Bondurant-Farrar Community School District
Bondurant, Iowa

Financial and Compliance Report
Year Ended June 30, 2025

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Bondurant-Farrar Community School District

Board of Education and School District Administration
Year Ended June 30, 2025

Board of Education

	Title	Term Expires
Kayla Vandehaar	President	2027
Patrick Meyer	Vice President	2025
Stacia Sanny	Director	2027
Garry Lenhart	Director	2025
Laurel Swanson	Director	2027

School District Administration

Rich Powers	Superintendent
Cari Aylsworth	Board Secretary

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Bohnsack & Frommelt LLP
Certified Public Accountants
575 12th Avenue
East Moline, Illinois 61244

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bondurant-Farrar Community School District, Iowa (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bondurant-Farrar Community School District, Iowa, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*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 Bondurant-Farrar Community School District, Iowa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, June 30, 2024 governmental activities, business-type activities and major enterprise fund School Nutrition Fund net position was restated.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional 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 Bondurant-Farrar Community School District, Iowa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bondurant-Farrar Community School District, Iowa's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's proportionate share of the net pension liability and schedules of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, and budgetary comparison information, on pages 4–15 and 59-68 be presented to supplement the basic financial statements.

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

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

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

Supplementary Information

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

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

The District's basic financial statements for the years ended June 30, 2016 through 2021, which are not presented herein, were audited by other auditors whose report thereon dated February 15, 2022 expressed unmodified opinions on the basic financial statements. Their report on the Schedule of Revenues by Source and Expenditures by Function for the years ended June 30, 2016 through 2021 stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2016 through 2021 taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026, on our consideration of the Bondurant-Farrar Community School District, Iowa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bondurant-Farrar Community School District, Iowa's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bondurant-Farrar Community School District, Iowa's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

East Moline, Illinois
February 12, 2026

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Bondurant-Farrar Community School District

Management's Discussion and Analysis
Year Ended June 30, 2025

Bondurant-Farrar Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2025. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2025 FINANCIAL HIGHLIGHTS

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of $5,901,887 during the year ended June 30, 2025.
- Total revenues for the fiscal year ended June 30, 2025 and 2024 of $47,986,298 and $44,206,812 were comprised of general revenues in the amount of $37,816,540 and $34,004,988 and program revenues totaling $10,169,818 and $10,201,824, respectively.
- The District's General Fund balance decreased by $140,547, the unassigned fund balance decreased by $312,523, and the nonspendable/ restricted/ assigned fund balance increased by $171,976.

USING THIS ANNUAL REPORT

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

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

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

Figure A-1
Bondurant-Farrar Community School District Annual Financial Report

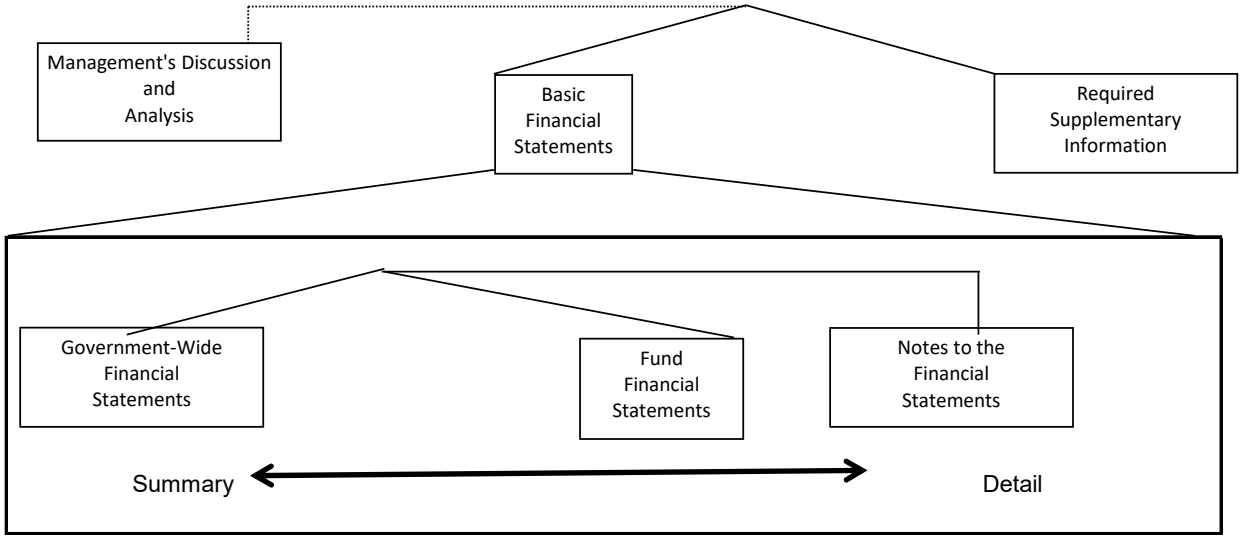


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2
Major Features of the Government-Wide and Fund Financial Statements

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

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

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

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

Fiduciary funds: The District is the trustee, or fiduciary, for the assets that belong to others. These funds include the custodial fund.

Custodial fund- These are funds for which the District accounts for revenues and expenditures of other governments.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position – Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2025 compared to June 30, 2024.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total District		Total Percentage
		Restated		Restated		Restated	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	2024-25
Current and other assets	$ 63,620,968	$ 42,097,707	$ 1,663,144	$ 1,817,562	$ 65,284,112	$ 43,915,269	48.7%
Capital assets	106,287,131	95,124,108	555,022	485,706	106,842,153	95,609,814	11.7%
Total assets	169,908,099	137,221,815	2,218,166	2,303,268	172,126,265	139,525,083	23.4%
Deferred outflows of resources	4,312,610	5,285,496	125,879	152,531	4,438,489	5,438,027	-18.4%
Noncurrent liabilities	91,424,214	68,095,263	329,451	361,401	91,753,665	68,456,664	34.0%
Other liabilities	6,358,661	5,231,875	35,888	64,386	6,394,549	5,296,261	20.7%
Total liabilities	97,782,875	73,327,138	365,339	425,787	98,148,214	73,752,925	33.1%
Deferred inflows of resources	18,194,440	16,894,383	6,125	1,714	18,200,565	16,896,097	7.7%
Net position:							
Net investment in capital assets	45,616,704	41,345,456	555,022	485,706	46,171,726	41,831,162	10.4%
Restricted	16,720,800	15,182,206	-	-	16,720,800	15,182,206	10.1%
Unrestricted	(4,094,110)	(4,241,872)	1,417,559	1,542,592	(2,676,551)	(2,699,280)	0.8%
Total net position	$ 58,243,394	$ 52,285,790	$ 1,972,581	$ 2,028,298	$ 60,215,975	$ 54,314,088	10.9%

The District's combined net position increased by 10.9 percent or $5,901,887 from the prior year net position.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased $4,340,564 or 10.4 percent.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased $1,538,594 from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from a restated deficit ($2,699,280) to a deficit of ($2,676,551).

The beginning net position for Governmental Activities, Business-Type Activities and the major Nutrition Fund were restated for the implementation of GASB Statement No. 101, *Compensated Absences*.

Figure A-4 shows the changes in net position for the year ended June 30, 2025 compared to June 30, 2024.

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total District		Total Percentage
		Not Restated		Not Restated		Not Restated	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	2024-25
Revenues:							
Program revenues:							
Charges for services	$ 2,636,539	$ 2,993,692	$ 1,148,321	$ 1,080,404	$ 3,784,860	$ 4,074,096	-7.1%
Operating grants and contributions and restricted interest	5,652,316	5,028,513	721,382	744,959	6,373,698	5,773,472	10.4%
Capital grants and contributions	11,200	-	-	354,256	11,200	354,256	-96.8%
General revenues:							
Property tax	15,201,693	12,478,459	-	-	15,201,693	12,478,459	21.8%
Income surtax	5,076	41,283	-	-	5,076	41,283	-87.7%
Utility excise tax	1,620,346	1,687,139			1,620,346	1,687,139	-4.0%
Other taxes	12,101	9,837			12,101	9,837	23.0%
Statewide sales, services and use tax	3,385,959	3,313,033	-	-	3,385,959	3,313,033	2.2%
Revenue in lieu of taxes	107,080	98,932			107,080	98,932	8.2%
Unrestricted state grants	15,652,994	15,258,967	-	-	15,652,994	15,258,967	2.6%
Unrestricted investment earnings	1,771,942	1,026,080	55,191	61,889	1,827,133	1,087,969	67.9%
Miscellaneous	4,158	29,369	-	-	4,158	29,369	-85.8%
Total revenues	46,061,404	41,965,304	1,924,894	2,241,508	47,986,298	44,206,812	8.5%
Program expenses:							
Governmental activities:							
Instruction	21,664,962	20,192,794	-	-	21,664,962	20,192,794	7.3%
Support services	12,178,043	12,460,948	8,917	8,402	12,186,960	12,469,350	-2.3%
Noninstructional	7,221	3,280	1,971,694	1,868,577	1,978,915	1,871,857	5.7%
Other expenditures	6,253,574	5,204,216	-	-	6,253,574	5,204,216	20.2%
Total expenses	40,103,800	37,861,238	1,980,611	1,876,979	42,084,411	39,738,217	5.9%
Change in net position	5,957,604	4,104,066	(55,717)	364,529	5,901,887	4,468,595	32.1%
Beginning net position, as restated	52,285,790	50,256,152	2,028,298	1,702,128	54,314,088	51,958,280	4.5%
Ending net position	$ 58,243,394	$ 54,360,218	$ 1,972,581	$ 2,066,657	$ 60,215,975	$ 56,426,875	6.7%

Governmental activities:
Local tax (property tax, income surtax, statewide sales, services and use tax, utility excise tax, other taxes and revenue in lieu of taxes) and unrestricted state grants account for 78.1 percent of the total governmental activities revenue. The District's expenses primarily relate to instructional and support services which account for 84.4 percent of the total governmental activities expenses.

The increase in total governmental activities revenue of $4,096,100 is primarily due to the increase in property taxes of $2,723,234 from increased assessed valuations and an increase of $745,862 in unrestricted investment earnings.

Total expenses for governmental activities increased by $2,242,562. The increase is primarily reflected in instruction and other expenditures functions due to increases in salaries and benefits and interest expense.

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

Figure A-5 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
		Not Restated	Change		Not Restated	Change
	June 30, 2025	June 30, 2024	2024-2025	June 30, 2025	June 30, 2024	2024-2025
Instruction	$ 21,664,962	$ 20,192,794	7.29%	$ 15,130,118	$ 14,502,849	4.3%
Support services	12,178,043	12,460,948	-2.27%	11,413,621	11,405,391	0.1%
Noninstructional	7,221	3,280	120.15%	7,221	3,280	120.2%
Other expenses	6,253,574	5,204,216	20.16%	5,252,785	3,927,513	33.7%
Total	$ 40,103,800	$ 37,861,238	5.92%	$ 31,803,745	$ 29,839,033	6.6%

The cost financed by users of the District's programs for the year ended June 30, 2025 was $2,636,539 compared to year ended June 30, 2024 $2,993,692 primarily for tuition from other districts.

