absences

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

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the District.

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 Other Post Employment Benefits (OPEB) Liability

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

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred inflows of resources in the government wide presentation consist of unspent grant proceeds as well as succeeding year property tax receivable, other receivables not collected within sixty days after year end, the unamortized portion of the unrecognized items not yet charged to pension and other post employment benefit expense.

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

Fund Balances

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

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

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

Committed - Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal actions of the government's highest level of decision making authority. These amounts cannot be used for any other purpose unless the government removes or changes the specific use by taking the same type of action it used to commit those amounts. The Board of Education is the District's highest level of authority. All actions concerning approving, eliminating, or modifying of minimal fund balances will be accomplished through resolution.

Assigned - Consists of amounts that are constrained by the government intended to be used for specific purposes, but are neither restricted nor committed. The authority for making an assignment is not required to be the District's highest decision making authority. Furthermore, the nature of the actions necessary to remove or modify an assignment is not as prescriptive as it is with regards to committed fund balances. The District management staff will have the overall responsibilities for monitoring these balances.

Unassigned - All amounts not included in the preceding classifications.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications - committed, assigned and then unassigned fund balances.

Budgets and Budgetary Accounting

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

Use of Estimates

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

Note 2 - Stewardship, Compliance, and Accountability

Deficit Fund Balance

A deficit fund balance of \$5,918 existed in the Regular Education Preschool fund as of June 30, 2023. No formal action is required or anticipated regarding this deficit. The deficit is expected to be eliminated in future years through regular operations or transfers from other funds.

Excess Expenditures over Appropriations

For the year ended June 30, 2023, expenditures exceeded appropriations by \$69,431,498. These over expenditures were funded by greater than expected revenues and available fund balance.

Note 3 - Cash, Cash Equivalents, Investments and Pooled Investments

The District's bank deposits 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 ensure there will be no loss of public funds.

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

Fair Value Measurement

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

The U.S. Government and Treasury obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market assumptions (Level 2 inputs).

At June 30, 2023, the District had investments in the Iowa Schools Joint Investment Trust Direct (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$3,073,093. There were no limitations or restrictions on withdrawals of the ISJIT investments.

Custodial Credit Risk. The investments in ISJIT are not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement No. 40. The District does not have an investment policy for custodial credit risk.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that would limit its investment choices. As of June 30, 2023, the investments in ISJIT were rated AAA by Standard & Poor's Financial Services.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer.

Council Bluffs Community School District

Notes to Financial Statements

June 30, 2023

The District had the following fair value measurements at June 30, 2023:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Cash and money market funds	\$ 2,285,543	\$ 2,285,543	\$ -	\$ -
U.S. Government and Treasury obligations	6,398,025	-	6,398,025	-
	<u>\$ 8,683,568</u>	<u>\$ 2,285,543</u>	<u>\$ 6,398,025</u>	<u>\$ -</u>

Note 4 - Interfund Transfers, Payables, and Receivables

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

Transfer to	Transfer from	Amount
Debt Service Fund	Capital Projects Fund - Statewide Sales, Services, and Use Tax Department	\$ 7,549,597
Capital Projects Fund - Physical Plan and Equipment Levy Department	General Fund	5,078,817
Capital Projects Fund - Early Learning Center Department	General Fund	3,560,188
Capital Projects Fund - Statewide Sales, Services, and Use Tax Department	Capital Projects Fund - Early Learning Center Department	4,000,000
General Fund	Nutrition Fund	257,255
		<u>\$ 20,445,857</u>

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

The detail of interfund payables and receivables for the year ended June 30, 2023 is as follows:

Due to	Due from	Amount
General Fund	Debt Service Fund	\$ 1,240,276
Capital Projects Fund - Physical Plan and Equipment Levy Department	General Fund	994,881
		<u>\$ 2,235,157</u>

Council Bluffs Community School District

Notes to Financial Statements

June 30, 2023

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2023, is as follows:

	Balance, Beginning of Year	Increases	Decreases	Balance, End of Year
Governmental activities				
Capital assets not being depreciated				
Land	\$ 3,976,025	\$ -	\$ -	\$ 3,976,025
Construction in progress	5,686,245	20,830,326	4,444,253	22,072,318
Total capital assets not being depreciated	9,662,270	20,830,326	4,444,253	26,048,343
Capital assets being depreciated				
Buildings and land improvements	250,632,479	4,444,254	-	255,076,733
Furniture and equipment	12,375,290	1,029,401	-	13,404,691
Total capital assets being depreciated	263,007,769	5,473,655	-	268,481,424
Less accumulated depreciation for				
Buildings and land improvements	123,027,586	10,167,170	-	133,194,756
Furniture and equipment	7,509,256	2,079,389	-	9,588,645
Total accumulated depreciation	130,536,842	12,246,559	-	142,783,401
Total capital assets being depreciated, net	132,470,927	(6,772,904)	-	125,698,023
Right-of-use lease assets being amortized				
Buildings and land improvements	3,351,364	-	-	3,351,364
Furniture and equipment	5,363,265	594,935	-	5,958,200
Total right-of-use lease assets being amortized	8,714,629	594,935	-	9,309,564
Less accumulated amortization for				
Buildings and land improvements	256,155	256,155	-	512,310
Furniture and equipment	-	1,138,757	-	1,138,757
Total accumulated amortization	256,155	1,394,912	-	1,651,067
Total right-of-use lease assets being amortized, net	8,458,474	(799,977)	-	7,658,497
Governmental activities capital assets, net	\$ 150,591,671	\$ 13,257,445	\$ 4,444,253	\$ 159,404,863
Business-type activities				
Furniture and equipment	\$ 1,185,424	\$ 89,613	\$ 749	\$ 1,274,288
Less accumulated depreciation	787,558	81,704	749	868,513
Business-type activities capital assets, net	\$ 397,866	\$ 7,909	\$ -	\$ 405,775

