

**Dallas Center - Grimes Community School District  
Grimes, Iowa**

**Basic Financial Statements**

**June 30, 2024**



**Dallas Center - Grimes Community School District**  
**Table of Contents**

<b>Elected Officials and Administration</b>	1
<b>Independent Auditor's Report</b>	3
<b>Management's Discussion and Analysis</b>	7
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	22
Statement of Activities	23
Governmental Fund Financial Statements	
Balance Sheet	24
Reconciliation of the Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	30
Proprietary Fund Financial Statements	
Statement of Net Position	31
Statement of Revenue, Expenses, and Changes in Fund Net Position	32
Statement of Cash Flows	33
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	34
Statement of Changes in Fiduciary Net Position	34
Notes to Basic Financial Statements	35
<b>Required Supplementary Information</b>	
Schedule of Budgetary Comparison of Revenue, Expenditures/Expenses, and Changes in Balances - Budget to Actual - All Governmental Funds and Proprietary Funds	60
Notes to Required Supplementary Information - Budgetary Reporting	61
Schedule of District's Proportionate Share of the Net Pension Liability	62
Schedule of District Contributions	63
Notes to Required Supplementary Information - Pension Liability	65
Schedule of Changes in Total OPEB Liability, Related Ratios and Notes	66
<b>Supplementary Information</b>	
Capital Projects Fund Accounts	
Combining Balance Sheet	70
Combining Schedule of Revenue, Expenditures, and Changes in Balances	71
Schedule of Changes in Student Activity Special Revenue Fund	72
Proprietary Funds	
Combining Statement of Net Position	75
Combining Schedule of Revenue, Expenses, and Changes in Fund Net Position	76
Combining Statement of Cash Flows	77
Schedule of Revenue by Source, Expenditures by Function and Other Financing Sources and Uses All Governmental Fund Types	78
Schedule of Expenditures of Federal Awards	80
Notes to the Schedule of Expenditures of Federal Awards	81

**Dallas Center - Grimes Community School District  
Table of Contents**

<b>Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	<b>83</b>
<b>Report on Compliance for each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance</b>	<b>85</b>
<b>Schedule of Findings and Questioned Costs</b>	<b>88</b>

**Dallas Center - Grimes Community School District  
Board of Education and Administration  
June 30, 2024**

<b>Board of Education</b>	<b>Position</b>	<b>Term Expires</b>
Ryan Carpenter	President	2027
Monica Malmberg	Vice President	2025
Nancy Baker Curtis	Board Member	2027
Meg Dickinson	Board Member	2027
Nick Fiala	Board Member	2025
Brandon McNace	Board Member	2025
Shaylee Vander Velden	Board member	2027
<hr/>		
<b>School Officials</b>		
Dr. Scott Blum	Superintendent	2026
Michelle Wearmouth	Board Secretary/Treasurer and Business Manager	Indefinite
Ahler's Law Firm	Attorney	Indefinite

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## Independent Auditor's Report

To the School Board  
Dallas Center - Grimes Community School District  
Grimes, Iowa

### **Report on Audit of the Basic Financial Statements**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dallas Center - Grimes Community School District, Grimes, Iowa, as of and for the year ended June 30, 2024, and the related notes to basic 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 in the first paragraph 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 Dallas Center - Grimes Community School District, Grimes, Iowa, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Emphasis of Matter - Implementation of Implementation Guide 2021-1**

The District has adopted new accounting guidance, Implementation Guide No. 2021-1 - Amending Capitalization Requirements. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents 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 Auditing Standards Board (GASB), 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 District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also 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 accompanying supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Bugenhagen, Ltd.*

St. Cloud, Minnesota  
November 18, 2024

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## **Dallas Center-Grimes Community School District Management's Discussion and Analysis**

Dallas Center-Grimes Community School District provides this management's discussion and analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the District's financial statements, which follow this narrative overview and analysis.

### **Financial Highlights**

- ◆ The assets and deferred outflows of resources of Dallas Center-Grimes Community School District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$86,953,107.
- ◆ General Fund revenues increased from \$45,664,918 in fiscal 2023 to \$48,083,121 in fiscal 2024, while General Fund expenditures increased from \$43,041,157 in fiscal 2023 to \$46,602,476 in fiscal 2024. The District's General Fund balance increased from \$9,191,942 in fiscal 2023 to \$10,672,587 in fiscal 2024. General Fund revenues increased due to an increase in state funding related to the amount received per student and an increase in the number of students served. General Fund expenditures increased due to the increase in salaries and benefits and additional programming.

### **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 Dallas Center-Grimes 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 Dallas Center-Grimes Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Dallas Center-Grimes Community School District acts solely as a custodian for the benefit of those outside of the District.

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

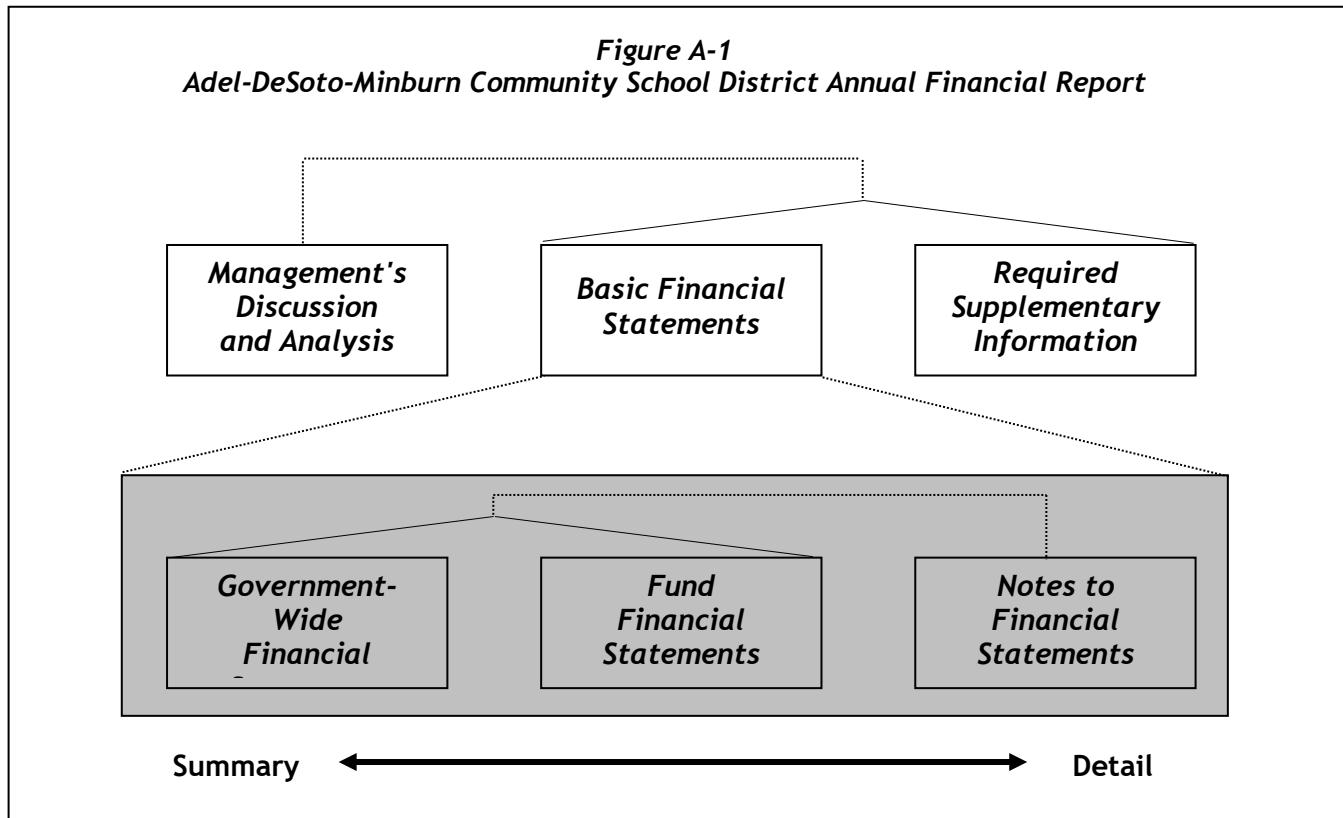
Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the schedule of changes in total OPEB liability for the retiree health plan.

Supplementary Information provides detailed information about the nonmajor governmental funds.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**USING THIS ANNUAL REPORT (CONTINUED)**

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



**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**USING THIS ANNUAL REPORT (CONTINUED)**

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.

<i><b>Figure A-2 Major Features of the Government-Wide and Fund Financial Statements</b></i>				
	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, student construction and student operated farm.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and custodial monies
Required financial statements	<ul style="list-style-type: none"> <li>◆ Statement of net position</li> <li>◆ Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>◆ Balance sheet</li> <li>◆ Statement of revenue, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>◆ Statement of net position</li> <li>◆ Statement of revenue expenses, and changes in fund net position</li> <li>◆ Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>◆ Statement of fiduciary net position</li> <li>◆ Statement of changes in fiduciary net position</li> </ul>
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/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital 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 deferred outflow/inflow information	Consumption/acquisition of net assets that is applicable to a future reporting period	Consumption/acquisition of fund balance that is applicable to a future reporting period	Consumption/acquisition of net assets that is applicable to a future reporting period	Consumption/acquisition of net assets that is applicable to a future reporting period
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenue 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 revenue 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

## Dallas Center-Grimes Community School District Management's Discussion and Analysis

### REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

#### Government-Wide Financial Statements

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

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

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

- ◆ *Governmental Activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- ◆ *Business-Type Activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition and future farmers of America 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 it is properly using certain revenue such as federal grants.

The District has three kinds of funds:

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

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

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

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES (CONTINUED)**

**Fund Financial Statements (Continued)**

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

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

3. *Fiduciary Funds:* The District is the custodian for assets that belong to others. These funds include the custodial fund.

The Custodial Fund is used to account for assets held by the District that belong to others.

The District is responsible for ensuring that the assets reported in the fiduciary funds are used only for their intended purposes 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.

The required financial statements for fiduciary funds include a statement of fiduciary net position and a statement of changes in fiduciary net position.

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

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Figure A-3 below provides a summary of the District's net position as of June 30, 2024, compared to June 30, 2024.

**Figure A-3  
Condensed Statement of Net Position**

	Governmental Activities		Business- Type Activities		Total District		Percent Change	
	June 30,		June 30,		June 30,			
	2024	2023	2024	2023	2024	2023		
Current and other assets	\$ 87,287,663	\$ 74,878,192	\$ 1,337,960	\$ 1,366,855	\$ 88,625,623	\$ 76,245,047	16.24%	
Capital assets	115,232,561	101,427,347	273,521	331,673	115,506,082	101,759,020	13.51%	
Total assets	202,520,224	176,305,539	1,611,481	1,698,528	204,131,705	178,004,067	14.68%	
Deferred outflows of resources	6,186,590	14,912,477	-	-	6,186,590	14,912,477	-58.51%	
Total assets and deferred outflows of resources	\$208,706,814	\$191,218,016	\$ 1,611,481	\$ 1,698,528	\$210,318,295	\$192,916,544	9.02%	
Current liabilities	\$ 9,836,942	\$ 5,228,258	\$ 87,655	\$ 81,348	\$ 9,924,597	\$ 5,309,606	86.92%	
Long-term liabilities	82,618,593	83,325,270	-	-	82,618,593	83,325,270	-0.85%	
Total liabilities	92,455,535	88,553,528	87,655	81,348	92,543,190	88,634,876	4.41%	
Deferred inflows of resources	30,821,998	39,096,211	-	-	30,821,998	39,096,211	-21.16%	
Net position								
Net investment in capital assets	43,866,335	40,008,857	273,521	331,673	44,139,856	40,340,530	9.42%	
Restricted	34,995,478	23,255,827	-	-	34,995,478	23,255,827	50.48%	
Unrestricted	6,567,468	303,593	1,250,305	1,285,507	7,817,773	1,589,100	391.96%	
Total net position	85,429,281	63,568,277	1,523,826	1,617,180	86,953,107	65,185,457	33.39%	
Total liabilities, deferred inflows of resources and net position	\$208,706,814	\$191,218,016	\$ 1,611,481	\$ 1,698,528	\$210,318,295	\$192,916,544	9.02%	

The District's total net position increased 9.0%, or \$21,767,650, from the prior year. The primary reason for the increase was an error correction related to capital assets as well as current year capital asset activity.

The largest portion of the District's net position is invested in capital assets (e.g., land, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets, this amount increased due to current year additions and debt payments outpacing depreciation and new debt issued.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$11,739,651, or 50.5%, over the prior year due to increased spending on capital projects.

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 \$6,228,673, or 392.0%. The increase in unrestricted net position was primarily a result of an increase in the deferred outflows of resources due to changes in actuarial assumptions as well as increased internal service fund net position.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

Figure A-4 shows changes in net position for the year ended June 30, 2024, compared to year ended June 30, 2023.