Federal and state governments subsidized certain programs with grants and contributions totaling $5,663,516 for the year ended June 30, 2025 compared to year ended June 30, 2024 $5,028,513.

The net cost of governmental activities was financed respectively for the years ended June 30, 2025 with $15,201,693 in property tax, $5,076 in income surtax, $3,385,959 in statewide sales, services and use tax, $1,620,346 in utility excise tax, $12,101 in other taxes, $107,080 in revenue in lieu of taxes, $15,652,994 in unrestricted state grants, $1,771,942 in unrestricted investment earnings and $4,158 in miscellaneous.

Business-Type Activities

Revenues of the District's business-type activities were $1,924,894 and expenses were $1,980,611. The District's business-type activities include the School Nutrition Fund and nonmajor Student Construction Class Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, and investment income.

Revenues decreased $316,614 primarily due to an decrease in capital grants and contributions for capital assets for the 7/8 building project purchased by the governmental activities and donated to the School Nutrition Fund in the prior year. Expenses increased $103,632 due to wage increases.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of $39,482,090; an increase of $19,311,926 from last year's ending fund balances of $20,170,164. The increase is primarily due to planned spending of the issuance of $28,640,000 general obligation bonds. The District spent $13,302,556 for capital outlay in 2025 compared to $7,164,697 in 2024.

Governmental Fund Highlights

The District's General Fund financial position decreased by $140,547. The District's General Fund revenues of $33,434,509 reflect a $1,825,360 increase from prior year revenue of $31,609,149. The increase is primarily due to an increase in local tax and state appropriations. Property tax increased from increases in assessed valuation. Expenditures reflected an increase of $1,450,253 from $32,080,797 in 2024 to $33,531,050 in 2025. The increase in expenditures is primarily due to general wage increases and the addition of new staff, curriculum and facility needs.

The General Fund balance decreased from $5,251,372 to $5,110,825. This represents 15.2 percent of total expenditures or 56 days. Unassigned General Fund fund balance on June 30, 2025 is $3,960,056 or 11.8 percent of total expenditures.

The Capital Projects Fund balance increased from $9,048,268 in fiscal year 2024 to $28,345,712 in fiscal year 2025. The District expended $13,302,556 for facilities purchases and improvements in 2025 compared to $7,164,697 in 2024 as explained above and issued $28,640,000 in general obligation bonds..

The Debt Service Fund balance increased $131,640 from $4,294,788 in 2024 to $4,426,428 in 2025. The District paid $6,746,117 in debt service principal and interest from transfers in of statewide sales, services and use tax of $2,219,141 and local taxes of $4,537,545.

Proprietary Fund Highlights

Enterprise funds net position decreased from restated $2,028,298 in 2024 to $1,972,581 in 2025. This is primarily due to the increase in operating expenses for the School Nutrition Fund.

BUDGETARY HIGHLIGHTS

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

The District's total actual revenues were $1,884,555 more than the total budgeted revenues due to receiving more in local and state revenue sources, a variance of 4.1%.

Total expenditures were less than budgeted by $19,330,079, primarily in the other expenditures function which related primarily to timing of capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, the District had invested $106,842,153 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. See Figure A-6. This amount represents a net increase of $11,232,339 from last year. More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation and amortization expense for the year was $3,244,663
.

The original cost of the District's capital assets was $135,424,807. Governmental funds account for $134,072,043 with the remainder of $1,352,764 the proprietary School Nutrition Fund.

Figure A-6 Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	2024-25
Land and construction in progress	$ 18,800,197	$ 9,839,904	$ -	$ -	$ 18,800,197	$ 9,839,904	91.1%
Buildings	77,714,087	76,549,553	-	-	77,714,087	76,549,553	1.5%
Land improvements	5,401,158	5,405,938	-	-	5,401,158	5,405,938	-0.1%
Machinery and equipment	3,815,197	2,574,697	555,022	485,706	4,370,219	3,060,403	42.8%
Intangible right to use lease building	93,576	127,603	-	-	93,576	127,603	-26.7%
Intangible right to use lease equipment	6,601	26,610	-	-	6,601	26,610	-75.2%
Intangible right to use IT subscription	456,315	599,803	-	-	456,315	599,803	-23.9%
Total	$ 106,287,131	$ 95,124,108	$ 555,022	$ 485,706	$ 106,842,153	$ 95,609,814	11.7%

Long-Term Debt

As of June 30, 2025, the District had $79,468,125 in long-term obligations outstanding. See Figure A-7.

Figure A-7 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total District		Total Percentage Change
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	2024-25
General obligation bonds	$ 65,828,688	$ 39,064,152	$ -	$ -	$ 65,828,688	$ 39,064,152	68.5%
Revenue bonds	11,321,404	12,313,875	-	-	11,321,404	12,313,875	-8.1%
Notes payable	2,200,000	2,920,000	-	-	2,200,000	2,920,000	-24.7%
Lease obligation	118,033	177,704	-	-	118,033	177,704	-33.6%
Total	$ 79,468,125	$ 54,475,731	$ -	$ -	$ 79,468,125	$ 54,475,731	45.9%

More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements. The District paid $4,396,602 in principal and $2,803,390 in interest and fiscal fees.

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

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

Economic Factors Bearing on the District's Future

- **Regional Location & Growth Dynamics** Bondurant-Farrar Community School District is located within the eastern Polk County growth corridor, adjacent to the Des Moines metropolitan area. While the region continues to experience residential and commercial development, growth patterns have moderated and are becoming more competitive among neighboring Districts and educational options.
- **Enrollment Trends** Although the District had 4% growth in enrollment for FY2025, the District experienced a 1% decline in certified enrollment for October 1, 2025, marking a shift from historical growth trends. This decline reflects broader demographic shifts, increased competition from surrounding Districts, and continued student movement to virtual and alternative education options.
- **Virtual Learning Option** In response to enrollment pressures and to reduce open enrollment out to external virtual academies, the District approved a local virtual learning option. This initiative is intended to retain resident students, maintain funding stability, and keep students connected to District programming, staff, and community.
- **Early Childhood & Transitional Kindergarten Consideration** The District is evaluating the potential implementation of a transitional kindergarten option for families seeking additional developmental readiness prior to traditional kindergarten enrollment. This program may support long-term enrollment stability and meet evolving family needs.
- **Open Enrollment Policy Adjustments** In FY2026 the District will reopen Board policy to allow limited open enrollment applications for FY2027. This change provides flexibility to attract students where capacity exists while balancing class size, staffing, and facility constraints.
- **Staff Recruitment and Retention Pressures** The District continues to face competitive pressures in recruiting and retaining qualified staff. Salary schedules, benefit offerings, workload considerations, and modern, well-maintained facilities remain critical factors in attracting educators and support staff within a competitive regional labor market.

- **Facilities & Capital Investment** Ongoing investment in facilities is essential to remain competitive for both students and staff. While recent and planned capital projects support instructional quality and capacity, they also increase long-term debt obligations and operating costs that must be managed alongside enrollment trends.
- **Property Tax Base Volatility** The District's tax base includes significant commercial and industrial valuation, which supports revenue capacity but also introduces exposure to valuation appeals and economic fluctuations that can affect future property tax distributions.
- **Inflationary & Cost Pressures** Continued inflationary pressures on salaries, benefits, utilities, transportation, and contracted services are expected to persist, requiring careful financial planning and prioritization to maintain program quality and fiscal sustainability.
- **Strategic Response** District leadership continues to monitor enrollment trends, staffing needs, and financial capacity, and is proactively adjusting programming, policies, and long-range planning to balance educational quality with long-term fiscal sustainability.

State funding will continue to be an important subject of interest in future years due to the uncertainty of the state aid formula and special programs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Cari Aylsworth, Director of Business Services, Bondurant-Farrar Community School District, 300 Garfield St. SW, Bondurant, Iowa 50035.

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Bondurant-Farrar Community School District

Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	$ 40,367,911	$ 1,555,811	$ 41,923,722
Restricted cash and investments	3,908,284	-	3,908,284
Receivables:			
Property tax:			
Delinquent	56,350	-	56,350
Succeeding year	17,982,141	-	17,982,141
Accounts	263,585	82,009	345,594
Due from other governments	1,039,161	-	1,039,161
Inventories	-	25,324	25,324
Prepaid expenses	3,536	-	3,536
Capital assets:			
Capital assets not being depreciated/amortized:			
Land and construction in progress	18,800,197	-	18,800,197
Capital assets being depreciated/amortized, net of accumulated depreciation/amortization:			
Buildings	77,714,087	-	77,714,087
Land improvements	5,401,158	-	5,401,158
Machinery and equipment	3,815,197	555,022	4,370,219
Intangible right to use lease building	93,576	-	93,576
Intangible right to use lease equipment	6,601	-	6,601
Intangible right to use IT subscription	456,315	-	456,315
Total capital assets	106,287,131	555,022	106,842,153
Total assets	169,908,099	2,218,166	172,126,265
Deferred Outflows of Resources:			
OPEB related deferred outflows	669,559	17,076	686,635
Pension related deferred outflows	3,643,051	108,803	3,751,854
Total deferred outflows of resources	4,312,610	125,879	4,438,489

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	2,465,655	667	2,466,322
Salaries and benefits payable	3,271,346	2,260	3,273,606
Retainage payable	390,207	-	390,207
Accrued interest	231,453	-	231,453
Unearned revenue	-	32,961	32,961
Noncurrent liabilities:			
Portion due within one year:			
Revenue bonds	1,005,000	-	1,005,000
General obligation bonds	2,410,000	-	2,410,000
Capital loan notes	725,000	-	725,000
Lease obligation	41,097	-	41,097
Early retirement	56,400	-	56,400
Compensated absences	1,345,167	31,903	1,377,070
Total OPEB liability	125,287	3,742	129,029
Portion due after one year:			
Revenue bonds	10,316,404	-	10,316,404
General obligation bonds	63,418,688	-	63,418,688
Capital loan notes	1,475,000	-	1,475,000
Lease obligation	76,936	-	76,936
Early retirement	117,050	-	117,050
Compensated absences	756,656	17,946	774,602
Total OPEB liability	1,644,525	39,589	1,684,114
Net pension liability	7,911,004	236,271	8,147,275
Total liabilities	97,782,875	365,339	98,148,214
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	17,982,141	-	17,982,141
OPEB related deferred inflows	207,274	5,975	213,249
Pension related deferred inflows	5,025	150	5,175
Total deferred inflows of resources	18,194,440	6,125	18,200,565
Net Position:			
Net investment in capital assets	45,616,704	555,022	46,171,726
Restricted for:			
Categorical funding	1,147,233	-	1,147,233
Debt service	2,995,718	-	2,995,718
School infrastructure	8,683,665	-	8,683,665
Management levy	1,251,171	-	1,251,171
Physical plant and equipment levy	2,295,059	-	2,295,059
Student activities	347,954	-	347,954
Unrestricted	(4,094,110)	1,417,559	(2,676,551)
Total net position	$ 58,243,394	$ 1,972,581	$ 60,215,975

Bondurant-Farrar Community School District

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses
Governmental activities:	
Instruction	$ 21,664,962
Support services:	
Student	971,496
Instructional staff	2,731,133
Administration	4,090,038
Operation of plant	2,910,257
Transportation	1,475,119
	12,178,043
Noninstructional programs	7,221
Other:	
AEA flowthrough	1,000,789
Unallocated depreciation*	2,525,553
Interest	2,727,232
	6,253,574
Total governmental activities	40,103,800
Business-type activities:	
Support services	8,917
Noninstructional programs	
Food service operations	1,971,694
Total business-type activities	1,980,611
Total	$ 42,084,411
General revenues:	
Property tax levied for:	
General purposes	
Capital outlay	
Other	
Income surtax	
Utility excise tax	
Other taxes	
Statewide sales and services tax	
Revenue in lieu of taxes	
Unrestricted state grants	
Unrestricted investment earnings	
Insurance recoveries	
Gain on sale of capital assets	
Total general revenues	
Change in net position	
Net position, beginning of year, as restated	
Net position, end of year	

* This amount excludes the depreciation included in the direct expense of the various functions/programs.