Council Bluffs Community School District

Notes to Financial Statements

June 30, 2023

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

Governmental activities	
Instruction	
Other	\$ 1,833,609
Support services	
Instructional	102,115
Administration	21,943
Transportation	16,262
	<u>1,973,929</u>
Unallocated	<u>11,667,542</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 13,641,471</u>
Business-type activities	
Nutrition services	<u>\$ 81,704</u>

The District has entered into various construction contracts totaling approximately \$22,700,000 for renovations and improvements at District facilities. At June 30, 2023, project costs of approximately \$22,100,000 have been incurred related to these projects. The remaining balance of approximately \$600,000 will be paid as work on the projects progresses.

Note 6 - Leases

The District has entered into lease agreements for the use of building space, transportation equipment, and office equipment. The District is required to make principal and interest payments through July 2034. The lease agreements have interest rates between 3.2% and 3.5%. The lease liability was valued using a discount rate of 1.029% based on the District's incremental borrowing rate at the inception of the leases.

The remaining obligations associated with these leases are as follows:

June 30,	Principal	Interest	Total
2024	\$ 1,407,911	\$ 73,002	\$ 1,480,913
2025	1,427,776	58,421	1,486,197
2026	1,442,982	43,655	1,486,637
2027	1,457,901	28,737	1,486,638
2028	328,934	18,917	347,851
2029-2033	1,351,950	52,737	1,404,687
2034-2038	320,864	1,932	322,796
Total	<u>\$ 7,738,318</u>	<u>\$ 277,401</u>	<u>\$ 8,015,719</u>

Council Bluffs Community School District

Notes to Financial Statements

June 30, 2023

Note 7 - Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023, are summarized as follows:

	Balance, Beginning Of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 35,345,000	\$ -	\$ 1,500,000	\$ 33,845,000	\$ 1,550,000
Premium on general obligation bonds	810,841	-	48,170	762,671	-
Sales tax revenue bonds	37,709,000	-	5,348,000	32,361,000	5,464,000
Quality zone academy bonds	1,500,000	-	-	1,500,000	-
Qualified school construction bonds	5,650,000	-	-	5,650,000	-
Leases payable	8,490,999	594,935	1,347,616	7,738,318	1,407,911
Compensated absences*	275,684	43,936	-	319,620	319,620
Termination benefits	42,619	136,350	3,900	175,069	175,069
Total governmental activities	\$ 89,824,143	\$ 775,221	\$ 8,247,686	\$ 82,351,678	\$ 8,916,600
Business-type Activities					
Compensated absences*	\$ 5,809	\$ 400	\$ -	\$ 6,209	\$ 6,209

*Compensated absences report activity net

Bonds Payable

The District's outstanding bonds payable at June 30, 2023, are as follows:

Bond Issuance and Purpose	Final Maturity	Interest Rate	Original Issue	Principal Outstanding
Governmental Activities:				
General Obligation Bonds				
Series 2019 - middle school construction improvements and renovations	5/1/2039	3.00 - 4.00%	\$ 27,500,000	\$ 27,245,000
Series 2020 - middle school construction improvements and renovations	5/1/2027	1.37%	9,500,000	6,600,000
Total general obligation bonds				33,845,000
Sales Tax Revenue Bonds				
Series 2016A - building renovations	7/1/2029	2.80%	3,029,000	1,602,000
Series 2016B - building renovations	7/1/2029	2.80%	39,138,000	20,655,000
Series 2017B - building renovations	1/1/2029	2.19%	6,588,000	3,450,000
Series 2021 - refunding of 2017A and 2020 Sales Tax Revenue Bonds	1/1/2029	1.029%	9,400,000	6,654,000
Total sales tax revenue bonds				32,361,000
Quality Zone Academy Bonds				
Series 2009 - building renovations	7/1/2024	2.25%	1,500,000	1,500,000
Qualified School Construction Bonds				
Series 2009 - building construction	7/1/2025	2.60%	5,650,000	5,650,000
Total bonded debt				\$ 73,356,000

General Obligation Bonds

General obligation bonds are backed by the full faith and credit of the District. These bonds are payable from the debt service fund primarily through property tax levies.

Remaining principal and interest on general obligation bonds are as follows:

Year Ending June 30,	Total GO Bonds		
	Principal	Interest	Total
2024	\$ 1,550,000	\$ 988,770	\$ 2,538,770
2025	1,600,000	967,535	2,567,535
2026	1,700,000	945,615	2,645,615
2027	1,750,000	922,325	2,672,325
2028	1,800,000	898,350	2,698,350
2029-2033	10,215,000	3,641,400	13,856,400
2034-2038	12,430,000	1,948,300	14,378,300
2039	2,800,000	112,000	2,912,000
	<u>\$ 33,845,000</u>	<u>\$ 10,424,295</u>	<u>\$ 44,269,295</u>

Sales Tax Revenue Bonds

The District has pledged future statewide sales, services and use tax revenues to repay the sales tax revenue bonds. The bonds are payable from the debt service fund solely from the proceeds of the statewide sales, services and use tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 60% of statewide sales, services and use tax revenues. For the current year, principal and interest paid on the bonds was \$5,566,101 and total statewide sales, services and use tax revenues were \$11,926,948.