**Figure A-4  
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total District		Percent Change
	2024	2023	2024	2023	2024	2023	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 5,251,996	\$ 4,200,286	\$ 1,433,224	\$ 1,450,329	\$ 6,685,220	\$ 5,650,615	18.31%
Operating grants and contributions and restricted interest	8,377,987	7,431,164	897,695	1,165,073	9,275,682	8,596,237	7.90%
General revenues							
Property tax	26,412,488	24,975,023	-	-	26,412,488	24,975,023	5.76%
Statewide sales, services and use tax	4,581,784	4,617,815	-	-	4,581,784	4,617,815	-0.78%
Unrestricted state grants	19,015,121	18,185,864	-	-	19,015,121	18,185,864	4.56%
Unrestricted investment earnings	2,034,113	1,610,270	58,900	45,362	2,093,013	1,655,632	26.42%
Other	-	688,795	-	1,335	-	690,130	-100.00%
Total revenues	<u>65,673,489</u>	<u>61,709,217</u>	<u>2,389,819</u>	<u>2,662,099</u>	<u>68,063,308</u>	<u>64,371,316</u>	<u>5.74%</u>
<b>Program Expenses</b>							
Instruction	31,681,981	28,611,750	-	-	31,681,981	28,611,750	10.73%
Support services	15,362,621	14,794,158	-	-	15,362,621	14,794,158	3.84%
Noninstructional programs	-	-	2,483,173	2,667,261	2,483,173	2,667,261	-6.90%
Other	6,125,976	13,432,765	-	-	6,125,976	13,432,765	-54.40%
Total expenses	<u>53,170,578</u>	<u>56,838,673</u>	<u>2,483,173</u>	<u>2,667,261</u>	<u>55,653,751</u>	<u>59,505,934</u>	<u>-6.47%</u>
Change in net position	12,502,911	4,870,544	(93,354)	(5,162)	12,409,557	4,865,382	-155.06%
Beginning of year net position	63,568,277	58,697,733	1,617,180	1,622,342	65,185,457	60,320,075	8.07%
Error correction (See Note 12)	8,428,489	-	-	-	8,428,489	-	N/A
Change in accounting principle (See note 12)	929,604	-	-	-	929,604	-	N/A
Beginning of year net position, restated	<u>72,926,370</u>	<u>58,697,733</u>	<u>1,617,180</u>	<u>1,622,342</u>	<u>66,115,061</u>	<u>60,320,075</u>	<u>9.61%</u>
End of year net position	<u>\$ 85,429,281</u>	<u>\$ 63,568,277</u>	<u>\$ 1,523,826</u>	<u>\$ 1,617,180</u>	<u>\$ 77,595,014</u>	<u>\$ 65,185,457</u>	<u>19.04%</u>

In fiscal year 2024, property tax, statewide sales, services and use tax and unrestricted state grants accounted for 76.1% of governmental activities revenue while charges for service and operating grants, other and unrestricted interest accounted for 100% of business-type activities revenue. The District's total revenue was approximately \$68.1 million, of which approximately \$65.7 million was for governmental activities and \$2.4 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced a 5.7% increase in revenue and a 6.5% decrease in expenses. The increase in revenues was due to increases in student counts and amount received per student. The decrease in expenses is primarily due to the correction of an error, which reduced other expenses.

#### **Governmental Activities**

Revenue for governmental activities was \$65,673,489 and expenses were \$53,170,578, which amounted to an increase in net position of \$12,502,911 for the year ended June 30, 2024. There was also an increase to beginning net position for \$929,604 due to the implementation of Implementation Guide 2021-01 and an error correction that increased beginning net position for \$8,428,489.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Governmental Activities (Continued)**

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

**Figure A-5  
Total and Net Cost of Governmental Activities**

	Total Cost of Service			Net Cost of Service		
	2024	2023	Percentage Change	2024	2023	Percentage Change
Instruction	\$ 31,681,981	\$ 28,611,750	10.73%	\$ 21,038,256	\$ 18,656,658	12.77%
Support Services	15,362,621	14,794,158	3.84%	15,333,809	14,777,001	3.77%
Other	6,125,976	13,432,765	-54.40%	3,168,530	11,773,564	-73.09%
Total	<u>\$ 53,170,578</u>	<u>\$ 56,838,673</u>	<u>-6.45%</u>	<u>\$ 39,540,595</u>	<u>\$ 45,207,223</u>	<u>-12.53%</u>

For the year ended June 30, 2024:

- ◆ The cost financed by users of the District's programs was \$5,251,996.
- ◆ Federal and state governments and private entities subsidized certain programs with grants and contributions totaling \$8,377,987.
- ◆ The net cost of governmental activities was financed with \$30,994,272 in property and other taxes, \$19,015,121 in unrestricted state and federal grants, \$2,034,113 in unrestricted investment earnings.

**Business-Type Activities**

Revenue for business-type activities during the year ended June 30, 2024, was \$2,389,819, representing a 10.2% decrease over the prior year due to a decreased number of meals served, while expenses totaled \$2,483,173, a 6.9% decrease over the prior year due to fewer meals served. The District's business-type activities include the School Nutrition Fund, Student Construction Fund and Farm Account Fund. Revenue of these activities was comprised of charges for service, federal and state reimbursements and grants and investment earnings.

- ◆ Charges for service represent 60.0% of total revenue for fiscal years 2024. This represents the amount paid by students/staff for daily food service and farm sales.
- ◆ Federal and state operating grants, included reimbursement for meals, payments for free and reduced lunches, commodities provided to the District and other miscellaneous grants, totaled \$897,695, or 37.6% of total revenue.

## **Dallas Center-Grimes Community School District Management's Discussion and Analysis**

### **INDIVIDUAL FUND ANALYSIS**

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$44,881,515, an increase of \$2,872,136 from last year's ending fund balances of \$42,009,379. The primary reason for the increase in combined fund balances at the end of fiscal year 2024 was due to receiving several years of payments for the QSCB bonds from the federal government for debt service and positive general fund operations. Revenue increased from the prior year; \$3,964,272, or 6.4% due to increased state grants received. Expenditures increased 5.2% due to increases in salaries and benefits and increased programming.

#### **Governmental Fund Highlights**

The General Fund is the chief operating fund of the District. At the end of fiscal year 2024, unassigned fund balance of the General Fund was \$8,510,710 while total fund balance increased from \$9,191,942 at the end of fiscal year 2023 to \$10,672,587 the end of fiscal year 2024.

The General Fund balance increased by \$1,480,645, or 16.1%, during the current fiscal year. The primary reasons for this increase were fund operations.

The Debt Service Fund balance increased from \$14,085,359 at the end of fiscal year 2023 to \$16,293,1386 at the end of fiscal year 2024. The increase in fund balance due to pre levying for future debt service costs. Current year expenditures included principal and interest.

The Management Levy Fund balance decreased from \$1,796,577 at the end of fiscal year 2023 to \$1,274,601 at the end of fiscal year 2024. The decrease is due to early retirement payouts. Current year expenditures included insurance costs.

The Capital Projects Fund balance decreased from \$16,505,318 as of June 30, 2023, to \$16,244,388 as of June 30, 2024. Revenues increased due to the District receiving several years of QSCB credits in 2024. Expenditures decreased due to fewer capital project expenditures.

#### **Proprietary Fund Highlights**

School Nutrition Fund net position was \$1,469,647 as of June 30, 2024. Revenue decreased due to decreased number of meals served. Expenses decreased due to the decreased number of meals served.

The Student Construction fund net position was \$29,141 as of June 30, 2024. This fund had no activity during this fiscal year.

The Farm Account fund net position was \$25,038 as of June 30, 2024. This fund had minimal activity during the fiscal year.

## Dallas Center-Grimes Community School District Management's Discussion and Analysis

### BUDGETARY HIGHLIGHTS

In accordance with state law, the school board annually adopts a budget following the public notice and hearing requirements. 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 District adopts a budget in April for the following year and at the same time considers a budget amendment for expenditures for the current year. The District did amend its original budget for fiscal year 2024.

A schedule showing the original and final budget amounts compared to the District's actual financial activity is provided in this report as required supplementary information.

The District's total revenue was \$4,047,525 more than total budgeted revenue, a variance of 6.3%, primarily due to receiving more local sources aid than anticipated.

Total expenditures were \$12,601,296 less than total budgeted expenditures, a variance of 16.2%, primarily due to conservative budgeting.

The certified budget was not exceeded in any individual functions, other than noninstructional programs during the year and the District's total spending authority was not exceeded.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

As of June 30, 2024, the District had invested \$115,506,082, net of accumulated depreciation, in a broad range of capital assets, including land, buildings and improvements, land improvements, equipment, furniture and construction in progress (See Figure A-6). This represents a net increase of 4.4% from last year. More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation expense was \$3,268,989 for Governmental Activities and \$58,152 for Business-Type Activities.

The original cost of the District's capital assets was approximately \$155.1 million. Governmental funds account for approximately \$154.0 million with the remainder of approximately \$1.1 million accounted for in the Proprietary Funds.

**Figure A-6**  
**Capital Assets, Net of Depreciation**

	Governmental Activities		Business-Type Activities		Total District		Percentage Change
	June 30, 2024	2023	June 30, 2024	2023	June 30, 2024	2023	
Land	\$ 5,885,890	\$ 5,885,890	\$ -	\$ -	\$ 5,885,890	\$ 5,885,890	0.00%
Construction in progress	1,803,191	7,909,205	-	-	1,803,191	7,909,205	N/A
Buildings and Improvements	103,060,019	93,482,648	-	-	103,060,019	93,482,648	10.25%
Improvements other than buildings	690,533	804,545	-	-	690,533	804,545	-14.17%
Machinery and equipment	3,792,928	2,183,868	273,521	331,673	4,066,449	2,515,541	61.65%
Total	\$115,232,561	\$110,266,156	\$ 273,521	\$ 331,673	\$115,506,082	\$110,597,829	4.44%

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

## CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

### Long-Term Debt

As of June 30, 2024, the District had \$84,958,593 of total long-term debt outstanding. This represents a decrease of 0.9% from last year (See Figure A-7). Additional information about the District's long-term debt is presented in Note 5 to the financial statements.

The Constitution of the State of Iowa limits the amount of debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding debt is significantly below its constitutional debt limit of approximately \$134.2 million.

**Figure A-7  
Outstanding Long-Term Debt**

	Total District		Percent Change	
	June 30,			
	2024	2023		
General obligation bonds	\$ 63,225,000	\$ 65,640,000	-3.7%	
Revenue bonds	4,925,000	4,925,000	N/A	
Early retirement	-	12,953	-100.0%	
Net pension liability	13,013,922	10,838,264	20.1%	
Total OPEB liability	578,445	1,056,688	-45.3%	
Unamortized bond premium	3,216,226	3,280,318	-2.0%	
Total	\$ 84,958,593	\$ 85,753,223	-0.9%	

## ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- ◆ Approximately 79% of the general fund budget is salary and benefits. Current economic factors have driven district staff wage settlements higher than the increase the district has received in supplemental state aid growth.
- ◆ The District has experienced enrollment growth over several of the last ten years, however enrollment growth has stagnated since August 2023. The District's population in 2010 was estimated at 9,869 which is approximately 51% growth over the 2000 census. The District's population in 2020 was estimated at 17,293 according to the 2020 census which is approximately 75% growth over the 2010 census. The district should monitor demographic changes and base future estimates on conservative figures based on that data.
- ◆ The bond issue voted September 11, 2018 had an 84.5% positive vote in the election and construction will began in the 2018-19 fiscal year on Oak View 7-8 as well as 5-6 middle school renovation, and will continued through 2021-22 and 2023-24 with the high school renovation and additions.
- ◆ Private and corporate homebuilders continue to select the Grimes area for new home construction. The recent rate of growth will allow for a manageable transition to additional facilities, but accelerated rates of growth expected will greatly stress current facilities. The District continues to monitor growth of residential housing by monitoring the number of building permits granted and it is noted that recent data indicates a sharp incline in new building permits filed within the District.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)**

- ◆ Several large developments continue to proceed in the City of Grimes: the Heritage development and the Beaverbrook development as well as development platted near the Oak View facility and another development platted north of the high school facility. Rapid home building in each of these areas is being continually monitored by the District. The District will need to closely monitor changes in enrollment and plan for staffing changes in each budgetary cycle. Failure to monitor and/or to react to enrollment declines will negatively impact the District's budget.
- ◆ The District has contracted the services of RSP Associates to monitor and project enrollment growth. This is yet another factor providing information to the administration and subsequently to the Facilities committee to plan for enrollment growth.
- ◆ In September 2008, the District approved a new Statement of Purpose for the LOSST. This will allow a greater use of LOSST funds and adding to the capacity for projects that have primarily been PPEL projects.
- ◆ In the fall of 2008, the District established a community wide facility committee. The facility committee continues to meet to review future facility needs of the District and reviews uses of funds for projects or the need for future bonding for major construction.
- ◆ The District voters passed the voter-approved PPEL levy on April 7, 2016 for 10 years. These funds will continue to support repair and renovations in the District and possible funds for needed additions to facilities. The school board plans to consider presentation for renewal of the Voted PPEL in the upcoming fiscal year.
- ◆ Along with growth, transportation needs to transport students to school locations continues to grow. The District has purchased two new buses in the fiscal year. The District will need to maintain a level of at least two to three bus purchases annually in the future which has been included in the District ten-year PPEL planning. If neighborhood school boundaries are changed, bussing needs may also change and additional buses must be purchased per year.
- ◆ Fiscal 2024 was the second year of a two-year contract with the Dallas Center-Grimes Education Association. The Board negotiated a single year agreement for FY25 as the DCGEA moves through the recertification process in FY25.
- ◆ In January 2023, the bond rating was reviewed by Moody's Investing Service for the eighth time and the rating was upheld at Aa2. The report noted areas of strength including tax base growth, increasing enrollment, and strong fiscal management.
- ◆ Over the past several years, the District net open enrollment in and out number has changed dramatically. The 2016 school year experienced a net positive open enrollment students near the same figures as the previous fiscal year while 2017 and fiscal years 2020 through 2023 and 2024 saw a decline primarily based upon space available due to residential growth. The District will need to be careful of funding ongoing expenditures with funds as variable as open enrollment and make immediate changes in staffing levels if open enrollment drops. The District will also need to monitor students who choose charter schools as new legislation allows public school funding to be distributed to charter schools. The District needs to continue to foster open enrollment to the extent that facilities allow.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis**

**ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE (CONTINUED)**

- ◆ In the January 1, 2017 assessment of District taxable valuation, property values increased by 7%. In the January 1, 2018 assessment of District taxable valuation, property values increased by 13.88 followed by a property value increase in 2019 of 10.84%. In January 2020, value increased by 8.21% then increased 4.57% in FY21. In FY22, the valuation increased 10.61% and in FY23 the valuation increased 9.24%. The FY24 valuation increase was 7.29%. This percentage is varying greatly and difficult to predict for future projections. With the many variables associated with property tax valuation such as agricultural valuation changes in Dallas County, TIF valuation changes, and reassessment of properties, the District will monitor closely as it may not experience the same historic levels of taxable property valuation growth.
- ◆ Area cities continue to discuss and use TIF as means of supporting development. All TIF, but especially residential TIFs will have a negative impact on property tax rate. The District must continue to monitor and oppose TIFs that negatively impact the District.
- ◆ Although current facilities are in great condition, there has been an increasing need for annual facility maintenance funds, as District facilities are no longer under warranty and start to age. Much of the increased cost is associated with managing increased technology in our mechanical and electrical systems. The voters of the District approved a voted-PPEL levy to help meet the annual facility maintenance needs.
- ◆ The rapid addition of facilities has been fostered by significant residential and commercial taxable valuation growth. A decrease in valuation will likely have an impact on the District property tax rate. Although District enrollment growth has been manageable, rates of growth similar to other area districts will result in a significant impact upon facilities and in the property tax rate.
- ◆ Ongoing discussions of revisions to Highway 44, Highway 141, and the construction of a north/south bypass and/or an east/west bypass will impact the commercial and residential growth of Grimes. A proposed \$250 million mixed-use development in Grimes continues to be completed and will eventually include hotels, restaurants, retail, and a multi-use sports tournament venue for soccer, baseball, softball, and football. This development is called Hope District is proposed for 200 acres northwest of Highway 141 and East First Street. The Grimes City Council has approved a development agreement with Hope Development which addresses infrastructure, ownership, and management by the City of Grimes. The District will continue to monitor these developments for their impact to residential growth impacting enrollment and commercial growth impacting valuation.
- ◆ The District has structured payments for General Obligation bonds with several larger payments in the years 2027, 2028, and 2029. This structure will create difficulty in future bonding schedules, and the Board will prudently review this situation and take available action to consider using subsidy payments and pre-levying funds toward prepayment of those bonds to create a favorable payment structure for the future.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide 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, please contact Michelle Wearmouth, Business Manager at Dallas Center-Grimes Community School District, P.O. Box 680, Grimes, Iowa 50111.

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## **BASIC FINANCIAL STATEMENTS**

**Dallas Center - Grimes Community School District**  
**Statement of Net Position**  
**June 30, 2024**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and investments	\$ 55,350,392	\$ 1,324,365	\$ 56,674,757
Receivables			
Property tax - delinquent	57,407	-	57,407
Property tax - succeeding year	29,375,585	-	29,375,585
Accounts receivable	77,755	-	77,755
Due from other governmental units	2,426,524	-	2,426,524
Inventory	-	13,595	13,595
Capital assets, net of accumulated depreciation	107,543,480	273,521	107,817,001
Capital assets not being depreciated	7,689,081	-	7,689,081
Total assets	<u>202,520,224</u>	<u>1,611,481</u>	<u>204,131,705</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to OPEB	90,097	-	90,097
Deferred outflows related to pensions	6,096,493	-	6,096,493
Total deferred outflows of resources	<u>6,186,590</u>	<u>-</u>	<u>6,186,590</u>
Total assets and deferred outflows of resources	<u>\$ 208,706,814</u>	<u>\$ 1,611,481</u>	<u>\$ 210,318,295</u>
<b>Liabilities</b>			
Accounts and contracts payable	\$ 2,639,607	\$ 87,655	\$ 2,727,262
Salaries and benefits payable	4,032,059	-	4,032,059
Interest payable	381,327	-	381,327
Due to other governmental units	443,949	-	443,949
Bonds payable			
Due within one year	2,340,000	-	2,340,000
Due in more than one year	69,026,226	-	69,026,226
Noncurrent liabilities due in more than one year			
Total OPEB liability	578,445	-	578,445
Net pension liability	13,013,922	-	13,013,922
Total liabilities	<u>92,455,535</u>	<u>87,655</u>	<u>92,543,190</u>
<b>Deferred Inflows of Resources</b>			
Property tax levied for succeeding year	29,375,585	-	29,375,585
Deferred inflows related to OPEB	1,218,349	-	1,218,349
Deferred inflows related to pensions	228,064	-	228,064
Total deferred inflows of resources	<u>30,821,998</u>	<u>-</u>	<u>30,821,998</u>
<b>Net Position</b>			
Net investment in capital assets	43,866,335	273,521	44,139,856
Restricted for			
Categorical funding	1,167,877	-	1,167,877
Debt service	15,911,811	-	15,911,811
School infrastructure	9,835,892	-	9,835,892
Physical plant and equipment	6,408,496	-	6,408,496
Student activities	396,801	-	396,801
Management levy purposes	1,274,601	-	1,274,601
Unrestricted			
Total net position	<u>6,567,468</u>	<u>1,250,305</u>	<u>7,817,773</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 208,706,814</u>	<u>\$ 1,611,481</u>	<u>\$ 210,318,295</u>

**Dallas Center-Grimes Community School District**  
**Statement of Activities**  
**Year Ended June 30, 2024**

Functions/Programs	Program Revenues				Net (Expenses), Revenue, and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities							
Instruction	\$ 31,681,981	\$ 5,251,996	\$ 5,391,729	\$ (21,038,256)	\$ -	\$ (21,038,256)	
Support Services							
Student	972,364	-	-	(972,364)	-	(972,364)	
Instructional staff	2,900,567	-	-	(2,900,567)	-	(2,900,567)	
Administration	4,699,573	-	-	(4,699,573)	-	(4,699,573)	
Operation and maintenance of plant	4,868,415	-	-	(4,868,415)	-	(4,868,415)	
Transportation	1,921,702	-	28,812	(1,892,890)	-	(1,892,890)	
Facilities acquisition	460,725	-	-	(460,725)	-	(460,725)	
AEA Flow through	1,757,408	-	1,757,408	-	-	-	
Interest and fiscal charges	2,404,445	-	1,200,038	(1,204,407)	-	(1,204,407)	
Unallocated depreciation	1,503,398	-	-	(1,503,398)	-	(1,503,398)	
Total governmental activities	53,170,578	5,251,996	8,377,987	(39,540,595)	-	(39,540,595)	
Business-type activities							
Noninstructional programs							
Food service operations	2,483,173	1,431,327	897,695	-	(154,151)	(154,151)	
Future Farmers of America operations	-	1,897	-	-	1,897	1,897	
Total business-type activities	2,483,173	1,433,224	897,695	-	(152,254)	(152,254)	
Total	<u>\$ 55,653,751</u>	<u>\$ 6,685,220</u>	<u>\$ 9,275,682</u>	<u>(39,540,595)</u>	<u>(152,254)</u>	<u>(39,692,849)</u>	
General revenues							
Taxes							
Property taxes, levied for general purposes	16,531,942	-	-	16,531,942	-	16,531,942	
Property taxes, levied for debt service	6,520,918	-	-	6,520,918	-	6,520,918	
Property taxes, levied for management levy	670,757	-	-	670,757	-	670,757	
Property taxes, levied for capital outlay	2,688,871	-	-	2,688,871	-	2,688,871	
Unrestricted statewide sales, services, and use tax	4,581,784	-	-	4,581,784	-	4,581,784	
Unrestricted state grants	19,015,121	-	-	19,015,121	-	19,015,121	
Unrestricted investment earnings	2,034,113	58,900	-	2,034,113	58,900	2,093,013	
Total general revenues	52,043,506	58,900	-	52,043,506	58,900	52,102,406	
Change in net position							
Net position - beginning	63,568,277	1,617,180	-	63,568,277	1,617,180	65,185,457	
Error correction (See Note 12)	8,428,489	-	-	8,428,489	-	8,428,489	
Change in accounting principle (See Note 12)	929,604	-	-	929,604	-	929,604	
Net position - beginning, as restated	72,926,370	1,617,180	-	72,926,370	1,617,180	74,543,550	
Net position - ending	<u>\$ 85,429,281</u>	<u>\$ 1,523,826</u>	<u>-</u>	<u>\$ 85,429,281</u>	<u>\$ 1,523,826</u>	<u>\$ 86,953,107</u>	

See notes to basic financial statements.

**Dallas Center - Grimes Community School District**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	General (10)	Debt Service (40)	Management Levy (22)	Capital Projects
<b>Assets</b>				
Cash and investments	\$ 14,546,812	\$ 16,280,261	\$ 1,513,121	\$ 16,096,038
Receivables				
Property tax - delinquent	36,328	13,877	1,480	5,722
Property tax - succeeding year	15,373,693	7,225,318	3,794,395	2,982,179
Accounts receivable	45,817	-	-	-
Due from other governmental units	1,727,470	-	-	699,054
<b>Total assets</b>	<b>\$ 31,730,120</b>	<b>\$ 23,519,456</b>	<b>\$ 5,308,996</b>	<b>\$ 19,782,993</b>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 1,207,832	\$ 1,000	\$ 240,000	\$ 556,426
Salaries and benefits payable	4,032,059	-	-	-
Due to other governmental units	443,949	-	-	-
<b>Total liabilities</b>	<b>5,683,840</b>	<b>1,000</b>	<b>240,000</b>	<b>556,426</b>
<b>Deferred Inflows of Resources</b>				
Property tax levied for succeeding year	15,373,693	7,225,318	3,794,395	2,982,179
<b>Fund Balances</b>				
Restricted for				
Categorical funding	1,167,877	-	-	-
Debt service	-	16,293,138	-	-
School infrastructure	-	-	-	9,835,892
Physical plant and equipment	-	-	-	6,408,496
Management levy purposes	-	-	1,274,601	-
Student activities	-	-	-	-
Committed for				
Future equipment purchases	994,000	-	-	-
Unassigned	8,510,710	-	-	-
<b>Total fund balances</b>	<b>10,672,587</b>	<b>16,293,138</b>	<b>1,274,601</b>	<b>16,244,388</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 31,730,120</b>	<b>\$ 23,519,456</b>	<b>\$ 5,308,996</b>	<b>\$ 19,782,993</b>

<u>Nonmajor</u>		
<u>Student Activity (21)</u>		<u>Total Governmental Funds</u>
\$ 395,688		\$ 48,831,920
-		57,407
-		29,375,585
31,938		77,755
-		2,426,524
<u>\$ 427,626</u>		<u>\$ 80,769,191</u>
\$ 30,825		\$ 2,036,083
-		4,032,059
-		443,949
<u>30,825</u>		<u>6,512,091</u>
 - - - - -		 <u>29,375,585</u>
-		1,167,877
-		16,293,138
-		9,835,892
-		6,408,496
-		1,274,601
396,801		396,801
-		994,000
-		8,510,710
<u>396,801</u>		<u>44,881,515</u>
 <u>\$ 427,626</u>		 <u>\$ 80,769,191</u>

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**Dallas Center - Grimes Community School District**  
**Reconciliation of the Balance Sheet to**  
**the Statement of Net Position - Governmental Funds**  
**June 30, 2024**

Total fund balances - governmental funds	\$ 44,881,515
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Cost of capital assets	153,980,064
Less accumulated depreciation	(38,747,503)

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

Bonds payable	(68,150,000)
Bond premiums	(3,216,226)
Total OPEB liability	(578,445)
Net pension liability	(13,013,922)

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions and OPEB that are not recognized in the governmental funds.

Deferred outflows related to pensions	6,096,493
Deferred inflows related to pensions	(228,064)
Deferred inflows related to OPEB	(1,218,349)
Deferred outflows related to OPEB	90,097

An internal service fund is used by management to charge the costs of the District's health insurance services to various entities and individuals. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position and interfund activity is removed.

5,914,948

Governmental funds do not report a liability for accrued interest on bonds until due and payable.