See Notes to Basic Financial Statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
$ 1,915,844	$ 4,619,000	$ -	$ (15,130,118)	$ -	$ (15,130,118)
-	-	-	(971,496)	-	(971,496)
271,495	-	-	(2,459,638)	-	(2,459,638)
261,488	-	-	(3,828,550)	-	(3,828,550)
100,087	-	11,200	(2,798,970)	-	(2,798,970)
87,625	32,527	-	(1,354,967)	-	(1,354,967)
720,695	32,527	11,200	(11,413,621)	-	(11,413,621)
-	-	-	(7,221)	-	(7,221)
-	1,000,789	-	-	-	-
-	-	-	(2,525,553)	-	(2,525,553)
-	-	-	(2,727,232)	-	(2,727,232)
-	1,000,789	-	(5,252,785)	-	(5,252,785)
2,636,539	5,652,316	11,200	(31,803,745)	-	(31,803,745)
-	-	-	-	(8,917)	(8,917)
1,148,321	721,382	-	-	(101,991)	(101,991)
1,148,321	721,382	-	-	(110,908)	(110,908)
$ 3,784,860	$ 6,373,698	$ 11,200	(31,803,745)	(110,908)	(31,914,653)
			8,895,580	-	8,895,580
			1,710,674	-	1,710,674
			4,595,439	-	4,595,439
			5,076	-	5,076
			1,620,346	-	1,620,346
			12,101	-	12,101
			3,385,959	-	3,385,959
			107,080	-	107,080
			15,652,994	-	15,652,994
			1,771,942	55,191	1,827,133
			358	-	358
			3,800	-	3,800
			37,761,349	55,191	37,816,540
			5,957,604	(55,717)	5,901,887
			52,285,790	2,028,298	54,314,088
			$ 58,243,394	$ 1,972,581	$ 60,215,975

Bondurant-Farrar Community School District

Balance Sheet
Governmental Funds
June 30, 2025

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Assets					
Cash and pooled investments	$ 8,472,377	$ 29,724,029	$ 507,357	$ 1,614,811	$ 40,318,574
Restricted cash and investments	-	-	3,908,284	-	3,908,284
Receivables:					
Property tax:					
Delinquent	33,095	6,303	15,287	1,665	56,350
Succeeding year	10,221,080	2,061,534	4,999,527	700,000	17,982,141
Accounts	245,620	-	-	17,965	263,585
Due from other governments	493,795	545,366	-	-	1,039,161
Prepaid items	3,536	-	-	-	3,536
Total assets	$ 19,469,503	$ 32,337,232	$ 9,430,455	$ 2,334,441	$ 63,571,631
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	$ 886,060	$ 1,539,779	$ 4,500	$ 35,316	$ 2,465,655
Retainage payable	-	390,207	-	-	390,207
Salaries and benefits payable	3,251,538	-	-	-	3,251,538
Total liabilities	4,137,598	1,929,986	4,500	35,316	6,107,400
Deferred inflows of resources, unavailable revenue:					
Succeeding year property tax	10,221,080	2,061,534	4,999,527	700,000	17,982,141
Total deferred inflows of resources	10,221,080	2,061,534	4,999,527	700,000	17,982,141
Fund balances:					
Nonspendable:					
Prepaid items	3,536	-	-	-	3,536
Restricted for:					
Categorical funding	1,147,233	-	-	-	1,147,233
Debt service	-	-	4,426,428	-	4,426,428
Management levy purposes	-	-	-	1,251,171	1,251,171
Student activities	-	-	-	347,954	347,954
School infrastructure	-	26,050,653	-	-	26,050,653
Physical plant and equipment levy	-	2,295,059	-	-	2,295,059
Unassigned	3,960,056	-	-	-	3,960,056
Total fund balances	5,110,825	28,345,712	4,426,428	1,599,125	39,482,090
Total liabilities, deferred inflows of resources and fund balances	$ 19,469,503	$ 32,337,232	$ 9,430,455	$ 2,334,441	$ 63,571,631

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities
June 30, 2025

Total fund balances of governmental funds	$	39,482,090
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.		106,287,131
The Internal Service Fund is used to charge costs of the District's self-funded insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included under governmental activities.		29,529
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds as follows:		
OPEB related deferred outflows of resources		669,559
OPEB related deferred inflows of resources		(207,274)
Pension related deferred outflows of resources		3,643,051
Pension related deferred inflows of resources		(5,025)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds:		
Revenue bonds, current		(1,005,000)
Revenue bonds, noncurrent		(10,195,000)
Premium on revenue bonds		(121,404)
General obligation bonds, current		(2,410,000)
General obligation bonds, noncurrent		(62,370,000)
Premium on general obligation bonds		(1,048,688)
Capital loan notes, current		(725,000)
Capital loan notes, noncurrent		(1,475,000)
Lease obligation, current		(41,097)
Lease obligation, noncurrent		(76,936)
Accrued interest		(231,453)
Early retirement		(173,450)
Compensated absences		(2,101,823)
Total OPEB liability		(1,769,812)
Net pension liability		(7,911,004)
Net position of governmental activities	$	58,243,394

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Revenues:					
Local sources:					
Property tax	$ 8,895,580	$ 1,710,674	$ 4,148,640	$ 446,799	$ 15,201,693
Utility excise tax	1,022,203	159,174	386,022	52,947	1,620,346
Other tax	12,710	1,189	2,883	395	17,177
Tuition	1,313,965	-	-	-	1,313,965
Other	1,006,564	1,299,983	122,603	675,466	3,104,616
State appropriations	20,483,832	3,396,478	25,510	3,499	23,909,319
Federal appropriations	699,655	190,290	-	-	889,945
Total revenues	33,434,509	6,757,788	4,685,658	1,179,106	46,057,061
Expenditures:					
Current:					
Instruction:	21,109,457	174,252	-	533,856	21,817,565
Support services:					
Student	986,991	-	-	-	986,991
Instructional staff	2,361,030	273,426	-	-	2,634,456
Administration	3,859,328	188,528	-	104,054	4,151,910
Operation and maintenance of plant	3,195,552	175,537	-	504,099	3,875,188
Transportation	1,010,682	280,003	-	30,386	1,321,071
	11,413,583	917,494	-	638,539	12,969,616
Noninstructional programs	7,221	-	-	-	7,221
Other expenditures:					
Capital outlay	-	13,302,556	-	-	13,302,556
AEA flowthrough	1,000,789	-	-	-	1,000,789
Debt service:					
Principal	-	-	4,396,602	-	4,396,602
Interest and fiscal fees	-	453,875	2,349,515	-	2,803,390
	1,000,789	13,756,431	6,746,117	-	21,503,337
Total expenditures	33,531,050	14,848,177	6,746,117	1,172,395	56,297,739
Excess (deficiency) of revenues over (under) expenditures	(96,541)	(8,090,389)	(2,060,459)	6,711	(10,240,678)
Other financing sources (uses):					
Issuance of long term debt	-	28,640,000	-	-	28,640,000
Premium on issuance of long term debt	-	901,515	-	-	901,515
Issuance of lease	-	6,931	-	-	6,931
Proceeds from sale of capital assets	3,800	-	-	-	3,800
Insurance recoveries	358	-	-	-	358
Transfers in	-	27,042	2,219,141	16,678	2,262,861
Transfers (out)	(48,164)	(2,187,655)	(27,042)	-	(2,262,861)
Total other financing sources (uses)	(44,006)	27,387,833	2,192,099	16,678	29,552,604
Net change in fund balances	(140,547)	19,297,444	131,640	23,389	19,311,926
Fund balances, beginning of year	5,251,372	9,048,268	4,294,788	1,575,736	20,170,164
Fund balances, end of year	$ 5,110,825	$ 28,345,712	$ 4,426,428	$ 1,599,125	$ 39,482,090

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2025

Net change in fund balances - total governmental funds		$ 19,311,926
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the statement of net position and are allocated over their estimated useful lives as depreciation/amortization expense in the statement of activities. The amounts of capital outlays and depreciation/amortization expense in the year are as follows:		
Capital outlay	$ 14,342,819	
Depreciation/amortization expense	(3,179,796)	11,163,023
Proceeds from sale of capital assets	(3,800)	
Gain on sale of capital assets	3,800	-
The increase in net position of the Internal Service Fund represents an overcharge to the governmental funds and is incorporated into the change in net position of governmental activities.		15,676
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenues:		
Other grants		(915)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. The issuance of long-term debt increases liabilities in the statement of net position, while the repayment of long-term debt reduces long-term liabilities. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:		
Repayment of revenue bond and general obligation bond principal	3,610,000	
Repayment of note payable	720,000	
Payment of lease obligations	66,602	
Issuance of long-term debt	(28,640,000)	
Issuance of lease	(6,931)	
Premium on issuance	(901,515)	
Amortization of bond premium	159,450	
Interest expense	(83,292)	(25,075,686)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:		
Early retirement		69,100
Compensated absences		(27,395)
Net OPEB liability		(149,578)
Pension expense		651,453
Change in net position of governmental activities		$ 5,957,604