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

- Certain proceeds from the issuance of the revenue bonds shall be deposited to a reserve account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the sinking account. The accrued interest on the revenue bond proceeds shall be placed into a sinking account. The balance of the proceeds shall be deposited to the project account.
- The District will make transfers from the statewide sales, services and use tax account and those proceeds shall be placed in a revenue account.
- Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

Council Bluffs Community School District

Notes to Financial Statements

June 30, 2023

Remaining principal and interest on sales tax revenue bonds are as follows:

Year Ending June 30,	Sales Tax Revenue Bonds		
	Principal	Interest	Total
2024	\$ 5,464,000	\$ 852,841	\$ 6,316,841
2025	5,219,000	738,161	5,957,161
2026	4,932,000	617,988	5,549,988
2027	5,043,000	500,252	5,543,252
2028	5,189,000	382,414	5,571,414
2029-2030	6,514,000	429,211	6,943,211
	<u>\$ 32,361,000</u>	<u>\$ 3,520,867</u>	<u>\$ 35,881,867</u>

Quality Zone Academy Bonds

On November 24, 2009, the District issued Quality Zone Academy Bonds (QZAB) which are held by UMB. Annual transfers from the Capital Projects Fund to a debt sinking fund will be made to pay the indebtedness due July 1, 2024, of \$1,500,000. Remaining principal and interest on QZAB bond indebtedness are as follows:

Year Ending June 30,	Bond Issue of November 24, 2009			
	Interest Rates	Principal	Interest	Total
2024	2.600%	\$ -	\$ 33,750	\$ 33,750
2025	2.600%	1,500,000	16,875	1,516,875
		<u>\$ 1,500,000</u>	<u>\$ 50,625</u>	<u>\$ 1,550,625</u>

Qualified School Construction Bonds

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

Year Ending June 30,	Bond Issue of November 24, 2009			
	Interest Rates	Principal	Interest	Total
2024	2.600%	\$ -	\$ 146,900	\$ 146,900
2025	2.600%	-	146,900	146,900
2026	2.600%	5,650,000	73,450	5,723,450
		<u>\$ 5,650,000</u>	<u>\$ 367,250</u>	<u>\$ 6,017,250</u>

Advance Refundings

In previous years, the District has completed advance refundings on various bond issues, taking advantage of improvements in interest rates available to the District. In an advance refunding, the difference between the reacquisition price and the net carrying amount of the old debt is reported in the statement of net position as a deferred outflow of resources, and amortized on the statement of activities using the straight-line method. As of June 30, 2023, \$1,892,949 of unamortized gain on advance refunding was reported as deferred outflows of resources in the statement of net position.

Leases Payable

Leases payable consists of long-term lease obligations as described in Note 5. Principal and interest payments are made from the capital projects fund.

Compensated Absences

Compensated absences consists of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund. The compensated absences of the business-type activities will be paid by the School Nutrition Fund.

Termination Benefits

The District has offered an early retirement incentive for certain employees electing to take early retirement from the District during fiscal years 2023, 2019, 2017 and 2016. If the employees elected to take early retirement, funds were set aside for the benefit of the employee to pay health insurance premiums. The funds are available to the employees for the next seven years, or until the amount of the funds set aside for each employee have been spent. At June 30, 2023, the District has obligations to seventeen participants with a total liability of \$175,069. Early retirement expenditures are paid from the General Fund.

Note 8 - 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 the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

Pension Benefits

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

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

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

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

Disability and Death Benefits

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

Contributions

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

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

The District's contributions to IPERS for the year ended June 30, 2023, totaled \$6,783,804.

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 \$34,057,023 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 IPERS relative to the contributions of all IPERS participating employers. At June 30, 2022, the District's proportion was 0.8580550%, which was a decrease of 0.0218840% over its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension revenue of \$488,983. 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	\$ 1,509,745	\$ 466,506
Changes of assumptions	28,898	-
Net difference between projected and actual earnings on pension plan investments	-	3,645,696
Changes in proportion and differences between District contributions and proportionate share of contributions	64,713	2,482,947
District contributions subsequent to the measurement date	6,853,500	-
Total	<u>\$ 8,456,856</u>	<u>\$ 6,595,149</u>

The \$6,853,500 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 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:

<u>Years Ended June 30,</u>	
2024	\$ (3,930,919)
2025	(3,200,763)
2026	(5,011,850)
2027	7,612,212
2028	(460,473)
	<u>\$ (4,991,793)</u>

There were no non-employer contributing entities at IPERS.

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. All assumptions were effective as of June 30, 2017.

Rate of Inflation	2.60% per annum
Salary increases	3.25 – 16.25%, average, including inflation. Rates vary by membership group
Long-term investment rate of return	7.0% per annum, compounded annually, net of pension plan investment expense, including inflation
Wage growth	3.25% per annum, based on 2.60% inflation and 0.65% 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 IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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%
	<u>100.0%</u>	

Discount Rate

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of net pension liability	\$ 63,452,331	\$ 34,057,023	\$ 8,151,679

Pension Plan Fiduciary Net Position

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

Note 9 - Other Postemployment Benefits (OPEB)**Plan Description**

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

OPEB Benefits

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

Retired participants must be age 55 or older at retirement. At June 30, 2023, the following employees were covered by the benefit terms:

Active employees electing medical coverage	1,170
Active employees waiving medical coverage	114
Retirees electing medical coverage	<u>15</u>
Total	1,299

Total OPEB Liability

The District's total OPEB liability of \$3,825,141 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of Inflation	2.25 percent per annum
Salary increases	3.25 percent, average, including inflation. Rates vary by membership group
Discount rate	3.69 percent per annum
Healthcare cost trend rate	6.70 percent for the year ending June 30, 2022, gradually decreasing to an ultimate rate of 3.7 percent for years ending June 30, 2075, and later years

Discount Rate

The discount rate used to measure the total OPEB liability was 3.69% which reflects the Fidelity 20-year Municipal GO AA Index as of the measurement date.