(381,327)

Total net position - governmental activities	<u>\$ 85,429,281</u>
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**Dallas Center - Grimes Community School District**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2024**

	General (10)	Debt Service (40)	Management Levy (22)	Capital Projects
<b>Revenues</b>				
Revenue from local sources				
Local property taxes	\$ 16,439,159	\$ 6,487,094	\$ 666,644	\$ 2,674,924
Tuition	3,147,290	-	-	-
Other local and county revenues	1,615,038	495,253	-	1,900,061
Revenue from state sources	25,639,615	33,824	4,113	4,595,731
Revenue from federal sources	1,242,019	-	-	-
Total revenues	<u>48,083,121</u>	<u>7,016,171</u>	<u>670,757</u>	<u>9,170,716</u>
<b>Expenditures</b>				
Current				
Instruction				
Regular	17,998,833	-	240,002	-
Special	7,459,416	-	-	-
Other	5,512,330	-	-	-
Support services				
Student	999,425	-	-	-
Instructional staff	2,982,110	-	-	-
Administration	1,025,496	-	55,292	919,396
School administration	2,095,492	-	-	-
Business and central administration	698,323	-	-	-
Operation and maintenance of plant	4,121,637	-	754,543	-
Transportation	1,624,081	-	142,896	-
Other expenditures				
AEA flowthrough	1,757,408	-	-	-
Facilities acquisition	-	-	-	7,101,558
Capital outlay	327,925	-	-	1,266,636
Debt service				
Principal	-	2,415,000	-	-
Interest and fiscal charges	-	2,537,448	-	-
Total expenditures	<u>46,602,476</u>	<u>4,952,448</u>	<u>1,192,733</u>	<u>9,287,590</u>
Excess of revenues over (under) expenditures	1,480,645	2,063,723	(521,976)	(116,874)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	144,056	-	-
Transfers out	-	-	-	(144,056)
Total other financing sources (uses)	<u>-</u>	<u>144,056</u>	<u>-</u>	<u>(144,056)</u>
Net change in fund balances	1,480,645	2,207,779	(521,976)	(260,930)
<b>Fund Balances</b>				
Beginning of year	9,191,942	14,085,359	-	16,505,318
Change from nonmajor to major (See Note 12)	-	-	1,796,577	-
Beginning of year, restated	<u>9,191,942</u>	<u>14,085,359</u>	<u>1,796,577</u>	<u>16,505,318</u>
End of year	<u>\$ 10,672,587</u>	<u>\$ 16,293,138</u>	<u>\$ 1,274,601</u>	<u>\$ 16,244,388</u>

Nonmajor		Total Governmental Funds
Student Activity (21)		
\$ -	\$ 26,267,821	
-	3,147,290	
732,724	4,743,076	
-	30,273,283	
-	1,242,019	
<u>732,724</u>	<u>65,673,489</u>	
- 18,238,835		
- 7,459,416		
766,106 6,278,436		
- 999,425		
- 2,982,110		
- 2,000,184		
- 2,095,492		
- 698,323		
- 4,876,180		
- 1,766,977		
- 1,757,408		
- 7,101,558		
- 1,594,561		
- 2,415,000		
- 2,537,448		
<u>766,106</u> <u>62,801,353</u>		
(33,382) 2,872,136		
- 144,056		
<u>-</u> <u>(144,056)</u>		
- -	- -	
(33,382) 2,872,136		
2,226,760 42,009,379		
(1,796,577) -		
<u>430,183</u> <u>42,009,379</u>		
\$ 396,801 \$ 44,881,515		

See notes to basic financial statements.

**Dallas Center-Grimes Community School District  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances to the  
Statement of Activities - Governmental Funds  
Year Ended June 30, 2024**

Net change in fund balances - total governmental funds	\$ 2,872,136
--	--------------

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the useful lives as depreciation expense.

Capital outlays	8,235,394
Depreciation expense	(3,268,989)

Early retirement expenditures are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.

12,953

OPEB are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.

(18,753)

Principal payments on long-term debt are recognized as expenditures in the governmental funds but have no effect on net position in the Statement of Activities.

2,415,000

Pension 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.

1,081,027

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

68,911

Governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

64,092

An internal service fund is used by management to charge the costs of the District's health insurance services to various entities and individuals. The change in net position is reported within the governmental activities in the Statement of Activities.

1,041,140

Change in net position - governmental activities

\$ 12,502,911

**Dallas Center - Grimes Community School District**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2024**

	Business Type Activities	Total	Governmental Activities
		Enterprise Funds	Self Insurance fund (71)
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 1,324,365	\$ 6,518,472	
Inventory	13,595	-	
Total current assets	<u>1,337,960</u>	<u>6,518,472</u>	
Noncurrent			
Capital assets, net of accumulated depreciation	273,521	-	
Total assets	<u>\$ 1,611,481</u>	<u>\$ 6,518,472</u>	
<b>Liabilities</b>			
Current			
Accounts payable	\$ 87,655	\$ 603,524	
<b>Net Position</b>			
Investment in Capital Assets	273,521	-	
Unrestricted	1,250,305	5,914,948	
Total net position	<u>1,523,826</u>	<u>5,914,948</u>	
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,611,481</u>	<u>\$ 6,518,472</u>	

**Dallas Center - Grimes Community School District**  
**Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended June 30, 2024**

	Business Type Activities	Governmental Activities
	Total Enterprise Funds	Self Insurance fund (71)
<b>Operating Revenues</b>		
Local Sources		
Charges for services	\$ 1,392,874	\$ 6,602,805
Other receipts	40,350	-
Total revenue	<u>1,433,224</u>	<u>6,602,805</u>
<b>Operating Expenses</b>		
Insurance	-	5,561,665
Noninstructional programs		
Purchased services	2,108,989	-
Supplies	316,032	-
Depreciation	58,152	-
Total operating expenses	<u>2,483,173</u>	<u>5,561,665</u>
Operating income (loss)	(1,049,949)	1,041,140
<b>Nonoperating Revenues</b>		
Federal sources	884,554	-
State sources	13,141	-
Investment income	58,900	-
Total nonoperating revenues	<u>956,595</u>	<u>-</u>
Change in net position	(93,354)	1,041,140
<b>Net Position</b>		
Beginning of year	1,617,180	4,354,524
Error correction (See Note 12)	-	519,284
Beginning of year, restated	<u>1,617,180</u>	<u>4,873,808</u>
End of year	<u>\$ 1,523,826</u>	<u>\$ 5,914,948</u>

**Dallas Center - Grimes Community School District**  
**Statement of Cash Flows -**  
**Proprietary Funds**  
**in Fund Net Position - Proprietary Funds**  
**Year ended June 30, 2024**

	Business Type Activities		Governmental Activities	
	Total			
	Enterprise Funds	Self Insurance fund (71)		
<b>Cash Flows - Operating Activities</b>				
Cash received from miscellaneous operating activities	\$ 1,897	\$ 6,602,805		
Cash received from sale of lunches and breakfast	1,397,602	-		
Cash received from other	40,350	-		
Payments to employees	-	(5,561,665)		
Payments to suppliers	(2,255,939)	175,170		
Net cash flows - operating activities	(816,090)	1,216,310		
<b>Cash Flows - Noncapital Financing Activities</b>				
State grants received	13,141	-		
Federal grants received	720,789	-		
Net cash flows - noncapital financing activities	733,930	-		
<b>Cash Flows - Investment Activities</b>				
Interest received	58,900	-		
Net change in cash and cash equivalents	(23,260)	1,216,310		
<b>Cash and Cash Equivalents</b>				
Beginning of year	1,347,625	5,302,162		
End of year	\$ 1,324,365	\$ 6,518,472		
<b>Reconciliation of Operating Income (Loss) to Net</b>				
<b>Cash Flows - Operating Activities</b>				
Operating income (loss)	\$ (1,049,949)	\$ 1,041,140		
Adjustments to reconcile operating income (loss) to net cash flows - operating activities				
Commodities used	163,765	-		
Depreciation	58,152	-		
Accounts receivable	6,625	-		
Inventory	(990)	-		
Accounts payable	6,307	175,170		
Net adjustments	233,859	175,170		
Net cash flows - operating activities	\$ (816,090)	\$ 1,216,310		
<b>Non-Cash Investing, Capital and Related financing activities</b>				
During the year ended June 30, 2024 the District received federal commodities.	\$ 163,765	\$ -		

**Dallas Center-Grimes Community School District**  
**Statement of Fiduciary Net Position**  
**June 30, 2024**

	<u>Custodial Fund</u>
<b>Assets</b>	
<b>Current</b>	
Cash and investments	\$      79,027
Other receivables	<u>10,900</u>
Total assets	<u>89,927</u>
<b>Liabilities</b>	
Accounts payable	<u>89,927</u>
<b>Net Position</b>	<u>\$      -</u>

**Dallas Center-Grimes Community School District**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended June 30, 2024**

	<u>Custodial Fund</u>
<b>Additions</b>	
Intergovernmental	<u>\$      21,831</u>
<b>Deductions</b>	
Payments to member districts	<u>21,831</u>
<b>Net Position</b>	
Beginning of year	<u>-</u>
End of year	<u>\$      -</u>

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Dallas Center - Grimes Community School District (the District) is a political subdivision of the State of Iowa and operates public schools for children in grades preschool through twelve. 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 areas served include the Cities of Dallas Center and Grimes, Iowa, and the predominant agricultural territory in Dallas County. The District is governed by a Board of Education whose members are elected on a nonpartisan basis.

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

**A. Reporting Entity**

For financial reporting purposes, Dallas Center - Grimes 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 basic financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. The District has no component units which meet the Governmental Accounting Standards Board criteria.

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

**B. Basic Financial Statement Information**

**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 these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following 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 attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statement Information (Continued)**

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

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

**Description of Funds:**

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 nonmajor governmental funds.

The District reports the following major governmental funds:

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

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

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

Management Fund - This fund is authorized by *Iowa Code Section 298.4* and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

The District reports the following non-major governmental fund:

Student Activity Fund - This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.

The District's proprietary funds consist of three nonmajor Enterprise funds: School Nutrition, Student Construction and School Farm Account. These funds are used to account for the food service operations, student construction operations and farm rental operations of the District.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statement Information (Continued)**

The District also reports a fiduciary fund which focuses on net position and changes in net position. The District's fiduciary fund includes the following:

The Custodial Fund - This fund is used to account for assets held by the District as a custodian for individuals, private organizations, and other governments.

**C. Measurement Focus and Basis of Accounting**

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

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

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

Expenditures generally are 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 financed purchases are reported as other financing sources.

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

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

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

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

**D. Cash, Cash Equivalents, and Investments**

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

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

**E. Property Tax Receivable**

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

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1-1/2% per month penalty for delinquent payments; is based on January 1, 2022, assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024; and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2023.

**F. Due from Other Governments**

Due from other governments represents primarily amounts due from the State of Iowa, also included are amounts due for various shared revenue, grants, and reimbursements from other governments.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Inventories**

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

**H. Capital Assets**

Capital assets, which include property, furniture and equipment, and intangibles acquired after July 1, 1980, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of \$1,000 for governmental activities and \$500 for the proprietary school nutrition program and estimated useful lives in excess of five years.

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

Asset Class	Estimated Useful Lives (In Years)
Buildings and infrastructure	50
Improvements other than buildings	20-50
Furniture and equipment	5-15

**I. Deferred Outflows of Resources**

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

**J. Salaries and Benefits Payable**

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

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Long-Term Obligations**

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position. Bond premiums are amortized over the life of the bonds using the straight-line method. Refunding of debt may result in deferred gains or losses and are reported as deferred inflows and outflows of resources. The difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of long-term debt interest and fiscal charges using the straight-line method.

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

**L. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

**M. Total OPEB Liability**

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

**N. Deferred Inflows of Resources**

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

Deferred inflows of resources in the statement of net positions consist of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied, and unrecognized items not yet charged to pension and OPEB expense.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Fund Balances**

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

- ◆ Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, granters, or state or federal laws or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted fund balance.
- ◆ Committed - Amounts which can be used only for specific purposes determined 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.
- ◆ Unassigned - All amounts not included in the preceding classifications.

**P. Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as required supplementary information. During the year ended June 30, 2024, expenditures/expenses exceeded budgeted amounts in Noninstructional programs.

**Q. Estimates and Assumptions**

The preparation of basic 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 reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**A. Deposits**

The District's deposits in banks at June 30, 2024, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the *Code of Iowa*. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities, certificates of deposit or other evidences of deposit at federally insured depository institutions approved by 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. June 30, 2024, the District had deposits of \$22,152,638 and a money market account of \$291,788. The Custodial Fund also had deposits of \$79,027.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Investments**

At June 30, 2024, the District had investments as follows:

	Amortized Cost
Iowa Schools Joint Investment Trust (ISJIT)	
Diversified Portfolio (amortized cost)	\$ 20,566,808
UMB Bank	
Goldman Sachs Financial Square Treasury Investment Funds	<u>13,663,523</u>
Total investments	<u><u>\$ 34,230,331</u></u>

The investments are valued at an amortized cost 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 investments in ISJIT were rated AAAm by Standard & Poor's Financial Services.