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

Statement of Net Position
Proprietary Funds
June 30, 2025

	School Nutrition	Nonmajor Student Construction Class	Total	Governmental Activities, Internal Service Fund
Assets				
Current assets:				
Cash and pooled investments	$ 1,209,459	$ 346,352	$ 1,555,811	$ 49,337
Receivables, accounts	82,009	-	82,009	-
Inventories	25,324	-	25,324	-
Total current assets	1,316,792	346,352	1,663,144	49,337
Noncurrent assets:				
Capital assets being depreciated, net of accumulated depreciation:				
Machinery and equipment	555,022	-	555,022	-
Total noncurrent assets	555,022	-	555,022	-
Total assets	1,871,814	346,352	2,218,166	49,337
Deferred Outflows of Resources:				
OPEB related deferred outflows	17,076	-	17,076	-
Pension related deferred outflows	108,803	-	108,803	-
Total deferred outflows of resources	125,879	-	125,879	-
Liabilities				
Current liabilities:				
Accounts payable	667	-	667	-
Salaries and benefits payable	2,260	-	2,260	19,808
Unearned revenue	32,961	-	32,961	-
Compensated absences	31,903	-	31,903	-
Total OPEB liabilty	3,742	-	3,742	-
Total current liabilities	71,533	-	71,533	19,808
Noncurrent liabilities:				
Compensated absences	17,946	-	17,946	-
Total OPEB liability	39,589	-	39,589	-
Net pension liability	236,271	-	236,271	-
Total noncurrent liabilities	293,806	-	293,806	-
Total liabilities	365,339	-	365,339	19,808
Deferred Inflows of Resources:				
OPEB related deferred inflows	5,975	-	5,975	-
Pension related deferred inflows	150	-	150	-
Total deferred inflows of resources	6,125	-	6,125	-
Net Position				
Investment in capital assets	555,022	-	555,022	-
Unrestricted	1,071,207	346,352	1,417,559	29,529
Total net position	$ 1,626,229	$ 346,352	$ 1,972,581	$ 29,529

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2025

	School Nutrition	Nonmajor Student Construction Class	Total	Governmental Activities, Internal Service Fund
Operating revenues:				
Local sources:				
Charges for service	$ 1,069,161	$ -	$ 1,069,161	$ 153,361
Miscellaneous	12,504	66,656	79,160	82,562
Total operating revenues	1,081,665	66,656	1,148,321	235,923
Operating expenses:				
Support services:				
Administration:				
Services	-	-	-	221,347
Operation and maintenance of plant:				
Purchased services	8,917	-	8,917	-
Noninstructional programs:				
Salaries	708,746	-	708,746	-
Benefits	149,141	-	149,141	-
Purchased services	36,954	-	36,954	-
Supplies	1,010,845	-	1,010,845	-
Other	1,141	-	1,141	-
Depreciation	64,867	-	64,867	-
Total operating expenses	1,980,611	-	1,980,611	221,347
Operating income (loss)	(898,946)	66,656	(832,290)	14,576
Nonoperating revenues:				
State sources	10,935	-	10,935	-
Federal sources	710,447	-	710,447	-
Interest on investments	55,191	-	55,191	1,100
Total nonoperating revenues	776,573	-	776,573	1,100
Change in net position	(122,373)	66,656	(55,717)	15,676
Net position, beginning of year, as restated	1,748,602	279,696	2,028,298	13,853
Net position, end of year	$ 1,626,229	$ 346,352	$ 1,972,581	$ 29,529

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	School Nutrition	Nonmajor Student Construction Class	Total	Governmental Activities, Internal Service Fund
Cash flows from operating activities:				
Cash received from:				
Charges for services	$ 1,052,342	$ -	$ 1,052,342	$ -
Miscellaneous services	12,504	550,000	562,504	235,923
Cash payments to:				
Employees for services	(858,772)	-	(858,772)	-
Suppliers for goods and services	(907,418)	(94,155)	(1,001,573)	(201,539)
Net cash provided by (used in) operating activities	(701,344)	455,845	(245,499)	34,384
Cash flows from noncapital financing activities:				
Payments to other funds	-	(109,493)	(109,493)	-
State grants received	10,935	-	10,935	-
Federal grants received	558,361	-	558,361	-
Net cash provided by (used in) noncapital financing activities	569,296	(109,493)	459,803	-
Cash flows from capital financing activities and related activities,				
Acquisition of capital assets	(134,183)	-	(134,183)	-
Net cash (used in) operating activities	(134,183)	-	(134,183)	-
Cash flows from investing activities, interest on investments	55,191	-	55,191	1,100
Net increase (decrease) in cash and cash equivalents	(211,040)	346,352	135,312	35,484
Cash and cash equivalents:				
Beginning of year	1,420,499	-	1,420,499	13,853
End of year	$ 1,209,459	$ 346,352	$ 1,555,811	$ 49,337

(Continued)

Bondurant-Farrar Community School District

Statement of Cash Flows (Continued)
Proprietary Funds
Year Ended June 30, 2025

	School Nutrition	Nonmajor Student Construction Class	Total	Governmental Activities, Internal Service Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (898,946)	$ 66,656	$ (832,290)	$ 14,576
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Commodities consumed	152,086		152,086	-
Depreciation	64,867		64,867	-
(Increase) decrease in:				
Inventories	(99)	414,556	414,457	-
Accounts receivable	(15,234)	-	(15,234)	-
Increase (decrease) in:				
Accounts payable	(3,499)	(25,367)	(28,866)	19,808
Salaries and benefits payable	1,953	-	1,953	-
Compensated absences	11,490	-	11,490	-
Net OPEB benefits	4,468	-	4,468	-
Net pension liability	(16,845)	-	(16,845)	-
Unearned revenue	(1,585)	-	(1,585)	-
Net cash provided by (used in) operating activities	$ (701,344)	$ 455,845	$ (245,499)	$ 34,384
Noncash investing, capital and financing activities:				
Federal commodities	$ 152,086	$ -	$ -	$ -

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Fund
Assets	
Due from other governments	$ 43,334
Liabilities	
Accounts payable	43,334
Net Position	
Restricted for organizations	$ -

See Notes to Basic Financial Statements.

Bondurant-Farrar Community School District

Statement of Revenues, Expenses and Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2025

	Custodial Fund
Additions	
Federal appropriations	$ 67,515
Total additions	67,515
Deductions:	
Instruction	67,515
Total deductions	67,515
Change in net position	-
Net position, beginning of year	-
Net position, end of year	$ -

See Notes to Basic Financial Statements.

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Note 1. Significant Accounting Policies

Reporting entity:

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

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

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

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

Basis of presentation:

Government-wide financial statements: The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

Note 1. Significant Accounting Policies (Continued)

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

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

The District reports the following major governmental funds:

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

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

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

The District reports the following nonmajor governmental funds:

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

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

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

The District reports the following enterprise funds:

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

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

Note 1. Significant Accounting Policies (Continued)

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

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

The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. Specifically, these are funds for which the District is the fiscal agent for the North Metro Consortium.

Measurement focus and basis of accounting:

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

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

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

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

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

Note 1. Significant Accounting Policies (Continued)

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

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

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

Cash, pooled investments and cash equivalents:

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

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

Property taxes:

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

Property tax revenue recognized in these funds became due and collectible in September and March of the fiscal year with a 1½ percent per month penalty for delinquent payments; is based on January 1, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2024.

Note 1. Significant Accounting Policies (Continued)

Inventories:

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

Prepaid items:

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

Due from other governments:

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

Capital assets:

Capital assets, which include property, machinery and equipment and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. Capital assets are recorded at historical cost except for intangible right-to-use lease assets, and IT subscriptions, the measurement of which is discussed in the ensuing lease policy. Donated capital assets are recorded at estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Assets	Amount
Land	$ 1
Buildings	5,000
Land improvements	5,000
Intangibles	100,000
Machinery and equipment	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

Note 1. Significant Accounting Policies (Continued)

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

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

Salaries and benefits payable:

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2025, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2025.
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Leases:

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

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

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

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

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

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

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

Note 1. Significant Accounting Policies (Continued)

Subscription-Based Information Technology Arrangements (SBITA):

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

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

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

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

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

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

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

Compensated Absences:

District employees accumulate a limited amount of earned but unused vacation, sick leave, and personal leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The District estimates the compensated absences liability for leave benefits that are more likely than not to be used or otherwise paid or settled based on historical information on employees use or payment of the benefits provided. The liability is measured using the pay rates in effect at year-end, the measurement date, and includes salary-related payments that are directly and incrementally associated with the leave liability measurement.

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.

Note 1. Significant Accounting Policies (Continued)

Total OPEB liability:

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

Unearned revenue:

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

Fund balances:

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

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

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

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

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

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

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

Note 1. Significant Accounting Policies (Continued)

Deferred outflows/inflows of resources:

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

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

Net Position:

In the government-wide statement of net position and the proprietary funds, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2025, unspent bond proceeds were $20,272,684. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted through enabling legislation consists of $1,147,233 for categorical funding, $2,995,718 for debt service, $8,683,665 for school infrastructure, $1,251,171 for management levy, $2,295,059 for physical plant and equipment levy, and $347,954 for student activities.

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

Interfund transactions:

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

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

Note 1. Significant Accounting Policies (Continued)

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

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

Estimates:

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

Note 2. Budgets and Budgetary Accounting

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

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

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

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

Note 3. Deposits and Pooled Investments

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

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

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

Level 1 inputs are quoted prices in active markets or identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2025, the Districts investments were as follows:

		Investment Maturities (in Years)					Rating	
	Fair Value	<1	1-5	6-10	>10	Level Input	Standard & Poor	Fitch
Investments Pools, State and Local Government Series Securities	$ 1,370,000	$ 1,370,000	$ -	$ -	$ -	2	N/A	N/A
Money Market Funds:								
Iowa Schools Joint Investment Trust (ISJIT)	16,330,020	16,330,020	-	-	-	N/A	AAAm	N/A
Goldman Sachs Financial Square Governmental Fund	1,894,537	1,894,537	-	-	-	N/A	AAAm	N/A
	$ 19,594,557	$ 19,594,557	$ -	$ -	$ -			

At June 30, 2025, the District had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Fund which are valued at amortized cost of $16,330,020 pursuant to Rule 2a-7 under the investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments.

The District has cash and investments held with agent of $3,908,284, which will be used for future debt service as of June 30, 2025.

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

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2025, the District had no investments subject to concentration of credit risk.

Note 3. Deposits and Pooled Investments (Continued)

Custodial credit risk: For deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned. For an investment this is the risk that in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession not an outside party. The District's deposits in banks at June 30, 2025 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to insure that will be no loss of public funds. The District's investments are held in the name of the District and are not exposed to custodial credit risk.

The District is not subject to foreign-currency risk.