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

Changes in the Total OPEB Liability

Total OPEB liability, beginning of year	\$ 4,053,467
Changes during the year	
Service cost	394,210
Interest	84,194
Differences in experience/actual	-
Changes in assumptions	(581,546)
Benefit payments	<u>(125,184)</u>
Net changes	(228,326)
Total OPEB liability, end of year	<u><u>\$ 3,825,141</u></u>

Changes in assumptions reflect the following changes:

- Discount rate was changed from 1.92% to 3.69% based on updated 20-year municipal bond rates.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (0.92%) or 1% higher (2.92%) than the current discount rate.

	1% Decrease (2.69%)	Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB liability	\$ 4,146,070	\$ 3,825,141	\$ 3,525,500

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.7%) or 1% higher (7.7%) than the current healthcare cost trend rates.

	1% Decrease (5.7%)	Discount Rate (6.7%)	1% Increase (7.7%)
Total OPEB liability	\$ 3,339,622	\$ 3,825,141	\$ 4,409,499

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$20,001. At June 30, 2023, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,030,741
Changes in assumptions	219,852	2,660,644
	<u>\$ 219,852</u>	<u>\$ 3,691,385</u>

Council Bluffs Community School District

Notes to Financial Statements

June 30, 2023

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

Year Ended June 30,	
2024	\$ (458,403)
2025	(458,403)
2026	(458,403)
2027	(458,403)
2028	(458,403)
Thereafter	<u>(1,179,518)</u>
Total	<u>\$ (3,471,533)</u>

Note 10 - Self Insurance Program

The District has established a self insurance medical program which is accounted for in the Employee Health Fund (an internal service fund). This program provides employees health benefit coverage up to a maximum of \$200,000 per employee per year. The District purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years. The District makes payments to the Employee Health Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The incurred and unpaid claims liability is based on liabilities incurred at the date of the financial statements and the amount of loss that can be reasonably estimated. Change in the Fund's claims liability amount is shown below.

Incurred and unpaid claims, beginning of year	\$ 1,061,674
Incurred claims	13,916,371
Payments	<u>(13,738,908)</u>
Incurred and unpaid claims, end of year	<u>\$ 1,239,137</u>

Note 11 - Categorical Funding

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

The District's ending fund balances for categorical funding by project as of and for the year ended June 30, 2023 are as follows:

Project		Amount
1116	At-risk programs	\$ 89,548
1119	Dropout prevention	656,902
3116	TLC state aid	650,191
3117	Voluntary preschool	1,340,427
3204	Teacher salary supplement	9,281
3216	Iowa early intervention block grant	142,953
3222	Textbook aid for nonpublic students	470
3225	Reading recovery	1,292
3234/3238	Innovative at risk K-3	141
3315	Empowerment professional development	7,490
3342	Early readers	46,671
3412	Therapeutic classroom incentive	159,351
9022	Teacher salary supplement	286,651
		<u>\$ 3,391,368</u>

Note 12 - Risk Management

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

Note 13 - Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount expended for this purpose totaled \$4,566,720 for the year ended June 30, 2023.

Note 14 - Tax Abatements

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

Tax Abatements of Other Entities

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2023 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Council Bluffs	Tax Increment Financing	\$ 629,104

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 \$272,466.

Note 15 - Subsequent Events

The District has evaluated subsequent events through June 27, 2024, the date in which the financial statements were available to be issued.



Required Supplementary Information
June 30, 2023

Council Bluffs Community School District

Council Bluffs Community School District

Budgetary Comparison Schedule of Revenues, Expenditures and Changes in Balances – Budget and Actual – All Government Funds and Proprietary Fund Year Ended June 30, 2023

	Governmental Fund Types Actual	Proprietary Fund Type Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues						
Local sources	\$ 65,703,299	\$ 276,775	\$ 65,980,074	\$ 39,548,800	\$ 39,548,800	\$ 26,431,274
State sources	78,589,159	50,518	78,639,677	77,978,806	77,978,806	660,871
Federal sources	19,790,902	7,565,709	27,356,611	18,692,500	18,692,500	8,664,111
Total revenues	164,083,360	7,893,002	171,976,362	136,220,106	136,220,106	35,756,256
Expenditures/Expenses						
Instruction	86,644,446	-	86,644,446	70,403,199	70,403,199	(16,241,247)
Support services	47,391,422	-	47,391,422	29,824,814	29,824,814	(17,566,608)
Non-instructional programs	-	6,315,093	6,315,093	6,893,470	6,893,470	578,377
Other expenditures	36,202,020	-	36,202,020	-	-	(36,202,020)
Total expenditures/expenses	170,237,888	6,315,093	176,552,981	107,121,483	107,121,483	(69,431,498)
Excess (Deficiency) of Revenues over Expenditures/Expenses	(6,154,528)	1,577,909	(4,576,619)	29,098,623	29,098,623	33,675,242
Other Financing Sources (Uses)						
Lease issuance	594,935	-	594,935	-	-	(594,935)
Sale of capital assets	11,623	-	11,623	-	-	(11,623)
Transfers in	20,445,857	-	20,445,857	-	-	(20,445,857)
Transfers out	(20,188,602)	(257,255)	(20,445,857)	(6,000,000)	(6,000,000)	14,445,857
Total other financing sources (uses)	863,813	(257,255)	606,558	(6,000,000)	(6,000,000)	(6,606,558)
Excess (Deficiency) of Revenues over Expenditures/ Expenses and Other Financing Sources (Uses)	(5,290,715)	1,320,654	(3,970,061)	23,098,623	23,098,623	27,068,684
Balances, Beginning of Year	45,411,802	2,822,296	48,234,098			
Balances, End of Year	\$ 40,121,087	\$ 4,142,950	\$ 44,264,037			