**C. Deposits and Investments**

The following is a summary of total deposits and investments:

District Funds other than Fiduciary Funds	
Deposits (Note 2.A.)	\$ 22,444,426
Investments (Note 2.B.)	34,230,331
Custodial Fund (Note 2.A.)	<u>79,027</u>
Total deposits and investments	<u><u>\$ 56,753,784</u></u>

Deposits and investment at June 30, 2024, are presented as follows:

Statement of Net Position	
Cash and Investments	\$ 56,674,757
Custodial Fund	<u>79,027</u>
Total deposits and investments	<u><u>\$ 56,753,784</u></u>

**NOTE 3 - INTERFUND TRANSFERS**

Transfer In	Transfer Out	Amount
Debt Service	Capital projects	<u><u>\$ 144,056</u></u>

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

**Dallas Center - Grimes Community School District**  
**Notes to Basic Financial Statements**

**NOTE 4 - CAPITAL ASSETS**

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

	Balance - Beginning of Year (Restated)	Increases	Decreases	Balance - End of Year
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 5,885,890	\$ -	\$ -	\$ 5,885,890
Construction in progress	7,909,205	6,071,158	12,177,172	1,803,191
Total capital assets not being depreciated	<u>13,795,095</u>	<u>6,071,158</u>	<u>12,177,172</u>	<u>7,689,081</u>
Capital assets being depreciated				
Buildings	117,977,967	12,177,172	-	130,155,139
Improvements other than buildings	3,089,524	-	-	3,089,524
Machinery and equipment	10,962,688	2,164,236	80,604	13,046,320
Total capital assets being depreciated	<u>132,030,179</u>	<u>14,341,408</u>	<u>80,604</u>	<u>146,290,983</u>
Less accumulated depreciation for				
Buildings and improvements	24,495,319	2,599,801	-	27,095,120
Improvements other than buildings	2,284,979	114,012	-	2,398,991
Machinery and equipment	8,778,820	555,176	80,604	9,253,392
Total accumulated depreciation	<u>35,559,118</u>	<u>3,268,989</u>	<u>80,604</u>	<u>38,747,503</u>
Total capital assets being depreciated, net	<u>96,471,061</u>	<u>11,072,419</u>	<u>-</u>	<u>107,543,480</u>
Governmental activities capital assets, net	<u>\$ 110,266,156</u>	<u>\$ 17,143,577</u>	<u>\$ 12,177,172</u>	<u>\$ 115,232,561</u>
<b>Business-Type Activities</b>				
Machinery and equipment	\$ 1,145,606	\$ -	\$ -	\$ 1,145,606
Less accumulated depreciation	813,933	58,152	-	872,085
Business-type activities capital assets, net	<u>\$ 331,673</u>	<u>\$ (58,152)</u>	<u>\$ -</u>	<u>\$ 273,521</u>

**Dallas Center - Grimes Community School District**  
**Notes to Basic Financial Statements**

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to the following functions:

Governmental Activities

Instruction

Regular	\$ 1,467,554
Other	54,603

Support Services

Operation and maintenance of plant	49,822
Transportation	193,612
Unallocated	<u>1,503,398</u>

Total depreciation expense - governmental activities	<u>\$ 3,268,989</u>
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Business-Type Activities

Food service operations	<u>\$ 58,152</u>
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**NOTE 5 - LONG-TERM LIABILITIES**

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

	Balance - Beginning of Year				Balance - End of Year	Due Within One Year
		Additions	Reductions			
Governmental Activities						
General obligation bonds	\$ 65,640,000	\$ -	\$ 2,415,000	\$ 63,225,000	\$ 2,340,000	-
G.O. Bond Discounts	(177,018)	-	(177,018)	-	-	-
G.O. Bond Premiums	3,478,830	-	262,604	3,216,226	-	-
Revenue bonds	4,925,000	-	-	4,925,000	-	-
Revenue bond discounts	(21,494)	-	(21,494)	-	-	-
Early retirement	12,953	-	12,953	-	-	-
Net pension liability	10,838,264	2,175,658	-	13,013,922	-	-
Total OPEB liability	1,056,688	-	478,243	578,445	-	-
 Total	 <u>\$ 85,753,223</u>	 <u>\$ 2,175,658</u>	 <u>\$ 2,970,288</u>	 <u>\$ 84,958,593</u>	 <u>\$ 2,340,000</u>	

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 5 - LONG-TERM LIABILITIES (CONTINUED)**

**A. General Obligation Bonds**

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

Year Ending June 30,	General Obligation Bonds				
	Interest Rate	Principal	Interest	Credit	Total
2025	2.00%	\$ 2,340,000	\$ 2,195,949	\$ (583,222)	\$ 3,952,727
2026	2.00%	2,350,000	2,159,724	(583,222)	3,926,502
2027	2.00%	2,425,000	2,122,386	(583,222)	3,964,164
2028	2.00%	2,465,000	2,054,986	(583,222)	3,936,764
2029	2.00%	13,575,000	1,985,949	(583,222)	14,977,727
2030-2034	2.00%	17,490,000	5,527,538	-	23,017,538
2035-2039	2.00%	<u>22,580,000</u>	<u>2,440,588</u>	<u>-</u>	<u>25,020,588</u>
Total		<u>\$ 63,225,000</u>	<u>\$ 18,487,120</u>	<u>\$ (2,916,110)</u>	<u>\$ 78,796,010</u>

**B. Revenue Bonds**

Details of the District's June 30, 2024, revenue bonds is as follows:

Year Ending June 30,	Revenue Bonds				
	Interest Rate	Principal	Interest	Credit	Total
2025	2.00%	\$ -	\$ 288,113	\$ (265,300)	\$ 22,813
2026	2.00%	-	288,113	(265,300)	22,813
2027	2.00%	-	288,113	(265,300)	22,813
2028	2.00%	-	288,113	(265,300)	22,813
2029	2.00%	-	288,113	(265,300)	22,813
2030-2034	2.00%	<u>4,925,000</u>	<u>144,056</u>	<u>(132,650)</u>	<u>4,936,406</u>
Total		<u>\$ 4,925,000</u>	<u>\$ 1,584,621</u>	<u>\$ (1,459,150)</u>	<u>\$ 5,050,471</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$4,925,000 of bonds issued in December 2012. The bonds were issued for the purpose of financing a portion of the costs of a new 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 2030. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. The total principal and interest, net of credits, remaining to be paid on the notes is \$5,050,469. For the current year, \$22,813 of interest, net of credits, was paid on the bonds and total statewide sales, services and use tax revenues were \$4,595,731.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 5 - LONG-TERM LIABILITIES (CONTINUED)**

**B. Revenue Bonds (Continued)**

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

1. All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
2. Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
3. Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

The District did comply with all of the revenue bond provisions during the year ended June 30, 2024.

**NOTE 6 - PENSION AND RETIREMENT BENEFITS**

**A. Plan Description**

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

**B. Pension Benefits**

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

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

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

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)**

**B. Pension Benefits (Continued)**

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.

**C. 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.

**D. Contributions**

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

In fiscal year 2024, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2024, were \$2,548,271.

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

As of June 30, 2024, the District reported a liability of \$13,013,922 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. As of June 30, 2023, the District's proportion was 0.282039% which was an increase of 0.008973% from its proportion measured as of June 30, 2022.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)**

**E. Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2024, the District recognized pension expense of \$1,519,092. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 1,100,995	\$ 53,493
Changes of assumptions	-	206
Net difference between projected and actual earnings on IPERS investments	1,205,245	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,241,982	174,365
District contributions subsequent to the measurement date	2,548,271	-
 Total	 <u>\$ 6,096,493</u>	 <u>\$ 228,064</u>

The \$2,548,271 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>June 30,</u>	
2025	\$ 106,586
2026	(583,945)
2027	3,076,336
2028	619,216
2029	101,965
 Total	 <u>\$ 3,320,158</u>

There were no non-employer contributing entities to IPERS.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)**

**F. Actuarial Assumptions**

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2017)	2.6% per annum.
Salary increases (effective June 30, 2017)	3.25% to 16.25%, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.0% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.6% inflation assumption and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2023, valuation was 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 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long- term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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 %	4.56 %
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.68
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	<u>100.0 %</u>	

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 6 - PENSION AND RETIREMENT BENEFITS (CONTINUED)**

**G. Discount Rate**

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

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

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

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	\$ 27,670,498	\$ 13,013,922	\$ 731,469

**I. Pension Plan Fiduciary Net Position**

Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

**J. Payables to the Pension Plan**

As of June 30, 2024, the District reported payables to the defined benefit pension plan of \$14,279 for legally required employer contributions and \$8,697 for legally required employee contributions withheld from employee wages but not yet remitted to IPERS.

**NOTE 7 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the prior year.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 7 - RISK MANAGEMENT (CONTINUED)**

The District provides a health care self-insurance program. The General Fund of the District participates in this program and make payments to the Health Insurance Internal Service Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the basic financial statements indicates it is probable a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. The total claims liability reported in the fund as of June 30, 2024, was \$603,524, which is comprised of the liability for known claims as well as an estimate for claims incurred but not yet reported. Changes in the fund's claims liability amounts for the past three years are as follows:

Year	Beginning Balance	Expense and Estimates	Claims Payments	Ending Balance
2022	\$ 735,251	\$ 5,653,117	\$ 5,553,695	\$ 834,673
2023	834,673	6,311,230	6,198,265	947,638
2024	947,638	6,602,805	6,946,919	603,524

**NOTE 8 - AREA EDUCATION AGENCY SUPPORT**

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 \$1,757,408 for the year ended June 30, 2024, and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

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

**B. Benefit Provided**

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

**C. Members**

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

Inactive employees or beneficiaries currently receiving benefit payments	9
Active employees	<u>452</u>
Total	<u>461</u>

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**D. Actuarial Assumptions**

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

**Key Methods and Assumptions Used in Valuation of Total OPEB Liability**

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Discount rate (effective June 30, 2021)	3.93%
Rates of Salary increases (effective June 30, 2021)	3.25%
Healthcare cost trend rate	7.75% to an ultimate rate of 4.00%

The actuarial assumptions used in the June 30, 2024, valuation was based on the results of an actuarial experience study for the period July 1, 2023, through June 30, 2024.

Changes in assumptions since the prior valuation are as follows:

- ◆ The trend rates were updated to an initial rate of 7.75% grading down to an ultimate rate of 4.00%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- ◆ The Iowa Public Employees' Retirement System (IPERS) retirement rates were updated to the rates from the June 30, 2023 Actuarial Valuation report.
- ◆ The marriage assumption was decreased from 30% to 15% based on current census rates of coverage.
- ◆ The participation assumption was decreased from 50% to 20% based on information gathered by the District.
- ◆ The discount rate was updated from 3.65% to 3.93%.

*Discount Rate*

The discount rate used to measure the total OPEB liability was 3.93% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**E. Total OPEB Liability**

The District's total OPEB liability of \$578,445 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2024.

	Total OPEB Liability (a)
Balances at July 1, 2023	<u>\$ 1,056,688</u>
Changes for the year	
Service cost	126,100
Interest	42,384
Assumption changes	(611,593)
Differences between expected and actual economic experience	8,019
Benefit payments	<u>(43,153)</u>
Net changes	<u>(478,243)</u>
Balances at June 30, 2024	<u><u>\$ 578,445</u></u>

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**F. OPEB Liability Sensitivity**

The following presents the District's total OPEB liability calculated using the discount rate of 3.93% as well as the liability measured using 1 percentage point lower and 1 percentage point higher than the current discount rate.

	1% Decrease in Discount Rate (2.93%)	Current Discount Rate (3.93%)	1% Increase in Discount Rate (4.93%)
Total OPEB liability	\$ 630,000	\$ 578,445	\$ 532,000

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 healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate.

	1% Decrease Trend Rate (6.75%)	Current Trend Rate (7.75%)	1% Increase Trend Rate (8.75%)
Total OPEB liability	\$ 509,000	\$ 578,445	\$ 663,000

**G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the District recognized OPEB expense of \$61,905. At June 30, 2024, 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
Changes of assumptions	\$ 82,823	\$ 641,100
Differences between expected and actual economic experience	7,274	577,249
<b>Total</b>	<b>\$ 90,097</b>	<b>\$ 1,218,349</b>

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**G. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)**

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

Year Ending June 30,	Total
2025	\$ (106,579)
2026	(106,579)
2027	(106,579)
2028	(106,579)
2029	(108,096)
Thereafter	<u>(593,840)</u>
 Total	 <u>\$ (1,128,252)</u>

**NOTE 10 - TAX ABATEMENTS**

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

**A. Tax Abatements of Other Entities**

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

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

Entity	Tax Abatement Program	Amount of Tax Abated
City of Grimes	Urban renewal and economic development projects	\$ 927,299
City of Dallas Center	Urban renewal and economic development projects	29,722
City of Urbandale	Urban renewal and economic development projects	122,225

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 10 - TAX ABATEMENTS (CONTINUED)**

**A. Tax Abatements of Other Entities (Continued)**

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2024, this reimbursement amounted to \$506,401.

**NOTE 11 - CATEGORICAL FUNDING**

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

The District's restricted fund balance for categorical funding as of June 30, 2024, is comprised of the following programs:

Statewide voluntary 4-year-old preschool program	\$ 33,764
Teacher salary supplement	48,504
Gifted and talented	372,820
Teacher leadership grant	<u>712,789</u>
Total	<u>\$ 1,167,877</u>

**NOTE 12 - RESTATEMENTS AND ADJUSTMENTS OF BEGINNING NET POSITION AND FUND BALANCES**

During the year ended June 30, 2024, the District determined that assets related to construction in the prior year were not reported. Therefore, capital assets were understated by \$7,909,205 for the year ended June 30, 2023. In addition, facilities acquisition expense was overstated by \$7,909,205. The District also determined that the Internal Service Fund Accounts Payable was overstated by \$519,284 for the year ended June 30, 2024.