Note 4. Interfund Activity

The detail of transfers for the year ended June 30, 2025 is as follows:

	Transfer in	Transfer out
Major Funds:		
General Fund	$ -	$ 48,164
Capital Projects Fund	27,042	2,187,655
Debt Service Fund	2,219,141	27,042
Nonmajor Governmental Fund, Student Activity Fund	16,678	-
Total	$ 2,262,861	$ 2,262,861

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

Note 5. Capital Assets

A summary of changes capital assets is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	$ 1,218,581	$ 134,183	$ -	$ 1,352,764
Less accumulated depreciation	732,875	64,867	-	797,742
Total capital assets being depreciated, net	485,706	69,316	-	555,022
Business-type activities capital assets, net	$ 485,706	$ 69,316	$ -	$ 555,022

Note 5. Capital Assets (Continued)

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 6,717,001	$ -	$ -	$ 6,717,001
Construction in progress	3,122,903	13,071,369	4,111,076	12,083,196
Total capital assets not being depreciated/amortized	9,839,904	13,071,369	4,111,076	18,800,197
Capital assets being depreciated/: amortized:				
Land improvements	93,297,771	3,078,939	-	96,376,710
Buildings and building equipment	8,343,325	401,913	-	8,745,238
Machinery and equipment	6,896,254	1,894,743	6,410	8,784,587
Intangible right to use leased building	272,218	-	-	272,218
Intangible right to use leased equipment	133,367	6,931	6,985	133,313
Intangible right to use IT subscription	990,855	-	31,075	959,780
Total capital assets being depreciated/amortized	109,933,790	5,382,526	44,470	115,271,846
Less accumulated depreciation/ amortization for:				
Land improvements	16,748,218	1,914,405	-	18,662,623
Buildings and building equipment	2,937,387	406,693	-	3,344,080
Machinery and equipment	4,321,557	654,243	6,410	4,969,390
Intangible right to use leased building	144,615	34,027	-	178,642
Intangible right to use leased equipment	106,757	26,940	6,985	126,712
Intangible right to use IT subscription	391,052	143,488	31,075	503,465
Total accumulated depreciation/ amortization	24,649,586	3,179,796	44,470	27,784,912
Total capital assets being depreciated/amortized, net	85,284,204	2,202,730	-	87,486,934
Governmental activities capital assets, net	$ 95,124,108	$ 15,274,099	$ 4,111,076	$ 106,287,131

Note 5. Capital Assets (Continued)

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

Governmental activities:		
Instruction	$	257,691
Support services:		
Instructional staff		128,456
Administration		3,185
Operation and maintenance of plant		96,398
Transportation		168,513
Unallocated depreciation		2,525,553
Total governmental activities depreciation/amortization expense	$	3,179,796
Business-type activities:		
Food services		64,867
Total business-type activities depreciation expense	$	64,867

Note 6. General Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2025:

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	$ 38,210,000	$ 28,640,000	$ 2,105,000	$ 64,745,000	$ 2,375,000
General obligation bond premium	299,152	901,515	151,979	1,048,688	-
Private placement,					
General obligation bonds	555,000	-	520,000	35,000	35,000
Revenue bonds	12,185,000	-	985,000	11,200,000	1,005,000
Revenue bond premium	128,875	-	7,471	121,404	-
General obligation capital loan notes	2,920,000	-	720,000	2,200,000	725,000
Building lease obligation	144,701	-	35,748	108,953	37,436
Equipment lease obligation	33,003	6,931	30,854	9,080	3,661
Early retirement	242,550	-	69,100	173,450	56,400
Compensated absences	2,074,428	27,395	-	2,101,823	1,345,167
Net pension liability	9,422,710	-	1,511,706	7,911,004	-
Total OPEB liability	1,879,844	-	110,032	1,769,812	125,287
Total	$ 68,095,263	$ 29,575,841	$ 6,246,890	$ 91,424,214	$ 5,707,951
Business-type activities:					
Compensated absences	$ 38,359	$ 11,490	$ -	$ 49,849	$ 31,903
Net pension liability	349,528	-	40,154	309,374	-
Total OPEB liability	59,990	-	3,286	56,704	3,742
Total	$ 447,877	$ 11,490	$ 43,440	$ 415,927	$ 35,645

Note 6. General Long-Term Debt (Continued)

Early Retirement:

The District offered a voluntary early retirement plan to its employees in fiscal year 2024. Eligible licensed employees had to be at least age fifty-five and had to have completed at least twelve years of continuous service to the District.

For the licensed employees' early retirement benefit, the District paid a stipend equal to $5,000 in July 2025. In addition, the District will pay $600 per month towards the premium of the District's group health insurance plan until the employee become eligible for Medicare.

At June 30, 2025, the District has obligations to nine participants with a total liability of $173,450. Actual early retirement expenditures for the year ended June 30, 2025 totaled $69,100. The cost of early retirement payments is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

General Obligation Bonds:

On September 4, 2024, the District issued $28,640,000 General Obligation School Bonds Series 2024. The bonds were issued to provide funds to construct, build, furnish, and equip a new elementary building and improve the site; to construct, build, furnish, and equip a classroom addition to the High School building, including related remodeling and site improvements; and to construct, build, furnish, and equip a baseball/softball athletic facilities and tennis/pickleball courts and improve the sites. The bonds are due annually on June 1, in principal installments varying through June 1, 2044. Interest is payable semiannually on the unpaid balance on June 1 and December 1 with rates varying from 3.25 percent to 5.00 percent. The bonds have an outstanding balance as of June 30, 2025 of $28,240,000.

Details of the District's June 30, 2025, general obligation bond indebtedness is as follows:

Year ending	General Obligation Bonds, Series 2016A				General Obligation Bonds, Series 2016B			
June 30:	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2026	2.00%	$ 645,000	$ 12,900	$ 657,900	2.00%	$ -	$ 125,700	$ 125,700
2027		-	-	-	2.00%	-	125,700	125,700
2028		-	-	-	2.00%	-	125,700	125,700
2029		-	-	-	2.00%	-	125,700	125,700
2030		-	-	-	2.00%	-	125,700	125,700
2031-2035		-	-	-	2.0-3.0%	3,285,000	358,350	3,643,350
2036		-	-	-	3.00%	905,000	27,150	932,150
Total		$ 645,000	$ 12,900	$ 657,900		$ 4,190,000	$ 1,014,000	$ 5,204,000

Note 6. General Long-Term Debt (Continued)

Year ending June 30:	General Obligation Bonds, Series 2017 Rate	Principal	Interest	Total	General Obligation Bonds, Series 2018 Rate	Principal	Interest	Total
2026	3.00%	$ 395,000	$ 286,038	$ 681,038	1.00%	$ 85,000	$ 108,518	$ 193,518
2027	3.00%	1,020,000	274,188	1,294,188	1.00%	130,000	105,967	235,967
2028	3.00%	1,045,000	243,587	1,288,587	1.00%	140,000	102,067	242,067
2029	3.00%	1,085,000	212,237	1,297,237	1.00%	135,000	97,868	232,868
2030	3.00%	1,120,000	179,688	1,299,688	1.00%	140,000	93,818	233,818
2031-2035	3.00%	2,935,000	514,887	3,449,887	1.0-3.3%	675,000	392,593	1,067,593
2036-2039	3.0-3.25%	1,750,000	98,638	1,848,638	3.38%	2,005,000	150,947	2,155,947
Total		$ 9,350,000	$ 1,809,263	$ 11,159,263		$ 3,310,000	$ 1,051,778	$ 4,361,778

Year ending June 30:	General Obligation Bonds, Series 2021 Rate	Principal	Interest	Total	Private Placement General Obligation Bonds, Series 2022 Rate	Principal	Interest	Total
2026	5.00%	$ 635,000	$ 420,150	$ 1,055,150	2.95%	$ 35,000	$ 1,033	$ 36,033
2027	5.00%	700,000	388,400	1,088,400		-	-	-
2028	3.00%	735,000	353,400	1,088,400		-	-	-
2029	2.00%	760,000	331,350	1,091,350		-	-	-
2030	1.50%	770,000	316,150	1,086,150		-	-	-
2031-2035	1.625-2.00%	4,050,000	1,385,788	5,435,788		-	-	-
2036-2040	2.00%	8,700,000	907,725	9,607,725		-	-	-
2041	2.0-2.125%	2,660,000	56,525	2,716,525		-	-	-
Total		$ 19,010,000	$ 4,159,488	$ 23,169,488		$ 35,000	$ 1,033	$ 36,033

Year ending June 30:	General Obligation Bonds, Series 2024 Rate	Principal	Interest	Total	Total Principal	Interest	Total
2026	5.00%	$ 615,000	$ 1,165,244	$ 1,780,244	$ 2,410,000	$ 2,119,583	$ 4,529,583
2027	5.00%	700,000	1,134,494	1,834,494	2,550,000	2,028,749	4,578,749
2028	5.00%	735,000	1,099,494	1,834,494	2,655,000	1,924,248	4,579,248
2029	5.00%	765,000	1,062,744	1,827,744	2,745,000	1,829,899	4,574,899
2030	5.00%	805,000	1,024,494	1,829,494	2,835,000	1,739,850	4,574,850
2031-2035	3.25-5.00%	4,665,000	4,486,769	9,151,769	15,610,000	7,138,387	22,748,387
2036-2040	3.375-4.00%	6,115,000	3,468,150	9,583,150	19,475,000	4,652,610	24,127,610
2041-2044	3.75-4.00%	13,840,000	1,569,438	15,409,438	16,500,000	1,625,963	18,125,963
Total		$ 28,240,000	$ 15,010,827	$ 43,250,827	$ 64,780,000	$ 23,059,289	$ 87,839,289

Bond Refunding Escrow

In prior years, the District levied for additional debt service tax revenues beyond the current year needs. This additional revenue has been placed in an irrevocable escrow account to refund $910,000 of the principal due on the September 4, 2018 general obligation bonds when those bonds become callable on June 1, 2026. The bonds will remain on the District's financial statements until the call date. The balance of the escrow fund at June 30, 2025 was $1,370,000.

Note 6. General Long-Term Debt (Continued)

Revenue Bonds:

The District pledged future statewide sales, services and use tax revenues to repay the $10,000,000 bonds issued in June 2013 and $8,390,000 issued in September 2022. The bonds were issued for the purpose of financing a portion of the costs of a new K-2 elementary building and to complete the funding for the middle school facility, various athletic field improvements, and land acquisition for a future new elementary school. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2043. The bonds are not a general obligation of the District and the debt is not subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to required approximately 35 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is $14,131,705. During the year ended June 30, 2025, principal of $985,000 and interest of $400,799 was paid on the bonds. Statewide sales, services and use tax revenues were $3,385,959.

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

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

As of June 30, 2025, the District had $2,538,284 in the required reserve and sinking fund.