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

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

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

Council Bluffs Community School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2023

	Iowa Public Employee's Retirement System Last Nine Fiscal Years* (in thousands)								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of net pension liability	0.8580550%	0.8799390%	0.9009640%	0.9264410%	0.9255480%	0.9084950%	0.9045870%	0.8860090%	0.8331430%
District's proportionate share of the net pension liability	\$ 3,969	\$ 1,234	\$ 62,849	\$ 54,007	\$ 58,553	\$ 59,976	\$ 56,412	\$ 44,047	\$ 33,718
District's covered-employee payroll	\$ 71,419	\$ 70,996	\$ 70,975	\$ 65,784	\$ 74,378	\$ 68,936	\$ 66,215	\$ 61,892	\$ 54,804
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	5.56%	1.74%	88.55%	82.10%	78.72%	87.00%	85.20%	71.17%	61.52%
Plan fiduciary net position as a percentage of the total pension liability	91.41%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

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

Council Bluffs Community School District
Schedule of District Contributions
Year Ended June 30, 2023

	Iowa Public Employee's Retirement System Last Ten Fiscal Years (in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 6,854	\$ 6,742	\$ 6,702	\$ 6,700	\$ 6,210	\$ 6,642	\$ 6,156	\$ 5,913	\$ 5,527	\$ 4,894
Contributions in relation to the statutorily required contribution	(6,854)	(6,742)	(6,702)	(6,700)	(6,210)	(6,642)	(6,156)	(5,913)	(5,527)	(4,894)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 72,606	\$ 71,419	\$ 70,996	\$ 70,975	\$ 65,784	\$ 74,378	\$ 68,936	\$ 66,215	\$ 61,892	\$ 54,804
Contributions as a percentage of covered employee payroll	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%

Notes to Required Supplementary Information – 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.

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

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

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

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

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

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

Council Bluffs Community School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
June 30, 2023

Council Bluffs Community School District
For the Last Six Years

	2023	2022	2021	2020	2019	2018
Service cost	\$ 394,210	\$ 505,195	\$ 425,565	\$ 574,698	\$ 544,271	\$ 566,420
Interest cost	84,194	143,269	156,660	250,094	228,103	182,551
Differences between expected and actual experience	-	(633,843)	-	(821,486)	-	-
Changes in assumptions	(581,546)	(1,233,776)	304,956	(1,562,726)	(32,531)	(325,764)
Benefit payments	<u>(125,184)</u>	<u>(139,823)</u>	<u>(108,569)</u>	<u>(281,428)</u>	<u>(256,574)</u>	<u>(234,235)</u>
Net change in total OPEB liability	(228,326)	(1,358,978)	778,612	(1,840,848)	483,269	188,972
Total OPEB liability, beginning of year	<u>4,053,467</u>	<u>5,412,445</u>	<u>4,633,833</u>	<u>6,474,681</u>	<u>5,991,412</u>	<u>5,802,440</u>
Total OPEB liability, end of year	<u><u>\$ 3,825,141</u></u>	<u><u>\$ 4,053,467</u></u>	<u><u>\$ 5,412,445</u></u>	<u><u>\$ 4,633,833</u></u>	<u><u>\$ 6,474,681</u></u>	<u><u>\$ 5,991,412</u></u>
Covered employee payroll	\$ 69,609,026	\$ 70,209,895	\$ 68,501,684	\$ 62,161,786	\$ 68,000,000	\$ 57,195,598
Total OPEB liability as a percentage of covered employee payroll	5.50%	5.77%	7.90%	7.45%	9.52%	10.48%

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

Changes in assumptions reflect the following changes:

- Discount rate was changed from 1.92% to 3.69% based on updated 20-year municipal bond rates.



Supplementary Information
June 30, 2023

Council Bluffs Community School District

Council Bluffs Community School District
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2023

	Special Revenue		Total Nonmajor Governmental Funds
	Student Activity Funds	Management Levy Fund	
Assets			
Cash, cash equivalents and pooled investments	\$ 412,909	\$ 2,167,904	\$ 2,580,813
Receivables			
Property tax			
Succeeding year	-	1,999,989	1,999,989
Accounts	20,268	20,080	40,348
Prepaid items	-	48,726	48,726
Total assets	<u>\$ 433,177</u>	<u>\$ 4,236,699</u>	<u>\$ 4,669,876</u>
Liabilities			
Accounts payable	\$ 81,604	\$ 51,999	\$ 133,603
Accrued expenses	-	272,701	272,701
Total liabilities	<u>81,604</u>	<u>324,700</u>	<u>406,304</u>
Deferred Inflows of Resources			
Succeeding year property tax	-	1,999,989	1,999,989
Fund Balances			
Nonspendable - prepaid items	-	48,726	48,726
Restricted for			
Management levy purposes	-	1,863,284	1,863,284
Student activities	351,573	-	351,573
Total fund balances	<u>351,573</u>	<u>1,912,010</u>	<u>2,263,583</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 433,177</u>	<u>\$ 4,236,699</u>	<u>\$ 4,669,876</u>