During the year ended June 30, 2024, the District implemented *Implementation Guide No. 2021-1 - Amending Capitalization Requirements*. This resulted in an increase in capital assets, net of accumulated depreciation, of \$929,604.

During the year ended June 30, 2024, the District's Management Levy Special Revenue Fund was changed from a nonmajor governmental fund to a major governmental fund, resulting in a reduction of beginning fund balance for the nonmajor governmental funds of \$1,796,577.

**Dallas Center - Grimes Community School District  
Notes to Basic Financial Statements**

**NOTE 12 - RESTATEMENTS AND ADJUSTMENTS OF BEGINNING NET POSITION AND FUND BALANCES  
(CONTINUED)**

During the year ended June 30, 2024, changes to or within the financial reporting entity, error corrections and changes in accounting principle resulted in adjustments to and restatement of beginning net position and fund net position, as follows.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances				Government- Wide	
	Funds			Governmental Activities		
	Self Insurance Fund	Management Levy	Nonmajor Governmental			
6/30/2023, as previously reported	\$ 5,354,524	\$ -	\$ 2,226,760	\$ 63,568,277		
Error correction	519,284	-	-	-	8,428,489	
Change from nonmajor to major	-	1,796,577	(1,796,577)	-	-	
Change in accounting principle	-	-	-	-	929,604	
 6/30/2023, as adjusted or restated	 <u>\$ 5,873,808</u>	 <u>\$ 1,796,577</u>	 <u>\$ 430,183</u>	 <u>\$ 72,926,370</u>		

**NOTE 13 - CONSTRUCTION COMMITMENTS**

The District entered into two contracts related to construction projects totaling \$11,855,000 for school building improvements. As of June 30, 2024, costs of \$11,019,092 had been incurred against the contracts. The balance of \$835,908 remaining at June 30, 2024 will be paid as work on the project progresses.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**Dallas Center - Grimes Community School District**  
**Schedule of Budgetary Comparison of Revenue,**  
**Expenditures/Expenses and Changes in Balances**  
**Budget to Actual - All Governmental Funds and Proprietary Funds**  
**Year Ended June 30, 2024**

	Amounts Original and Final	Actual		Variance with Final Budget - Over (Under)
		Governmental Funds	Proprietary Funds	
<b>Revenues</b>				
Local sources	\$ 32,566,331	\$ 34,158,187	\$ 1,492,124	\$ 3,083,980
State sources	29,805,167	30,273,283	884,554	1,352,670
Federal sources	1,644,285	1,242,019	13,141	(389,125)
Total revenues	<u>64,015,783</u>	<u>65,673,489</u>	<u>2,389,819</u>	<u>4,047,525</u>
<b>Expenditures</b>				
Instruction	33,209,292	31,976,687	-	(1,232,605)
Support services	18,132,115	15,418,691	-	(2,713,424)
Noninstructional programs	2,481,000	-	2,483,173	2,173
Other expenditures	24,063,415	15,405,975	-	(8,657,440)
Total expenditures	<u>77,885,822</u>	<u>62,801,353</u>	<u>2,483,173</u>	<u>(12,601,296)</u>
Net change in fund balance	<u>\$ (13,870,039)</u>	<u>\$ 2,872,136</u>	<u>\$ (93,354)</u>	<u>\$ 16,648,821</u>
<b>Fund Balance</b>				
Beginning of year		<u>42,009,379</u>	<u>1,617,180</u>	
End of year		<u>\$ 44,881,515</u>	<u>\$ 1,523,826</u>	

**Dallas Center - Grimes Community School District  
Notes to the Required Supplementary Information-  
Budgetary Reporting**

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

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

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

During the year ended June 30, 2024, expenditures exceeded the District's budget in the Noninstructional program.

**Dallas Center-Grimes Community School District**  
**Schedule of District's Proportionate Share**  
**of the Net Pension Liability**  
**Iowa Public Employees' Retirement System**  
**Last Ten Years (In Thousands)**

Measurement Date	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.2057%	\$ 8,325	\$ 13,736	60.61%	87.61%
2016	0.2217%	11,020	15,282	72.11%	85.19%
2017	0.2299%	14,339	16,341	87.75%	81.82%
2018	0.2353%	15,536	17,411	89.23%	82.21%
2019	0.2501%	15,822	18,792	84.20%	83.62%
2020	0.2275%	13,263	17,451	76.00%	85.45%
2021	0.2674%	18,651	21,227	87.86%	82.90%
2022	0.2661%	373	21,603	1.73%	100.81%
2023	0.2731%	10,838	23,157	46.80%	91.41%
2024	0.2820%	13,014	26,994	48.21%	90.13%

**Dallas Center-Grimes Community School District**  
**Schedule of District Contributions**  
**Iowa Public Employees' Retirement System**  
**Last Ten Years (In Thousands)**

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,365	\$ 1,365	\$ -	\$ 15,286	8.93%
2016	1,459	1,459	-	16,338	8.93%
2017	1,555	1,555	-	17,413	8.93%
2018	1,678	1,678	-	18,791	8.93%
2019	1,647	1,647	-	17,447	9.44%
2020	2,004	2,004	-	21,229	9.44%
2021	2,039	2,039	-	21,600	9.44%
2022	2,186	2,186	-	23,157	9.44%
2023	2,390	2,390	-	25,318	9.44%
2024	2,548	2,548	-	26,992	9.44%

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**Dallas Center - Grimes Community School District  
Notes to the Required Supplementary Information -  
Pension Liability**

**Changes of Benefit Terms**

There are no significant changes in benefit terms.

**Changes of Assumptions**

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

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

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

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

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

- ◆ Decreased the inflation assumption from 3.00% to 2.60%.
- ◆ Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- ◆ Decreased the discount rate from 7.50% to 7.0%.
- ◆ Decreased the wage growth assumption from 4.00% to 3.25%.
- ◆ Decreased the payroll growth assumption from 4.00% to 3.25%.

**Dallas Center-Grimes Community School District**  
**Schedule of Changes in Total OPEB Liability,**  
**Related Ratios and Notes**

	June 30, 2018	June 30, 2019	June 30, 2020
<b>Total OPEB Liability</b>			
Service cost	\$ 209,200	\$ 217,296	\$ 237,521
Interest	70,946	74,949	76,490
Differences between expected and actual experience	-	-	(177,401)
Changes of assumptions	(41,610)	53,309	89,097
Recognition of deferred inflows/outflows	-	-	(761,377)
Benefit payments	(138,000)	(148,369)	(85,668)
Net change in total OPEB liability	<u>100,536</u>	<u>197,185</u>	<u>(621,338)</u>
Beginning of year	<u>1,693,013</u>	<u>1,793,549</u>	<u>1,990,734</u>
End of year	<u>\$ 1,793,549</u>	<u>\$ 1,990,734</u>	<u>\$ 1,369,396</u>
Covered employee payroll	\$ 18,353,586	\$ 19,011,486	\$ 21,446,703
Total OPEB liability as a percentage of covered-employee payroll	9.77%	10.47%	6.39%

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

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**Change in Benefit Terms**

There were no significant changes in benefit terms.

**Changes in Assumptions**

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

**Year Ended**  
June 30,

2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%
2017	3.58%

Additional changes in assumptions since the prior valuation are as follows.

- ◆ The trend rates were updated to an initial rate of 7.75% grading down to an ultimate rate of 4.00%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- ◆ The Iowa Public Employees' Retirement System (IPERS) retirement rates were updated to the rates from the June 30, 2023 Actuarial Valuation report.
- ◆ The marriage assumption was decreased from 30% to 15% based on current census rates of coverage.
- ◆ The participation assumption was decreased from 50% to 20% based on information gathered by the District.

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>
\$ 178,435	\$ 183,663	\$ 123,746	\$ 126,100
33,093	35,347	37,691	42,384
-	(582,666)	-	8,019
6,340	(79,393)	(10,607)	(611,593)
-	-	-	-
<u>(100,826)</u>	<u>(67,321)</u>	<u>(70,210)</u>	<u>(43,153)</u>
<u>117,042</u>	<u>(510,370)</u>	<u>80,620</u>	<u>(478,243)</u>
<u>1,369,396</u>	<u>1,486,438</u>	<u>976,068</u>	<u>1,056,688</u>
<u>\$ 1,486,438</u>	<u>\$ 976,068</u>	<u>\$ 1,056,688</u>	<u>\$ 578,445</u>
\$ 22,090,000	\$ 18,834,176	\$ 19,493,000	\$ 27,600,609

6.73%                  5.18%                  5.42%                  2.10%

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## **SUPPLEMENTARY INFORMATION**

**Dallas Center-Grimes Community School District**  
**Combining Balance Sheet -**  
**Capital Projects Fund Accounts**  
**June 30, 2024**

	Capital Projects		
	Statewide Sales, Services and Use Tax (33)	Physical Plant and Equipment Levy (23)	Total
<b>Assets</b>			
Cash and investments	\$ 9,584,768	\$ 6,511,270	\$ 16,096,038
Receivables			
Property tax - delinquent	-	5,722	5,722
Property tax - succeeding year	-	2,982,179	2,982,179
Due from other governmental units	<u>699,054</u>	-	<u>699,054</u>
Total assets	<u>\$ 10,283,822</u>	<u>\$ 9,499,171</u>	<u>\$ 19,782,993</u>
<b>Liabilities</b>			
Accounts and contracts payable	<u>\$ 447,930</u>	<u>\$ 108,496</u>	<u>\$ 556,426</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - succeeding year property tax	<u>-</u>	<u>2,982,179</u>	<u>2,982,179</u>
<b>Fund Balances</b>			
Restricted			
School infrastructure	9,835,892	-	9,835,892
Physical plant and equipment	<u>-</u>	<u>6,408,496</u>	<u>6,408,496</u>
Total fund balances	<u>9,835,892</u>	<u>6,408,496</u>	<u>16,244,388</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,283,822</u>	<u>\$ 9,499,171</u>	<u>\$ 19,782,993</u>

**Dallas Center - Grimes Community School District**  
**Combining Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balances - Capital Projects Fund Accounts**  
**Year Ended June 30, 2024**

	Capital Projects		
	Statewide Sales, Services and Use Tax (33)	Physical Plant and Equipment Levy (23)	Total
<b>Revenues</b>			
Revenue from local sources			
Local property taxes	\$ -	\$ 2,674,924	\$ 2,674,924
Other local and county revenues	1,782,468	117,593	1,900,061
Revenue from state sources	4,581,784	13,947	4,595,731
Total revenues	<u>6,364,252</u>	<u>2,806,464</u>	<u>9,170,716</u>
<b>Expenditures</b>			
Current			
Support services			
Administration	346,699	572,697	919,396
Facilities acquisition and construction	7,021,762	79,796	7,101,558
Capital Outlay	-	1,266,636	1,266,636
Total expenditures	<u>7,368,461</u>	<u>1,919,129</u>	<u>9,287,590</u>
Excess of revenues over (under) expenditures	(1,004,209)	887,335	(116,874)
<b>Other Financing Sources (Uses)</b>			
Transfers out	<u>(144,056)</u>	<u>-</u>	<u>(144,056)</u>
Net change in fund balances	(1,148,265)	887,335	(260,930)
<b>Fund Balances</b>			
Beginning of year	<u>10,984,157</u>	<u>5,521,161</u>	<u>16,505,318</u>
End of year	<u>\$ 9,835,892</u>	<u>\$ 6,408,496</u>	<u>\$ 16,244,388</u>

**Dallas Center - Grimes Community School District**  
**Schedule of Changes in Student Activity**  
**Special Revenue Fund**  
**Year Ended June 30, 2024**

Account	Balance - Beginning of Year		Revenue	Expenditures	Intrafund Transfers	Balance - End of Year	
	\$	-	\$	\$	\$	\$	\$
HS Annual	\$	-	\$	240	\$	2,526	\$
HS Art Club		1,217		-		-	1,217
Athletics	6,516		66,987	52,890	(18,968)		1,645
Athletics Resale	8,410		18,953	14,833	(12,176)		354
HS/MS/Elem Band Resale	-		7,300	26,247	18,947		-
Baseball	1,294		7,061	17,621	9,266		-
Baseball Fundraising	5,304		250	7,748	2,194		-
Boosters	-		135,843	135,843	-		-
Athletic Performance	-		2,217	-	-		2,217
Camps and Clinics	125		-	-	-		125
Boys/Girls Basketball	7,937		20,543	15,981	(3,233)		9,266
Basketball Fundraising	17,581		17,002	18,514	-		16,069
Girls Basketball	2,892		15,355	14,034	-		4,213
Girls Basketball Fundraising	14,960		17,141	20,288	-		11,813
Class of							
2023	10,497		60	2,410	(8,147)		-
2024	6,914		140	17,903	10,849		-
2025	8,144		13,982	186	(2,702)		19,238
2026	2,010		3,532	1,146	-		4,396
2027	-		4,429	3	-		4,426
2028	12		-	12	-		-
Cross Country	-		345	3,810	3,465		-
Boys Cross Country Fundraiser	1,015		1,835	1,503	-		1,347
Girls Cross Country Fundraiser	71		623	225	-		469
Dance Team	6,274		23,416	26,206	-		3,484
Dig Pink Volleyball	254		-	-	-		254
Speech	-		941	3,287	2,346		-
Drill Team	569		354	-	-		923
Equip Repair	5,023		-	-	(4,023)		1,000
E-sports	420		1,215	527	-		1,108
E-sports Fund Balance	-		-	-	-		-
Football	7,100		57,240	41,369	(10,525)		12,446
Football Fundraising	2,143		22,820	28,361	3,398		-
HS French Club	685		-	-			685
FFA	11,896		23,139	17,839	(5,518)		11,678
Greenhouse Club	1,938		701	-	-		2,639
Girls Softball	-		12,789	21,614	8,825		-
Girls Softball Fundraiser	19,084		-	13,819	(5,265)		-