Note 6. General Long-Term Debt (Continued)

Annual debt service requirements on the outstanding indebtedness as of June 30, 2025 are as follows:

Year ending		Revenue Bonds, Series 2013				Revenue Bonds, Series 2022			
June 30:	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2026	2.50%	$ 705,000	$ 97,162	$ 802,162	5.00%	$ 300,000	$ 272,631	$ 572,631
2027	2.75%	720,000	78,450	798,450	5.00%	300,000	257,631	557,631
2028	3.00%	740,000	57,450	797,450	5.00%	300,000	242,631	542,631
2029	3.00%	760,000	34,950	794,950	5.00%	300,000	227,631	527,631
2030	3.00%	785,000	11,775	796,775	5.00%	400,000	212,631	612,631
2031-2035		-	-	-	3.0-5.0%	2,175,000	875,994	3,050,994
2036-2040		-	-	-	3.00%	2,560,000	497,331	3,057,331
2041-2043		-	-	-	3.00%	1,155,000	65,438	1,220,438
Total		$ 3,710,000	$ 279,787	$ 3,989,787		$ 7,490,000	$ 2,651,918	$ 10,141,918

Year ending	Total Revenue Bonds		
June 30:	Principal	Interest	Total
2026	$ 1,005,000	$ 369,793	$ 1,374,793
2027	1,020,000	336,081	1,356,081
2028	1,040,000	300,081	1,340,081
2029	1,060,000	262,581	1,322,581
2030	1,185,000	224,406	1,409,406
2031-2035	2,175,000	875,994	3,050,994
2036-2040	2,560,000	497,331	3,057,331
2041-2043	1,155,000	65,438	1,220,438
Total	$ 11,200,000	$ 2,931,705	$ 14,131,705

General Obligation Capital Loan Note Payable

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

Details of the District's June 30, 2025 general obligation capital loan note indebtedness are as follows:

Year ending		General Obligation Capital Loan Notes		
June 30:	Rate	Principal	Interest	Total
2026	1.00%	$ 725,000	$ 22,000	$ 747,000
2027	1.00%	735,000	14,750	749,750
2028	1.00%	740,000	7,400	747,400
Total		$ 2,200,000	$ 44,150	$ 2,244,150

Note 6. General Long-Term Debt (Continued)

Leases

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

	Building Lease			
Year ending June 30:	Rate	Principal	Interest	Total
2026	3.00%	$ 37,436	$ 2,764	$ 40,200
2027	3.00%	40,408	1,592	42,000
2028	3.00%	31,109	391	31,500
Total		$ 108,953	$ 4,747	$ 113,700

The District has entered into lease agreements for copier and postage equipment. As of June 30, 2025, the value of the lease liabilities was $9,080. The lease agreements have an interest rate of 3.0 percent with final maturity on June 30, 2030. The future principal and interest lease payments as of June 30, 2025 were as follows:

Year ending	Pitney Bowes Postage				Access Lease			
June 30:	Rate	Principal	Interest	Total	Rate	Principal	Interest	Total
2026	3.00%	$ 1,194	$ 304	$ 1,498	3.00%	$ 2,467	$ 6	$ 2,473
2027	3.00%	1,255	242	1,497		-	-	-
2028	3.00%	1,319	178	1,497		-	-	-
2029	3.00%	1,387	111	1,498		-	-	-
2030	3.00%	1,458	40	1,498		-	-	-
Total		$ 6,613	$ 875	$ 7,488		$ 2,467	$ 6	$ 2,473

Year ending	Total Equipment Lease		
June 30:	Principal	Interest	Total
2026	$ 3,661	$ 310	$ 3,971
2027	1,255	242	1,497
2028	1,319	178	1,497
2029	1,387	111	1,498
2030	1,458	40	1,498
Total	$ 9,080	$ 881	$ 9,961

Note 7. Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

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

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees and their dependents. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The full monthly premium rates as of September 1, 2024 for each plan are as shown below:

Rate Tier	Copay 1000	Copay Select 1500	HDHP 2500 NE	MV 6350 E
Single	$ 847	$ 804	$ 716	$ 550
Spouse	1,700	1,610	1,431	1,092

Employees covered by benefit terms: At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	364
	375

Total OPEB Liability: The District's total OPEB liability of $1,813,143 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024 rolled forward to June 30, 2025.

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

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2025 roll forward actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00% per annum
Salary increases	3.25% per annum
Discount rate	5.20% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	5.5% with an ultimate health care cost trend rate of 5.0%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP2021 generational projection of future mortality improvement. The actuarial assumptions used in the roll forward June 30, 2025 roll forward valuation were based on the results of an actuarial experience study for the period 2010– 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balance at July 1, 2024	$ 1,926,461
Changes for the year:	
Service cost	143,130
Interest	78,800
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(206,219)
Benefit payments	(129,029)
Net changes	(113,318)
Balance at June 30, 2025	$ 1,813,143

There were no changes as a result of changes in benefit terms. The discount rate was changed from 3.93% to 5.20%.

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

	1% Decrease 4.20%	Discount Rate 5.20%	1% Increase 6.20%
Total OPEB liability	$ 1,965,629	$ 1,813,143	$ 1,674,383

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	4.50%	5.50%	6.50%
Total OPEB liability	$ 1,628,851	$ 1,813,143	$ 2,032,876

For the year ended June 30, 2025, the District recognized OPEB expense of $283,075. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 445,088	$ (20,186)
Changes of assumptions or other inputs	241,547	(193,063)
Net difference between projected and actual investments	-	-
Total	$ 686,635	$ (213,249)

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

Year ended June 30:	
2026	61,145
2027	61,145
2028	61,145
2029	61,145
2030	61,145
Thereafter	167,661
	$ 473,386

Note 8. Risk Management

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

Note 9. Pension and Retirement Benefits

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

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

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

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

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

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

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

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

In fiscal year 2025, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll for a total rate of 15.73 percent.

Note 9. Pension and Retirement Benefits (Continued)

The District's contributions to IPERS for the year ended June 30, 2025 were $2,050,351.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the District reported a liability of $8,147,275 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2024, the District's proportion was 0.223734 percent, which was an increase of 0.008850 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $1,382,053. At June 30, 2025, 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	$ 648,286	$ 5,061
Changes of assumptions	-	114
Net difference between projected and actual earnings on pension plan investments	101,895	-
Changes in proportion and differences between District contributions and proportionate share of contributions	951,322	-
District contributions subsequent to the measurement date	2,050,351	-
Total	$ 3,751,854	$ 5,175

Deferred outflows of resources of $2,050,351 related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2026	$ (734,184)
2027	2,229,054
2028	306,239
2029	(132,745)
2030	27,964
Total	$ 1,696,328

There were no non-employer contributing entities to IPERS.

Note 9. Pension and Retirement Benefits (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2024 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 2024 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.52%
International equity	13.0%	5.18%
Global smart beta equity	5.0%	4.12%
Core plus fixed income	25.5%	3.04%
Public credit	3.0%	4.53%
Cash	1.0%	1.69%
Private equity	17.0%	8.89%
Private real assets	9.0%	4.25%
Private credit	5.5%	6.62%
Total	100%	

Note 9. Pension and Retirement Benefits (Continued)

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

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

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net pension liability	$ 19,993,266	$ 8,147,275	$ (1,773,805)

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

Payables to the Pension Plan – At June 30, 2025, the District reported payables to the defined benefit pension plan of $0 for legally required employer contributions and $0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled $1,000,789 for the year ended June 30, 2025 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Educations Agency (AEA) beginning July 1, 2024. For fiscal year 2026, 100% of the educational and media services funds generated by Districts will be received directly by the District and none will flow through to the AEAs. Also, for fiscal year 2026, Districts will flow through 90% (instead of 100%) of special education support services funds to AEAs, who will code the funds as a combination of state aid and property taxes.

Note 11. Categorical Funding

The District's restricted fund balance for categorical funding as of June 30, 2025 is comprised of the following programs:

Program	Amount
Gifted and talented	$ 57,027
Teacher salary supplement	365,531
Professional development	46,878
Four-year old preschool	346,875
Successful progression for early readers	44,580
Teacher leadership	256,359
Home school assistance	9,972
Other	20,011
Total restricted for categorical funding	$ 1,147,233

Note 12. Commitments and Contingencies

The District has financial commitments primarily relating to a variety of projects of $11,324,817 as of June 30, 2025 of which, approximately $9,645,368 of costs have been incurred. Sales tax and bond proceeds will fund the majority of these commitments.

Note 13. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2025 under tax abatement agreements of other entities.

Entity	Tax Abatement Program	Amount of Tax Abated
City of Altoona	Urban renewal and economic development projects	$ 511,550
City of Bondurant	Urban renewal and economic development projects	44,881

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, 2025, this reimbursement amounted to $121,021.

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

The District adopted the following statements during the year ended June 30, 2025:

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

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

The above statements did not have a significant impact to the District except for GASB Statement No. 101 required the District to restate beginning net position of the governmental activities, business type activities and major enterprise fund School Nutrition Fund.

As of June 30, 2025, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets,* issued September 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

GASB Statement No. 105, *Subsequent Events*, issued December 17, 2025, will be effective for the District beginning with its fiscal year ending June 30, 2027. This Statement is intended to enhance consistency in the application of requirements for subsequent events. The Statement defines subsequent events as transactions or other events that occur after the date of the financial reporting statements but before the date the financial statements are available to be issued. The definition of subsequent events in this Statement modifies the subsequent events time frame throughout the GASB literature. Statement No. 105 also clarifies the different types of subsequent events, when note disclosures are required, and the information that should be included in those note disclosures.

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

Note 15. Restatement

The District implemented GASB Statement No. 101, *Compensated Absences*, which required the District to restate net position as of June 30, 2024, follows:

	Governmental Activities	Business-type Activities	Major Enterprise Fund School Nutrition
Net position June 30, 2024, as previously reported	$ 54,360,218	$ 2,066,657	$ 1,786,961
Compensated absences liability, change in accounting principle	(2,074,428)	(38,359)	(38,359)
Net position June 30, 2024, as restated	$ 52,285,790	$ 2,028,298	$ 1,748,602

Note 16. Concentration of Employer and Subsequent Event

On November 7, 2025, the Iowa District Court for Polk County approved a settlement agreement between Zero Coupon Fulfillment Center and Polk County Board of Review regarding the January 1, 2023 assessed value of the Zero Coupon Fulfillment Center's property in Bondurant, Iowa. Zero Coupon Fulfillment Center is the top taxpayer in the District and represents approximately 9 percent of the District's tax resources for the year ended June 30, 2025. As a result of the reduction in assessed value, the District's fiscal year 2026 property tax distribution from Polk County will be decreased by approximately $700,000.

Bondurant-Farrar Community School District

Required Supplementary Information
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Actual to Budget - All Governmental Funds and Enterprise Funds
Year Ended June 30, 2025

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	$ 21,257,797	$ 1,203,512
State sources	23,909,319	10,935
Federal sources	889,945	710,447
Total revenues	46,057,061	1,924,894
Expenditures/expenses:		
Instruction	21,817,565	-
Support services	12,969,616	8,917
Noninstructional programs	7,221	1,971,694
Other expenditures	21,503,337	-
Total expenditures/expenses	56,297,739	1,980,611
Excess (deficiency) of revenues over (under) expenditures/expenses	(10,240,678)	(55,717)
Other financing sources (uses):		
Proceeds from sale of capital assets	3,800	-
Issuance of long term debt	28,640,000	-
Premium on issuance of long term debt	901,515	-
Issuance of lease	6,931	-
Insurance recoveries	358	-
Transfers in	2,262,861	-
Transfers (out)	(2,262,861)	-
Total other financing sources (uses)	29,552,604	-
Net change in fund balance/net position	19,311,926	(55,717)
Fund balance/net position, beginning of year, as restated	20,170,164	2,028,298
Fund balance/net position, end of year	$ 39,482,090	$ 1,972,581

See Notes to Required Supplementary Information.