Council Bluffs Community School District

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

	Special Revenue		Total Nonmajor Governmental Funds
	Student Activity Funds	Management Levy Fund	
Revenues			
Local sources			
Local tax	\$ -	\$ 1,599,395	\$ 1,599,395
Other	829,616	-	829,616
Total revenues	829,616	1,599,395	2,429,011
Expenditures			
Current			
Instruction			
Regular instruction	876,395	297,548	1,173,943
Support services			
Instructional staff services	1,581	-	1,581
Administration services	48	13,989	14,037
Operation and maintenance of plant service	-	1,812,407	1,812,407
Transportation services	124	-	124
Total support services	1,753	1,826,396	1,828,149
Total expenditures	878,148	2,123,944	3,002,092
Changes in Fund Balances	(48,532)	(524,549)	(573,081)
Fund Balances, Beginning of Year	400,105	2,436,559	2,836,664
Fund Balances, End of Year	\$ 351,573	\$ 1,912,010	\$ 2,263,583

Council Bluffs Community School District
Combining Balance Sheet – Capital Project Funds
June 30, 2023

	Capital Projects			
	Statewide Sales, Services and Use Tax Department	Physical Plant and Equipment Levy Department	Early Learning Center Construction Department	Total Capital Projects Departments
Assets				
Cash, cash equivalents and pooled investments	\$ 7,229,396	\$ 2,827,931	\$ 2,226,291	\$ 12,283,618
Receivables				
Property tax				
Succeeding year	-	4,308,933	-	4,308,933
Accounts	839,801	42,393	-	882,194
Due from other funds	-	994,881	-	994,881
Investments	-	2,045,798	-	2,045,798
Total assets	<u>\$ 8,069,197</u>	<u>\$ 10,219,936</u>	<u>\$ 2,226,291</u>	<u>\$ 20,515,424</u>
Liabilities				
Accounts payable	\$ 18,971	\$ 837,560	\$ 489,940	\$ 1,346,471
Retainage payable	-	321,474	619,574	941,048
Total liabilities	<u>18,971</u>	<u>1,159,034</u>	<u>1,109,514</u>	<u>2,287,519</u>
Deferred Inflows of Resources				
Succeeding year property tax	-	4,308,933	-	4,308,933
Fund Balances				
Restricted for				
School infrastructure	8,050,226	-	1,116,777	9,167,003
Physical plant and equipment	-	4,751,969	-	4,751,969
Total fund balances	<u>8,050,226</u>	<u>4,751,969</u>	<u>1,116,777</u>	<u>13,918,972</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,069,197</u>	<u>\$ 10,219,936</u>	<u>\$ 2,226,291</u>	<u>\$ 20,515,424</u>

Council Bluffs Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Capital Project Funds
Year Ended June 30, 2023

	Capital Projects			
	Statewide Sales, Services and Use Tax Department	Physical Plant and Equipment Levy Department	Early Learning Center Construction Department	Total Capital Projects Departments
Revenues				
Local sources				
Local tax	\$ 11,926,948	\$ 4,358,203	\$ -	\$ 16,285,151
Other	109,371	89,778	6,144,366	6,343,515
Total revenues	12,036,319	4,447,981	6,144,366	22,628,666
Expenditures				
Current				
Instruction				
Regular instruction	-	65,414	-	65,414
Support services				
Student services	-	26,168	-	26,168
Instructional staff services	-	3,210	-	3,210
Administration services	11,220	1,188,519	-	1,199,739
Operation and maintenance of plant services	69,179	927,685	-	996,864
Transportation services	-	56,500	-	56,500
Total expenditures	80,399	2,202,082	-	2,282,481
Other expenditures				
Facilities acquisition	475,811	8,196,931	12,623,706	21,296,448
Lease principal	-	1,347,616	-	1,347,616
Interest and fiscal charges	-	79,625	-	79,625
Total expenditures	475,811	9,624,172	12,623,706	22,723,689
Total expenditures	556,210	11,891,668	12,623,706	25,071,584
Excess (Deficiency) of Revenues Over Expenditures	11,480,109	(7,443,687)	(6,479,340)	(2,442,918)
Other Financing Sources (Uses)				
Lease issuance	-	594,935	-	594,935
Sale of capital assets	-	11,623	-	11,623
Transfers in	-	5,078,817	7,560,188	12,639,005
Transfers out	(11,549,597)	-	-	(11,549,597)
Total other financing sources and uses	(11,549,597)	5,685,375	7,560,188	1,695,966
Changes in Fund Balance	(69,488)	(1,758,312)	1,080,848	(746,952)
Fund Balances, Beginning of Year	8,119,714	6,510,281	35,929	14,665,924
Fund Balances, End of Year	\$ 8,050,226	\$ 4,751,969	\$ 1,116,777	\$ 13,918,972

Council Bluffs Community School District
Schedule of Changes in Special Revenue Fund – Student Activity Funds
Year Ended June 30, 2023