**Dallas Center - Grimes Community School District**  
**Schedule of Changes in Student Activity**  
**Special Revenue Fund**  
**Year Ended June 30, 2024**

Account	Balance - Beginning of Year	Revenue	Expenditures	Intrafund Transfers	Balance - End of Year
Boys Golf	\$ -	\$ -	\$ 4,855	\$ 4,855	\$ -
Boys Golf Fundraiser	672	-	98	(574)	-
Girls Golf	-	-	568	568	-
Girls Golf Fundraiser	2,444	90	2,051	-	483
HS Bakers	1,158	-	-	-	1,158
HS Enterprise	2,569	380	240	-	2,709
HS Student Council	18,318	4,950	6,150	-	17,118
HS Honor Society	5,266	3,224	3,737	-	4,753
HS Cheerleading	10,787	11,875	12,344	-	10,318
HS Dance Marathon	728	1,164	854	-	1,038
HS Juice/Pop Machine	6,090	2,857	4,404	-	4,543
HS Best Buddies	2,258	-	185	-	2,073
HS Band/Vocal Fundraiser	7,464	20,711	1,507	(3,662)	23,006
HS Show Chior	8,169	40,231	40,840	-	7,560
HS Jazz Choir	121	14,588	11,565	-	3,144
HS Vocal Solo Ensemble	-	2,011	7,605	5,594	-
HS Band Fundraiser	2,179	469	6,310	3,662	-
Interest	354	7,148	38	(6,017)	1,447
Boys Soccer	1,703	4,862	5,652	(913)	-
Boys Soccer Fundraiser	-	660	1,576	4,713	3,797
Girls Soccer	-	7,595	5,729	649	2,515
Girls Soccer Fundraiser	6,483	745	2,485	(649)	4,094
HS Drama/Musical	4,307	18,535	10,776	(2,746)	9,320
MS Drama/Musical	20,219	3,485	4,897	-	18,807
Mock Trial	-	-	400	400	-
P.A.L.S.	4,095	-	-	-	4,095
Picture Fund	-	-	3,731	3,731	-
Spanish Club	638	-	-	-	638
Track	-	680	480	480	680
Boys Track	5,563	6,115	9,719	(1,959)	-
Boys Track Fundraising	2,270	4,764	2,940	(206)	3,888
Girls Track	-	888	3,941	3,053	-
Girls Track Fundraising	-	350	556	206	-
Tennis- Boys	-	15	991	976	-
Tennis- Boys Fundraising	-	-	43	43	-
Tennis- Girls	-	366	141	(225)	-
Tennis- Girls	-	1,187	2,061	874	-
Volleyball	7,335	12,947	9,271	(3,560)	7,451

**Dallas Center - Grimes Community School District**  
**Schedule of Changes in Student Activity**  
**Special Revenue Fund**  
**Year Ended June 30, 2024**

Account	Balance - Beginning of Year	Revenue	Expenditures	Intrafund Transfers	Balance - End of Year
Volleyball Fundraising	\$ 10,447	\$ 13,191	\$ 11,900	\$ -	\$ 11,738
Washington DC fundraiser	276	-	-	-	276
Wrestling	-	13,257	13,462	205	-
Wrestling Fundraiser	11,534	11,441	7,834	(205)	14,936
Wrestling - Girls	-	6,968	2,855	(483)	3,630
Wrestling - Girls Fundraiser	2,730	-	3,213	483	-
Meadows Yearbook	7,799	475	19	-	8,255
HS/MS/Elem Vocal Resale	-	-	-	-	-
Jr. High Annual	9,326	-	7,160	-	2,166
Jr. High Cheerleading	74	-	-	-	74
Jr. High Juice/Pop Machine	26,314	3,960	16,771	-	13,503
Jr. High Student Council	6,385	-	95	-	6,290
Jr. High Honor Society	81	-	-	-	81
MS Athletics	280	32	-	(312)	-
MS Band/Vocal Fundraiser	-	-	-	-	-
Northridge Fundraiser	23,761	3,385	2,559	-	24,587
Oak View Vocal Fundraiser	-	-	100	100	-
Oak View Band Fundraiser	4,112	12,004	4,092	(100)	11,924
Oak View Showchoir	8,643	9,608	7,966	-	10,285
Meadows Pop Fundraiser	7,941	2,866	8,062	-	2,745
Meadows Student Council	5,092	1,430	1,487	-	5,035
Kiwanis Key Club	2,686	801	592	-	2,895
Seniors Against Cancer 2010	111	-	-	-	111
FFA Test Plot	8,969	-	-	-	8,969
Elementary Fundraiser - Grimes	9,510	2,595	1,855	-	10,250
Elementary Fundraiser - D.C	1,869	227	-	-	2,096
Elementary Fundraiser - Heritage	9,590	1,139	599	-	10,130
Elementary Student Council	329	-	-	-	329
Technology Student Association (TSA)	613	-	-	-	613
Character Counts	236	-	-	-	236
	<hr/> <u>\$ 430,183</u>	<hr/> <u>\$ 732,724</u>	<hr/> <u>\$ 766,106</u>	<hr/> <u>\$ -</u>	<hr/> <u>\$ 396,801</u>

**Dallas Center - Grimes Community School District**  
**Combining Statement of Net Position - Proprietary Funds**  
**June 30, 2024**

	Business Type Activities			
	School Nutrition (61)	Student Construction (64)	Farm Account(69)	Total
<b>Assets</b>				
Current				
Cash and cash equivalents	\$ 1,270,186	\$ 29,141	\$ 25,038	\$ 1,324,365
Inventory	13,595	-	-	13,595
Total current assets	<u>1,283,781</u>	<u>29,141</u>	<u>25,038</u>	<u>1,337,960</u>
Noncurrent				
Capital assets, net of accumulated depreciation	273,521	-	-	273,521
Total assets	<u>\$ 1,557,302</u>	<u>\$ 29,141</u>	<u>\$ 25,038</u>	<u>\$ 1,611,481</u>
<b>Liabilities</b>				
Current				
Accounts payable	\$ 87,655	\$ -	\$ -	\$ 87,655
<b>Net Position</b>				
Investment in Capital Assets	273,521	-	-	273,521
Unrestricted	1,196,126	29,141	25,038	1,250,305
Total net position	<u>1,469,647</u>	<u>29,141</u>	<u>25,038</u>	<u>1,523,826</u>
Total liabilities and net position	<u>\$ 1,557,302</u>	<u>\$ 29,141</u>	<u>\$ 25,038</u>	<u>\$ 1,611,481</u>

**Dallas Center - Grimes Community School District**  
**Combining Statement of Revenues, Expenses, and Changes**  
**in Fund Net Position - Proprietary Funds**  
**Year Ended June 30, 2024**

	Business-Type Activities					
	Student		Farm			
	School Nutrition (61)	Construction (64)	Account(69)	Total		
<b>Operating Revenues</b>						
Local Sources						
Charges for services	\$ 1,390,977	\$ -	\$ 1,897	\$ 1,392,874		
Other receipts	40,350	-	-	40,350		
Total revenue	<u>1,431,327</u>	<u>-</u>	<u>1,897</u>	<u>1,433,224</u>		
<b>Operating Expenses</b>						
Noninstructional programs						
Purchased services	2,108,989	-	-	2,108,989		
Supplies	316,032	-	-	316,032		
Depreciation	58,152	-	-	58,152		
Total operating expenses	<u>2,483,173</u>	<u>-</u>	<u>-</u>	<u>2,483,173</u>		
Operating income (loss)	(1,051,846)	-	1,897	(1,049,949)		
<b>Nonoperating Revenues</b>						
Federal sources	884,554	-	-	884,554		
State sources	13,141	-	-	13,141		
Investment income	58,900	-	-	58,900		
Total nonoperating revenues	<u>956,595</u>	<u>-</u>	<u>-</u>	<u>956,595</u>		
Change in net position	(95,251)	-	1,897	(93,354)		
<b>Net Position</b>						
Beginning of year	<u>1,564,898</u>	<u>29,141</u>	<u>23,141</u>	<u>1,617,180</u>		
End of year	<u>\$ 1,469,647</u>	<u>\$ 29,141</u>	<u>\$ 25,038</u>	<u>\$ 1,523,826</u>		

**Dallas Center - Grimes Community School District**  
**Combining Statement of Cash Flows -**  
**Proprietary Funds**  
**Year Ended June 30, 2024**

	Business Type Activities					
	Student		Farm			
	School Nutrition (61)	Construction (64)	Account (69)	Total		
<b>Cash Flows - Operating Activities</b>						
Cash received from miscellaneous operating activities	\$ -	\$ -	\$ 1,897	\$ 1,897		
Cash received from sale of lunches and breakfast	1,397,602	-	-	1,397,602		
Cash received from other	40,350	-	-	40,350		
Payments to suppliers	(2,255,939)	-	-	(2,255,939)		
Net cash flows - operating activities	<u>(817,987)</u>	<u>-</u>	<u>1,897</u>	<u>(816,090)</u>		
<b>Cash Flows - Noncapital Financing Activities</b>						
State grants received	13,141	-	-	13,141		
Federal grants received	720,789	-	-	720,789		
Net cash flows - noncapital financing activities	<u>733,930</u>	<u>-</u>	<u>-</u>	<u>733,930</u>		
<b>Cash Flows - Investment Activities</b>						
Interest received	58,900	-	-	58,900		
Net cash flows - investment activities	<u>58,900</u>	<u>-</u>	<u>-</u>	<u>58,900</u>		
Net change in cash and cash equivalents	(25,157)	-	1,897	(23,260)		
<b>Cash and Cash Equivalents</b>						
Beginning of year	1,295,343	29,141	23,141	1,347,625		
End of year	<u>\$ 1,270,186</u>	<u>\$ 29,141</u>	<u>\$ 25,038</u>	<u>\$ 1,324,365</u>		
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows - Operating Activities</b>						
Operating income (loss)	\$ (1,051,846)	\$ -	\$ 1,897	\$ (1,049,949)		
Adjustments to reconcile operating income (loss) to net cash flows - operating activities						
Commodities used	163,765	-	-	163,765		
Depreciation	58,152	-	-	58,152		
Accounts receivable	6,625	-	-	6,625		
Inventory	(990)	-	-	(990)		
Accounts payable	6,307	-	-	6,307		
Net adjustments	<u>233,859</u>	<u>-</u>	<u>-</u>	<u>233,859</u>		
Net cash flows - operating activities	<u>\$ (817,987)</u>	<u>\$ -</u>	<u>\$ 1,897</u>	<u>\$ (816,090)</u>		
<b>Non-Cash Investing, Capital and Related Financing Activities</b>						
During the year ended June 30, 2024 the District received federal commodities.	\$ 163,765	\$ -	\$ -	\$ 163,765		

**Dallas Center - Grimes Community School District**  
**Schedule of Revenue by Source, Expenditures by Function and Other**  
**Financing Sources and Uses - All Governmental Fund Types**  
**(Modified Accrual Basis)**  
**Last Ten Years**

	<b>Fiscal Year</b>			
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>				
Local sources				
Local tax	\$ 26,267,821	\$ 24,975,024	\$ 21,334,598	\$ 20,220,149
Tuition	3,147,290	3,753,336	2,630,843	2,429,852
Other	4,743,076	2,743,487	2,336,188	2,184,507
State sources	30,273,283	28,912,229	26,805,713	24,460,395
Federal sources	1,242,019	1,325,141	1,390,210	1,873,865
Total revenue	<u>65,673,489</u>	<u>61,709,217</u>	<u>54,497,552</u>	<u>51,168,768</u>
<b>Expenditures</b>				
Instruction				
Regular	18,238,835	16,162,180	17,496,183	14,942,681
Special	7,459,416	6,440,038	7,609,738	4,959,049
Other	6,278,436	6,191,991	2,652,552	5,235,787
Support Services				
Student	999,425	1,082,570	1,043,832	1,157,469
Instructional staff	2,982,110	3,051,896	2,871,905	2,495,689
Administration	4,793,999	4,233,010	3,413,085	3,475,195
Operation and maintenance of plant	4,876,180	4,823,442	4,325,287	4,126,032
Transportation	1,766,977	1,602,724	1,848,971	1,682,644
Other expenditures				
AEA flowthrough	1,757,408	1,659,201	1,540,413	1,442,196
Facilities acquisition	7,101,558	9,366,132	7,924,529	21,091,911
Capital outlay	1,594,561	-	-	-
Debt Service				
Principal	2,415,000	2,460,000	2,420,000	19,415,000
Interest and fiscal charges	<u>2,537,448</u>	<u>2,598,762</u>	<u>2,855,892</u>	<u>3,202,543</u>
Total expenditures	<u>\$ 62,801,353</u>	<u>\$ 59,671,946</u>	<u>\$ 56,002,387</u>	<u>\$ 83,226,196</u>