	Budgeted Amounts		Final to Actual
Total Actual	Original	Final	Variance
$ 22,461,309	$ 20,394,601	$ 20,394,601	$ 2,066,708
23,920,254	23,231,559	23,231,559	688,695
1,600,392	2,471,240	2,471,240	(870,848)
47,981,955	46,097,400	46,097,400	1,884,555
21,817,565	23,890,765	23,890,765	2,073,200
12,978,533	14,765,711	14,765,711	1,787,178
1,978,915	2,480,000	2,480,000	501,085
21,503,337	36,471,953	36,471,953	14,968,616
58,278,350	77,608,429	77,608,429	19,330,079
(10,296,395)	(31,511,029)	(31,511,029)	21,214,634
3,800	15,000	15,000	(11,200)
28,640,000	28,320,000	28,320,000	320,000
901,515	-	-	901,515
6,931	-	-	6,931
358	-	-	358
2,262,861	7,022,806	7,022,806	(4,759,945)
(2,262,861)	(7,022,806)	(7,022,806)	4,759,945
29,552,604	28,335,000	28,335,000	1,217,604
19,256,209	$ (3,176,029)	$ (3,176,029)	$ 22,432,238
22,198,462			
$ 41,454,671			

Bondurant-Farrar Community School District

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

	2025	2024
Total OPEB liability		
Changes for the year:		
Service cost	$ 143,130	$ 138,625
Interest	78,800	75,172
Changes of benefit terms	-	-
Differences between expected and actual experience	-	292,746
Changes in assumptions or other inputs	(206,219)	85,633
Benefit payments	(129,029)	(122,943)
Net changes in total OPEB liability	(113,318)	469,233
Total OPEB liability - beginning	1,926,461	1,457,228
Total OPEB liability - ending	$ 1,813,143	$ 1,926,461
Covered employee payroll	$ 20,174,387	$ 19,539,358
Total OPEB liability as a percentage of covered employee payroll	8.99%	9.86%

Notes to Schedule:

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

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate. The following are the discount rates used in each period:	5.20%	3.93%

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

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

See Notes to Required Supplementary Information.

2023	2022	2021	2020	2019	2018
$ 77,503	$ 75,064	$ 81,082	$ 78,530	$ 54,279	$ 54,279
51,313	48,866	39,061	36,431	22,263	20,685
-	-	-	-	-	-
-	251,195	-	53,753	(18,501)	(16,654)
-	(6,332)	-	333,130	-	-
(87,165)	(85,865)	(44,903)	(39,827)	(14,204)	(16,037)
41,651	282,928	75,240	462,017	43,837	42,273
1,415,577	1,132,649	1,057,409	595,392	551,555	509,282
$ 1,457,228	$ 1,415,577	$ 1,132,649	$ 1,057,409	$ 595,392	$ 551,555
$ 12,888,367	$ 12,482,680	$ 13,219,922	$ 12,803,799	$ 9,201,933	$ 8,889,665
11.31%	11.34%	8.57%	8.26%	6.47%	6.20%
3.54%	3.54%	3.50%	3.50%	3.72%	3.72%

Bondurant-Farrar Community School District

Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System
Last Ten Fiscal Years

	2025*	2024*	2023*	2022*
District's proportion of the net pension liability	0.223734%	0.214884%	0.201528%	-0.077818%
District's proportionate share of the net pension liability	$ 8,147	$ 9,699	$ 7,614	$ 269
District's covered payroll	$ 20,646	$ 18,871	$ 16,180	$ 15,552
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.46%	51.40%	47.06%	1.73%
Plan fiduciary net pension as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%

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

Note: Amounts reported in thousands.

See Notes to Required Supplementary Information.

2021*	2020*	2019*	2018*	2017*	2016*
0.185754%	0.177471%	0.166165%	0.158550%	0.150889%	0.148017%
$ 13,049	$ 10,277	$ 10,515	$ 10,561	$ 9,496	$ 7,313
$ 14,742	$ 13,506	$ 12,472	$ 11,836	$ 10,828	$ 10,141
88.52%	76.09%	84.31%	89.23%	87.70%	72.11%
82.90%	85.45%	83.62%	82.21%	85.19%	85.19%

Bondurant-Farrar Community School District

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

	2025	2024	2023	2022
Statutorily required contribution	$ 2,050	$ 1,949	$ 1,781	$ 1,532
Contributions in relation to the statutorily required contribution	$ (2,050)	$ (1,949)	$ (1,781)	$ (1,532)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 21,720	$ 20,646	$ 18,871	$ 16,180
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.47%

Note: Amounts reported in thousands

See Notes to Required Supplementary Information.

2021	2020	2019	2018	2017	2016
$ 1,468	$ 1,392	$ 1,275	$ 1,114	$ 1,057	$ 967
$ (1,468)	$ (1,392)	$ (1,275)	$ (1,114)	$ (1,057)	$ (967)
	$ -	$ -	$ -	$ -	$ -
$ 15,552	$ 14,742	$ 13,506	$ 12,472	$ 11,836	$ 10,828
9.44%	9.44%	9.44%	8.93%	8.93%	8.93%

Bondurant-Farrar Community School District

Notes to Required Supplementary Information
Year Ended June 30, 2025

Note 1. Budgets and Budgetary Accounting

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

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

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

The District did not exceed budgeted expenditures.

Note 2. Iowa Public Employees' Retirement System Pension Liability

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

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

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%.

Bondurant-Farrar Community School District

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue		
	Management Fund	Student Activity	Total
Assets			
Cash and pooled investments	$ 1,245,910	$ 368,901	$ 1,614,811
Receivables:			
Property tax:			
Delinquent	1,665	-	1,665
Succeeding year	700,000	-	700,000
Accounts	11,020	6,945	17,965
Total assets	$ 1,958,595	$ 375,846	$ 2,334,441
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	$ 7,424	$ 27,892	$ 35,316
Total liabilities	7,424	27,892	35,316
Deferred inflows of resources, unavailable revenue:			
Succeeding year property tax	700,000	-	700,000
Fund balances			
Restricted for:			
Management levy purposes	1,251,171	-	1,251,171
Student activities	-	347,954	347,954
Total fund balances	1,251,171	347,954	1,599,125
Total liabilities, deferred inflows of resources and fund balances	$ 1,958,595	$ 375,846	$ 2,334,441

Bondurant-Farrar Community School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue		
	Management Fund	Student Activity	Total
Revenues:			
Local sources:			
Property tax	$ 446,799	$ -	$ 446,799
Utility excise tax	52,947	-	52,947
Other tax	395	-	395
Other	45,686	629,780	675,466
State appropriation	3,499	-	3,499
Total revenues	549,326	629,780	1,179,106
Expenditures:			
Current:			
Instruction	10,764	523,092	533,856
Support services:			
Administration	104,054	-	104,054
Operation and maintenance of plant	504,099	-	504,099
Transportation	30,386	-	30,386
Total expenditures	649,303	523,092	1,172,395
Excess (deficiency) of revenues over (under) expenditures before transfers	(99,977)	106,688	6,711
Transfers in	-	16,678	16,678
Net change in fund balances	(99,977)	123,366	23,389
Fund balances, beginning of year	1,351,148	224,588	1,575,736
Fund balances, end of year	$ 1,251,171	$ 347,954	$ 1,599,125

Bondurant-Farrar Community School District

Schedule of Combining Balance Sheet
Capital Projects Fund - By Account
June 30, 2025

	Capital Projects Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
Assets				
Cash and pooled investments	$ 6,199,254	$ 2,288,756	$ 21,236,019	$ 29,724,029
Receivables:				
Property tax:				
Delinquent	-	6,303	-	6,303
Succeeding year	-	2,061,534	-	2,061,534
Due from other governments	545,366	-	-	545,366
Total assets	$ 6,744,620	$ 4,356,593	$ 21,236,019	$ 32,337,232
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	$ 297,425	$ -	$ 1,242,354	1,539,779
Retainage payable	28,550	-	361,657	390,207
Total liabilities	325,975	-	1,604,011	1,929,986
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	-	2,061,534	-	2,061,534
Total deferred inflows of resources	-	2,061,534	-	2,061,534
Fund Balances:				
Restricted for:				
School infrastructure	6,418,645	-	19,632,008	26,050,653
Physical plant and equipment	-	2,295,059	-	2,295,059
Total fund balances	6,418,645	2,295,059	19,632,008	28,345,712
Total liabilities, deferred inflows of resources and fund balances	$ 6,744,620	$ 4,356,593	$ 21,236,019	$ 32,337,232

Bondurant-Farrar Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund - By Account
Year Ended June 30, 2025

	Capital Projects Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	Total
Revenues:				
Local sources:				
Property tax	$ -	$ 1,710,674	$ -	$ 1,710,674
Utility excise tax	-	159,174	-	159,174
Other tax	-	1,189	-	1,189
Other	277,417	163,800	858,766	1,299,983
State appropriations	3,385,959	10,519	-	3,396,478
Federal appropriations	190,290	-	-	190,290
Total revenues	3,853,666	2,045,356	858,766	6,757,788
Expenditures:				
Current:				
Instruction	-	174,252	-	174,252
Support services:				
Instructional staff	112,273	161,153	-	273,426
Administration	840	187,688	-	188,528
Operation and maintenance of plant	82,858	92,679	-	175,537
Transportation	99,884	180,119	-	280,003
Other expenditures:				
Capital outlay	3,538,907	22,611	9,741,038	13,302,556
Debt service:				
Interest and fiscal charges	1,200	-	452,675	453,875
Total expenditures	3,835,962	818,502	10,193,713	14,848,177
Excesss (deficiency) of revenues over (under) expenditures	17,704	1,226,854	(9,334,947)	(8,090,389)
Other financing sources (uses):				
Issuance of long term debt	-	-	28,640,000	28,640,000
Premium on issuance of long term debt	-	-	901,515	901,515
Issuance of lease	-	6,931	-	6,931
Transfers in	894,091	-	250,000	1,144,091
Transfers (out)	(1,648,855)	(788,800)	(867,049)	(3,304,704)
Total other financing sources (uses)	(754,764)	(781,869)	28,924,466	27,387,833
Net change in fund balance	(737,060)	444,985	19,589,519	19,297,444
Fund balance, beginning of year	7,155,705	1,850,074	42,489	9,048,268
Fund balance, end of year	$ 6,418,645	$ 2,295,059	$ 19,632,008	$ 28,345,712

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Bondurant-Farrar Community School District

Schedule of Changes in Special Revenue Fund,
Student Activity Accounts
Year Ended June 30, 2025