	Balance Beginning of Year	Revenues	Expenditures	Transfer-Out	Balance End of Year
Bloomer	\$ 1,709	\$ 15	\$ -	\$ -	\$ 1,724
Carter Lake	5,100	4,042	4,615	-	4,527
College View	4,609	-	81	-	4,528
Crescent	5,173	157	-	-	5,330
Edison	2,779	-	1,215	-	1,564
Franklin	3,385	-	-	-	3,385
Hoover	4,090	1,975	2,201	-	3,864
Lewis & Clark	6,486	-	-	-	6,486
Longfellow	230	-	-	-	230
Roosevelt	2,017	-	1,297	-	720
Rue	(605)	2,987	5,042	-	(2,660)
Kirn JHS	47,102	88,839	57,601	-	78,340
Woodrow Wilson JHS	70,809	100,100	90,993	-	79,916
Tucker Center	21,901	3,053	3,982	-	20,972
Thomas Jefferson SHS	45,940	258,503	281,386	-	23,057
Abraham Lincoln SHS	179,380	369,445	429,674	-	119,151
Kanesville AHS	-	500	61	-	439
	<u>\$ 400,105</u>	<u>\$ 829,616</u>	<u>\$ 878,148</u>	<u>\$ -</u>	<u>\$ 351,573</u>

Council Bluffs Community School District
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds
For the Ten Years Ended June 30

	Modified Accrual Basis									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Local sources										
Local tax	\$ 53,464,174	\$ 51,895,643	\$ 49,898,883	\$ 47,116,434	\$ 46,774,297	\$ 44,323,678	\$ 43,801,727	\$ 43,238,410	\$ 44,181,757	\$ 42,564,152
Tuition	2,792,576	2,910,203	3,346,516	2,925,467	3,032,774	2,821,210	2,072,728	3,111,592	2,980,020	2,712,434
Other	9,446,549	5,490,269	2,832,145	6,265,853	5,139,171	6,222,710	8,272,191	11,536,471	4,606,014	5,651,958
State sources	78,589,159	77,650,277	77,803,682	75,344,025	73,899,808	73,715,542	71,137,987	68,460,009	64,465,411	59,383,774
Federal sources	19,790,902	21,248,419	13,142,045	6,371,821	7,193,561	6,937,113	6,334,306	5,345,763	5,209,908	5,954,736
Total revenues	\$ 164,083,360	\$ 159,194,811	\$ 147,023,271	\$ 138,023,600	\$ 136,039,611	\$ 134,020,253	\$ 131,618,939	\$ 131,692,245	\$ 121,443,110	\$ 116,267,054
Expenditures										
Instruction										
Regular instruction	\$ 73,856,731	\$ 86,266,058	\$ 82,964,641	\$ 77,762,484	\$ 78,762,757	\$ 79,624,932	\$ 76,829,228	\$ 38,316,380	\$ 37,638,119	\$ 35,487,624
Special instruction	-	-	-	-	-	-	210,132	35,036,446	34,556,075	31,250,302
Other Instruction	12,787,715	1,183,248	799,155	1,064,250	1,062,140	1,032,203	984,951	3,424,823	3,854,800	3,503,366
Support services										
Student services	7,382,270	6,769,095	5,996,944	5,354,198	5,273,415	4,772,703	4,567,443	4,525,022	2,590,784	3,104,599
Instructional staff services	5,384,283	5,265,265	5,061,488	5,081,385	4,990,387	5,001,210	4,758,274	4,766,189	5,643,280	2,379,699
Administration services	15,594,152	15,631,572	13,935,939	14,666,146	16,394,940	13,904,795	12,918,487	12,774,696	12,396,728	12,372,695
Operation and maintenance of plant	12,364,668	12,087,645	10,271,731	10,927,154	10,506,491	9,698,273	9,662,729	9,653,140	7,946,294	9,176,788
Transportation services	6,666,049	6,470,866	5,896,287	5,335,801	5,726,678	4,916,161	4,351,358	3,901,109	3,670,708	3,488,486
Other expenditures										
Facilities acquisition	21,296,448	6,740,791	19,747,253	18,282,084	8,638,085	3,440,995	6,222,821	14,441,067	10,029,827	3,583,145
Long-term debt:										
Principal	8,195,616	15,872,000	4,955,000	4,707,000	3,975,000	5,547,353	6,206,361	4,768,213	4,803,071	3,635,000
Interest and fiscal charges	2,143,236	2,364,154	2,478,905	2,599,150	1,854,780	1,827,941	1,890,080	2,793,246	2,926,614	2,919,818
AEA flowthrough	4,566,720	4,587,437	4,592,835	4,437,170	4,340,347	4,323,348	4,114,100	4,040,318	3,894,362	3,695,117
ESSER retention pay	-	160,488	-	-	-	-	-	-	-	-
Total expenditures	\$ 170,237,888	\$ 163,398,619	\$ 156,700,178	\$ 150,216,822	\$ 141,525,020	\$ 134,089,914	\$ 132,715,964	\$ 138,440,649	\$ 129,950,662	\$ 114,596,639