Account	Balance Beginning of Year	Revenues and Transfers in	Expenditures	Intra-Transfers	Balance End of Year
HS Musical	$ 8,610	$ 1,818	$ 2,670	$ -	$ 7,758
HS Play	9,248	12,944	8,184	-	14,008
Speech	-	2,670	2,670	-	-
Speech resale	1,140	-	400	-	740
Vocal Music	-	2,329	2,329	-	-
Instrumental Music	-	2,007	2,007	-	-
Instrumental Music Resale	12,468	9,601	11,290	-	10,779
Jayz Danz Drill Team	-	-	-	-	-
Jayz Dance Resale	13,723	39,179	20,564	-	32,338
General Athletics	76,806	435,796	345,396	-	167,206
Prom Account	13,149	8,701	5,822	-	16,028
We Care	3,945	24,900	26,870	-	1,975
Jump Rope for Heart	388	146	167	-	367
3rd Grade Bubble Account	313	-	-	-	313
Honor Society	-	-	-	-	-
Yearbook- HS	988	1,225	76	-	2,137
Art Club	-	357	357	-	-
Industrial Tech- Donations	3	-	-	-	3
Club Hola	3,646	-	-	(3,646)	-
Archery	14,209	15,166	15,916	-	13,459
FBLA	3,044	6,606	2,354	-	7,296
Mock Trial	-	351	351	-	-
Skills USA	-	113	113	-	-
FFA	12,638	19,659	18,268	-	14,029
FCCLA	383	146	167	-	362
Student Council	8,848	8,074	9,610	-	7,312
Middle School Student Council	12,077	16,598	13,914	-	14,761
Anderson Student Council	93	-	-	-	93
Robotics	9,073	5	798	-	8,280
After School Activities	2,068	7,500	10,538	1,637	667
Yearbook- MS	4,342	282	-	-	4,624
Elementary Yearbook	12,098	717	517	-	12,298
Art Department	1	-	-	-	1
Blue Jay Digital	1,287	9,168	8,217	-	2,238
Summer Camps	-	20,400	13,527	2,009	8,882
Total	$ 224,588	$ 646,458	$ 523,092	$ -	$ 347,954

Bondurant-Farrar Community School District

Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds - Modified Accrual Basis
Last Ten Years

	Years Ended June 30:			
	2025	2024	2023	2022
Revenues:				
Local sources:				
Local tax	$ 16,839,216	$ 14,363,617	$ 12,979,570	$ 12,053,966
Tuition	1,313,965	1,482,518	1,499,699	1,254,328
Other	3,104,616	2,537,254	2,113,545	1,129,293
State sources	23,909,319	23,321,318	22,056,493	20,515,433
Federal sources	889,945	594,912	1,106,253	1,773,538
Total revenues	$ 46,057,061	$ 42,299,619	$ 39,755,560	$ 36,726,558
Expenditures:				
Instruction	$ 21,817,565	$ 20,367,574	$ 19,455,248	$ 17,377,114
Support services:				
Student services	986,991	999,392	1,086,824	811,958
Instructional staff services	2,634,456	2,413,694	2,421,593	2,124,417
Administration services	4,151,910	4,306,637	3,728,413	3,128,339
Operation and maintenance of plant services	3,875,188	4,061,534	4,289,884	3,138,943
Transportation services	1,321,071	1,030,998	1,175,155	859,655
Non-instructional programs	7,221	3,280	5,247	944
Other expenditures:				
Capital outlay	13,302,556	7,164,697	5,951,440	19,183,730
Long-term debt:				
Principal	4,396,602	3,926,528	4,415,566	3,660,463
Interest and fiscal fees	2,803,390	1,583,966	1,754,465	1,313,502
AEA flowthrough	1,000,789	1,276,703	1,191,841	1,107,816
Total expenditures	$ 56,297,739	$ 47,135,003	$ 45,475,676	$ 52,706,881

	Years Ended June 30:					
2021	2020	2019	2018	2017	2016
$ 10,360,875	$ 9,423,319	$ 7,909,089	$ 6,955,834	$ 6,468,399	$ 5,881,168
1,121,516	1,225,875	1,091,703	1,058,969	1,121,157	962,912
773,549	1,515,078	1,291,151	1,136,270	875,304	713,573
19,894,936	17,852,035	16,733,678	15,910,214	14,920,351	12,974,898
1,222,163	424,948	545,373	561,749	402,617	459,427
$ 33,373,039	$ 30,441,255	$ 27,570,994	$ 25,623,036	$ 23,787,828	$ 20,991,978
$ 15,648,331	$ 14,761,235	$ 13,485,975	$ 12,340,797	$ 11,904,333	$ 10,868,557
804,948	720,029	694,620	653,224	634,125	599,763
2,166,359	2,298,833	1,834,858	1,489,514	927,412	924,989
2,761,208	2,553,853	2,294,500	2,199,475	1,990,985	1,876,984
3,254,845	2,625,743	2,582,739	2,470,683	2,140,385	1,997,918
688,697	709,127	864,427	927,132	684,799	695,007
500	-	-	-	-	-
9,929,225	2,583,849	7,566,018	10,605,397	4,082,370	639,453
2,425,000	1,670,000	1,690,000	8,035,000	1,915,000	1,295,000
883,541	874,315	927,484	1,030,557	912,078	586,065
1,062,055	979867	886,249	843,233	777,315	710,923
$ 39,624,709	$ 29,776,851	$ 32,826,870	$ 40,595,012	$ 25,968,802	$ 20,194,659

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Bondurant-Farrar Community School District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY25 4552	$ -	$ 94,055
National School Lunch Program	10.555	FY25 4553	-	447,339
Commodities -DOD (Noncash)	10.555	FY25	-	59,943
Commodities (Noncash)	10.555	FY25	-	92,143
			-	599,425
Total Child Nutrition Cluster Program			-	693,480
School Lunch Equipment Grant Stabilization	10.579	FY25 4011	-	14,968
Direct:				
Local Food for Schools	10.185	FY25 4911	-	2,000
Total U.S. Department of Agriculture			-	710,448
U.S. Department of Homeland Security				
Pass-Through State of Iowa Department of Homeland Security and Emergency Management:				
COVID-19 Coronavirus State and Local Fiscal Recovery	21.027	FY25 4034	-	190,289
U.S. Department of Education				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Educational Agencies	84.010	FY25 4501	-	155,745
Career and Technical Education- Basic Grants to States	84.048	FY25 4531	-	92,950
Supporting Effective Instruction State Grants	84.367	FY25 4643	-	34,678
Student Support and Academic Enrichment Program	84.424	FY25 4669	-	10,000
Education Stabilization Fund: COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants	84.425B	FY25 4053	-	9,734
Pass-Through Heartland Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States IDEA, Part B	84.027	FY25 4521	-	109,400
Total U.S. Department of Education			-	412,507
U.S. Department of Health and Human Services				
Pass-Through Iowa Department of Human Services:				
Public Health Emergency Preparedness	93.069	FY25 4691	-	7,613
Total Expenditures of Federal Awards			$ -	$ 1,320,857

See notes to schedule of expenditures of federal awards.

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Bondurant-Farrar Community School District

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Bondurant-Farrar Community School District under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Bondurant-Farrar Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Bondurant-Farrar Community School District.

Note 2. Summary of significant accounting policies

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

Note 3. Indirect Cost Rate

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

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Bondurant-Farrar Community School District

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Other Findings Related to Required Statutory Reporting:		
IV-H-24: The District identified variances in certified enrollment submitted to the state in October 2023.	Not corrected.	Student data changes were not timely communicated to District. See response and corrective action plan at IV-H-25.
IV-I-24: The District identified variances in supplementary weighting submitted to the state in October 2023.	Not corrected.	Student data changes were not timely communicated to District. See response and corrective action plan at IV-I-25.

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Bohnsack & Frommelt LLP
Certified Public Accountants
575 12th Avenue
East Moline, Illinois 61244

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bondurant-Farrar Community School District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 12, 2026.

Our report includes an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement No. 101.

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 Bondurant-Farrar Community School District's internal control.

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

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

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2025, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

District's Response to the Findings

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

Purpose of this Report

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

Bohnsack & Frommelt LLP

East Moline, Illinois
February 12, 2026

Bohnsack & Frommelt LLP
Certified Public Accountants
575 12th Avenue
East Moline, Illinois 61244

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bondurant-Farrar Community School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Bondurant-Farrar Community School 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, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



East Moline, Illinois
February 12, 2026

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Bondurant-Farrar Community School District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

● Material weakness(es) identified?	[ ] Yes	[X] No
● Significant deficiency identified?	[ ] Yes	[X] None Reported
● Noncompliance material to financial statements noted?	[ ] Yes	[X] No

Federal Awards

Internal control over major programs:

● Material weakness(es) identified?	[ ] Yes	[X] No
● Significant deficiency identified?	[ ] Yes	[X] None Reported

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

● Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	[ ] Yes	[X] No

Identification of major programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
Child Nutrition Cluster:	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Commodities -DOD (Noncash)
10.555	Commodities (Noncash)

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

Auditee qualified as low-risk auditee? [X] Yes [ ] No

(Continued)

Bondurant-Farrar Community School District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:
No matters were reported.

Internal control deficiencies:
No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:
No matters were reported.

Internal control deficiencies:
No matters were reported.

Part IV: Other Findings Related to Statutory Reporting

IV-A-25
Certified Budget: Expenditures for the year ended June 30, 2025 did not exceed the amounts budgeted at year-end.

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

IV-C-25
Travel Expense: No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-25
Business Transactions – No business transactions between the District and District officials or employees were noted.

IV-E-25
Restricted Donor Activity: No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

IV-F-25
Bond Coverage: Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

(Continued)

IV-G-25
Board Minutes: No transactions requiring Board approval which had not been approved by the Board were noted.

IV-H-25
Certified Enrollment:

Finding: The District identified variances in certified enrollment certified to the state in October 2024.

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

Response and Correction Action Plan: The District will continue to review data prior to submission. .

Conclusion: Response accepted.

IV-I-25
Supplementary Weighting:

Finding: The District identified variances in supplementary weighting submitted to the state in October 2024.

Recommendation: We recommend the District review supplementary weighting data for accuracy prior to submission to the state.

Response and Corrective Action Plan: The District will continue to review data prior to submission.

Conclusion: Response accepted.

IV-J-25
Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

IV-K-25
Certified Annual Report: The Certified Annual Report was certified timely to the Iowa Department of Education.

IV-L-25
Categorical Funding: No instances of categorical funding being used to supplant rather than supplement other funds were noted.

(Continued)

IV-M-25

Statewide Sales and Services Tax: No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2025, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		$ 7,155,705
Revenue / transfers in:		
Statewide sales and services tax revenue	$ 3,385,959	
Other	277,417	
Federal appropriations	190,290	
Transfers in	894,091	4,747,757
Expenditures/transfers out:		
Instructional staff	112,273	
Administration	840	
Operation and Maintenance of Plant	82,858	
Transportation	99,884	
School infrastructure:		
Buildings and improvements	3,538,907	
Debt service	1,200	
Transfers out	1,648,855	5,484,817
Ending balance		$ 6,418,645

For the year ended June 30, 2025, the District did not reduce a tax levy as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

Bondurant-Farrar Community School District

Corrective Action Plan
Year Ended June 30, 2025

Findings	Corrective Action Plan	Contact and Anticipated Date of Completion
Other Findings Related to Required Statutory Reporting:		
IV-H-25: The District identified variances in certified enrollment submitted to the state in October 2024.	See response and corrective action plan at IV-H-25	Cari Aylsworth June 30, 2026
IV-I-25: The District identified variances in supplementary weighting submitted to the state in October 2024.	See response and corrective action plan at IV-H-25	Cari Aylsworth June 30, 2026