Council Bluffs Community School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass- Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture <i>Passed through the State of Iowa Dept of Education</i>			
Child Nutrition Cluster			
Noncash Assistance (Commodities)			
National School Lunch Program	10.555	202120N119942	\$ 571,921
Cash Assistance			
National School Lunch Program	10.555	202120N119942	4,870,982
Summer Food Service Program for Children	10.559	202120N119942	210,591
School Breakfast Program	10.553	202120N119942	<u>1,417,661</u>
Total Child Nutrition Cluster			\$ 7,071,155
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	Unknown	10,866
Fresh Fruit and Vegetable Program	10.582	202120N119942	<u>229,189</u>
Total Department of Agriculture			\$ 7,311,210
U.S. Department of Education <i>Passed through the State of Iowa Dept of Education</i>			
Title I Grants to Local Education Agencies	84.010	S010A200015	2,458,116
Title I Grants to Local Education Agencies - carryover	84.010	S010A200015	<u>2,584</u>
Total Title I			2,460,700
Career and Technical Education - Basic Grants to State	84.048	V048A200015	122,243
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	Unknown	196,282
Education for Homeless Children and Youth	84.196	S196A190016	40,221
Twenty-First Century Community Learning Centers	84.287	S287C190015	1,082,878
English Language Acquisition State Grants	84.365	S365A190015	58,342
Supporting Effective Instruction State Grants	84.367	S367A200014	292,249
Student Support and Academic Enrichment Program	84.424	S424A190016	160,526
COVID-19 - Education Stabilization Fund (Governor's Emergency Education Relief Fund)	84.425C	S425C200036	3,589,526
COVID-19 - Education Stabilization Fund (Governor's Emergency Education Relief Fund)	84.425D	S425D200014	5,311
COVID-19 - Education Stabilization Fund (ARP ESSER)	84.425U	ARP ESSER III	9,244,655
COVID-19 - Education Stabilization Fund (ARP ESSER - Homeless Children and Youth)	84.425W	ARP-HCY-I	<u>98,495</u>
Total Education Stabilization Fund			12,937,987
<i>Passed through Green Hills Area Education Agency</i>			
Special Education Cluster			
Special Education Grants to States	84.027	H027A200097	<u>471,623</u>
Total U.S. Department of Education			<u>17,823,051</u>
Total Federal Financial Assistance			<u>\$25,134,261</u>

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

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.

Note 4 - Food Donation

Nonmonetary assistance is reported in this schedule at the fair market value of the commodities received and disbursed. At June 30, 2023, the District had food commodities totaling \$8,911 in inventory.



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*

The Board of Education
Council Bluffs Community School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Council Bluffs Community School District ("the District"), as of and for the year ended June 30, 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 June 27, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

District's Response to Findings

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

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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Mankato, Minnesota
June 27, 2024



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

The Board of Education
Council Bluffs Community School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Council Bluffs 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, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the [Entity/Company]'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 [Entity/Company]'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 [Entity/Company]'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.

A handwritten signature in black ink that reads "Eide Sallie LLP". The signature is written in a cursive, flowing style.

Mankato, Minnesota
June 27, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	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 Uniform Guidance 2 CFR 200.516	No

Identification of major program

Name of Federal Program	Federal Financial Assistance Listing
Title I Grants to Local Education Agencies	84.010
COVID-19 Education Stabilization Fund	84.425
Dollar threshold used to distinguish between Type A and type B programs	\$ 754,028
Auditee identified as low-risk auditee?	Yes

Section II – Financial Statement Findings

**2023-001 Preparation of Financial Statements, including Schedule of Expenditures of Federal Awards
Material Weakness**

Criteria – A good system of internal accounting control contemplates an adequate system for internally preparing the District’s financial statements, including the schedule of expenditures of federal awards.

Condition – The District does not have an internal control system designed to provide for the preparation of the financial statements, including the schedule of expenditures of federal awards being audited. The auditors were requested to, and did, draft the financial statements, including the schedule of expenditures of federal awards and accompanying notes to the financial statements.

Cause – The District does not have an internal control system designed to provide for the preparation of the financial statements, including the schedule of expenditures of federal awards being audited.

Effect – The disclosures in the financial statements could be incomplete.

Recommendation – This circumstance is not unusual in a District of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Views of Responsible Officials – There is no disagreement with the audit finding.

**2023-002 Material Adjustments
Material Weakness**

Criteria – A good system of internal accounting control contemplates an adequate system for recording and processing entries material to the financial statements.

Condition – During the course of our engagement, we proposed material audit adjustments that were not identified as a result of the District’s existing internal controls, and therefore could have resulted in a material misstatement of the District’s financial statements.

Cause – The District does not have an internal control system designed to identify all necessary adjustments.

Effect – This deficiency could result in a misstatement to the financial statements that would not be prevented or detected.

Recommendation – A thorough review and reconciliation of accounts in each fund should take place prior to the beginning of the audit. This review should be done at both the accounting staff and accounting supervisor levels.

Views of Responsible Officials – There is no disagreement with the audit finding.

**2023-003 Segregation of Duties
Material Weakness**

Criteria – A good system of internal control requires an adequate segregation of duties so that no one individual has incompatible responsibilities. No one person should have more than one duty relating to the authorization (approval), custody of assets (check signers), record keeping and reconciliation functions.

Condition – The District does not have enough staff to adequately separate duties in cash receipts, cash disbursements, payroll and related liabilities, and general ledger maintenance and reconciliation.

Cause – There is a limited amount of office employees involved in the internal control process.

Effect – Inadequate segregation of duties could adversely affect the District's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation – While we recognize that your staff may not be large enough to permit complete segregation of duties, the accounting functions should be reviewed to determine if additional segregation of duties is feasible and to improve the efficiency and effectiveness of financial management and financial statement accuracy for the District. Segregation of authorization, custody of assets, record keeping and reconciliation functions would assist in mitigating the risk of fraud or misstatements to the financial statements.

Views of Responsible Officials – There is no disagreement with the audit finding.

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV – Other Findings Related to Required Statutory Reporting

None reported