Fiscal Year						
	2020	2019	2018	2017	2016	2015
\$ 18,428,172	\$ 18,805,963	\$ 16,653,465	\$ 14,847,680	\$ 13,075,546	\$ 12,272,534	
2,677,963	2,700,118	2,586,747	2,733,064	2,517,722	2,236,592	
3,121,664	2,756,732	2,295,056	2,133,492	2,024,313	1,895,944	
22,345,634	21,291,432	20,299,489	18,465,973	16,689,892	15,091,801	
904,858	876,276	838,679	736,963	631,454	498,934	
<u>47,478,291</u>	<u>46,430,521</u>	<u>42,673,436</u>	<u>38,917,172</u>	<u>34,938,927</u>	<u>31,995,805</u>	
 14,062,751	 12,769,327	 12,460,152	 11,613,216	 11,181,345	 10,722,326	
4,699,500	3,799,400	3,297,029	3,083,743	4,435,322	3,883,233	
4,932,273	4,918,487	4,760,706	4,377,423	2,085,479	2,147,323	
 1,009,947	 977,902	 910,540	 771,241	 762,618	 634,873	
2,686,155	2,337,432	2,363,454	2,197,720	1,783,497	1,238,643	
3,197,295	2,618,014	2,571,134	2,467,466	2,632,356	2,957,997	
3,480,768	3,276,755	2,950,904	2,587,132	2,763,862	3,025,115	
1,514,024	1,593,671	1,569,138	1,136,030	1,260,699	1,097,040	
 1,310,827	 1,225,741	 1,153,382	 1,033,233	 960,969	 904,670	
21,911,847	7,208,443	3,988,789	12,619,631	3,332,373	2,197,567	
-	-	-	-	-	-	
 2,155,000	 1,490,000	 1,455,000	 1,430,000	 1,535,000	 1,365,000	
2,603,267	1,624,656	1,658,476	1,828,613	1,787,846	1,353,558	
<u>\$ 63,563,654</u>	<u>\$ 43,839,828</u>	<u>\$ 39,138,704</u>	<u>\$ 45,145,448</u>	<u>\$ 34,521,366</u>	<u>\$ 31,527,345</u>	

**Dallas Center-Grimes Community School District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

Federal Agency/Pass Through Agency/Program Title	Federal Assistance Listing Number	Expenditures
<b>U.S. Department of Agriculture</b>		
Through Iowa Department of Education		
Child Nutrition Cluster		
Commodities Programs (noncash assistance)	10.555	\$ 163,765
School Breakfast	10.553	107,889
Type A Lunch	10.555	529,957
Supply Chain Assistance	10.555	82,943
Total Child Nutrition Cluster and U.S. Department of Agriculture		<u>884,554</u>
<b>U.S. Department of Education</b>		
Through Heartland Area Education Agency		
Special Education Grants to States	84.027	<u>151,791</u>
Through Iowa Department of Education		
Title I Grants to Local Educational Agencies	84.010	246,806
Career and Technical Education - Basic Grants to States	84.048	46,800
English Language Acquisition State Grants	84.365	7,260
Title IIA - Federal Teacher Quality Program	84.367	49,192
Student Support and Academic Enrichment Program (Title IVA)	84.424	10,981
Total through Iowa Department of Education		<u>361,039</u>
Total U.S. Department of Education		<u>512,830</u>
Total Federal Expenditures		<u>\$ 1,397,384</u>

**Dallas Center - Grimes Community School District  
Notes to the Schedule of Expenditures of Federal Awards**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2024. 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 the District, it is not intended to and does not present the financial position, changes of net assets, or cash flows of the District.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 - PASS-THROUGH GRANT NUMBERS**

All pass-through entities listed above use the same Assistance Listing numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

**NOTE 4 - INVENTORY**

Inventories of commodities donated by the U.S. Department of Agriculture are recorded at market value in the Food Service Fund as inventory. Revenue and expenditures are recorded when commodities are used.

**NOTE 5 - INDIRECT COST RATE**

The District did not elect to use the 10 percent de minimis indirect cost rate, as allowed under the Uniform Guidance.

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**Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit  
of Basic Financial Statements Performed in Accordance  
with *Government Auditing Standards***

**Independent Auditor's Report**

To the School Board  
Dallas Center - Grimes Community School District  
Grimes, 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 Dallas Center - Grimes Community School District, Grimes, Iowa, as of and for the year ending June 30, 2024, and the related notes to basic financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2024.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses identified as Audit Finding 2024-001 and 2024-002.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic 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 that 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, 2024, are based exclusively on knowledge obtained from procedures performed during our audit of the basic 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 Finding**

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

### **Purpose of this Report**

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

*Bugemkov, Ltd.*

St. Cloud, Minnesota  
November 18, 2024



**Report on Compliance for Each Major Federal Program  
and Report on Internal Control over Compliance in Accordance  
with the Uniform Guidance**

**Independent Auditor's Report**

To the School Board  
Dallas Center - Grimes Community School District  
Grimes, Iowa

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the compliance of Dallas Center - Grimes Community School District, Grimes, Iowa with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget* (OMB) Compliance Supplement that could have a direct and material effect on the District's major federal program for the year ended June 30, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance.

In our opinion, Dallas Center - Grimes Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

**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 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.

### **Report on Internal Control over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section 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.

*BogenKDV, Ltd.*

St. Cloud, Minnesota  
November 18, 2024

**Dallas Center - Grimes Community School District  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:

We issued an unmodified opinion on the fair presentation of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in accordance with accounting principles generally accepted in the United States of America (GAAP).

Internal control over financial reporting:

- ◆ Material weakness(es) identified?
- ◆ Significant deficiency(ies) identified?

Yes 2024-001 and 2024-002  
None reported

Noncompliance material to financial statements noted?

No

**Federal Awards**

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

Unmodified

Internal control over major programs:

- ◆ Material weakness(es) identified?
- ◆ Significant deficiency(ies) identified?

No  
None reported

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

No

**Identification of Major Programs**

Assistance Listing No.:

10.553/10.555/10.559

Name of Federal Program or Cluster:

Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low risk auditee?

No

**Dallas Center - Grimes Community School District  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

## **SECTION II - FINANCIAL STATEMENT FINDINGS**

### **Audit Finding 2024-001 - Lack of Segregation of Accounting Duties**

*Criteria:*

Internal control that supports the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

*Condition:*

During the year ended June 30, 2024, the District had a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- ◆ The Business Manager can reconcile receipts received, enter receipts into the accounting system, and prepare the bank reconciliation.
- ◆ The Business Manager has access to all areas of the accounting system.
- ◆ The Business Manager reconciles property taxes and federal receivables and capital assets without review.
- ◆ The Business Manager has the ability to make journal entries without review.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation. However, due to the small accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct.

*Context:*

This finding impacts the internal control over financial reporting.

*Effect or Potential Effect:*

The lack of adequate segregation of accounting duties could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

*Cause:*

There are a limited number of office employees.

*Recommendation:*

Continue to review the accounting system, including changes that may occur. Implement segregation whenever practical.

**Dallas Center - Grimes Community School District  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Audit Finding 2024-001 - Lack of Segregation of Accounting Duties (Continued)**

*Views of Responsible Officials and Planned Corrective Actions:*

**CORRECTIVE ACTION PLAN (CAP):**

**1. Explanation of Disagreement with Audit Finding**

There is no disagreement with the audit finding.

**2. Actions Planned in Response to Finding**

Administration will add additional internal controls where the benefit exceeds the cost.

**3. Official Responsible for Ensuring CAP**

Michelle Wearmouth, Business Manager, is the official responsible for ensuring corrective action of the deficiency.

**4. Planned Completion Date for CAP**

The planned completion date for the CAP is June 30, 2025.

**5. Plan to Monitor Completion of CAP**

The School Board will be monitoring this CAP.

**Audit Finding 2024-002 Prior Period Adjustments and Material Audit Adjustment**

*Criteria:*

Internal control that supports the District's ability to initiate, record, process and report financial data requires controls to ensure all required adjustments to the financial statements are properly recorded.

*Condition:*

During the course of our audit , we proposed prior period adjustments that would not have been identified as a result of the District's internal controls, and therefore, could have resulted in a material misstatement of the District's financial statements. In order to ensure financial statements were free from material misstatement, audit adjustments were required to adjust accounts payable and capital assets.

*Context:*

This finding impacts the internal control over financial reporting.

*Effect or Potential Effect:*

Internal controls that fail to identify necessary adjustments could result in material misstatements to the financial statements.

*Cause:*

There are a limited number of office employees to identify all necessary adjustments.

*Recommendation:*

Review District activity and ensure all necessary adjustments to financial data are recorded.

**Dallas Center - Grimes Community School District  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Audit Finding 2024-002 Prior Period Adjustments and Material Audit Adjustment (Continued)**

*Views of Responsible Officials and Planned Corrective Actions:*

**CORRECTIVE ACTION PLAN (CAP):**

1. Explanation of Disagreement with Audit Finding

There is no disagreement with the audit finding.

2. Actions Planned in Response to Finding

The District will thoroughly review activity throughout the year and ensure all necessary adjustments to financial data are recorded.

3. Official Responsible for Ensuring CAP

Michelle Wearmouth, Business Manager, is the official responsible for ensuring corrective action of the deficiency.

4. Planned Completion Date for CAP

The planned completion date for the CAP is June 30, 2025.

5. Plan to Monitor Completion of CAP

The School Board will be monitoring this CAP.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

**Dallas Center - Grimes Community School District  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION IV - OTHER FINDINGS RELATED TO STATUTORY REPORTING**

**IV-A-24 - Certified Budget**

*Finding:*

Disbursements in the Non instructional program exceeded the amounts budgeted.

*Auditor's Recommendation:*

The budget should have been amended in accordance with Chapter 384.18 of the *Code of Iowa* before disbursements were allowed to exceed the budget.

*Views of Responsible Officials:*

The District will ensure the budget is amended before expenditures exceed budgeted amounts in the future.

*Auditor's Conclusion:*

Response accepted.

**IV-B-24 - Questionable Expenditures**

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

**IV-C-24 - Travel Expense**

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

**IV-D-23 - Business Transactions**

There was no transaction between the District and District officials.

**IV-E-24 - 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-24 - 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 coverage is adequate for current operations.

**IV-G-24 - Board Minutes**

No transactions were found that we believe should have been approved in the Board minutes but were not.

**Dallas Center - Grimes Community School District  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION IV - OTHER FINDINGS RELATED TO STATUTORY REPORTING (CONTINUED)**

**IV-H-24 - Certified Enrollment**

*Finding:*

The following variances in the basic enrollment data certified to the Iowa Department of Education were noted:

- ◆ The District counted 4 students that were not enrolled.
- ◆ The District counted 0.147 courses that should not have been counted.

The error resulted in the District over reporting by 4 students and by 0.147 courses.

*Auditor's Recommendation:*

The District should review procedures to ensure accurate counts are taken throughout the year and accurate enrollment data is certified to the Iowa Department of Education.

*Views of Responsible Officials:*

The District will contact the Iowa Department of Education and Iowa Department of Management notifying them of the above changes. The District will continue to monitor reconciliations of District information to information certified to the Iowa Department of Education.

*Auditor's Conclusion:*

Response accepted.

**IV-I-24 - Supplementary Weighting**

There were no variances noted in the supplementary weighting data certified to the Iowa Department of Education.

**IV-J-24 - Deposits and Investments**

No instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the *Code of Iowa* and the District's investment policy were noted, other than those noted in IV-N-24.

**IV-K-24 - Certified Annual Report**

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

**IV-L-24 - Categorical Funding**

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

**Dallas Center - Grimes Community School District  
Schedule of Findings and Questioned Costs  
in Accordance with the Uniform Guidance**

**SECTION IV - OTHER FINDINGS RELATED TO STATUTORY REPORTING (CONTINUED)**

**IV-M-24 - Statewide Sales, Services, and Use Tax**

No instances of noncompliance with the allowable use of the statewide sales, services, and use tax revenue provided in Chapter 423F.3 of the *Code of Iowa* were noted.

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

Beginning balance		\$ 10,984,157
Revenue/other financing sources		
Sales tax revenue	\$ 4,581,784	
Other local revenue	1,782,468	<u>6,364,252</u>
Expenditures/transfers out		
School infrastructure construction	7,021,762	
Other	346,699	
Transfer to other funds		
Debt service fund	144,056	<u>7,512,517</u>
Ending balance		<u>\$ 9,835,892</u>

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

**IV-N-24 - Deposits and Investments**

*Finding:*

A resolution naming official depositories has been adopted by the School Board as required by Chapter 2C.2 of the *Code of Iowa* but it was noted that the June 30, 2024, cash balance exceeded the maximum amount approved by the School Board.

*Auditor's Recommendation:*

The School Board, by resolution, should approve amounts sufficient to cover anticipated balances at all approved depositories as required by Chapter 12C.2 of the *Code of Iowa*.

*Views of Responsible Officials:*

The District will ensure that the depository resolution amounts are sufficient to cover the anticipated balances at all approved depositories.

*Auditor's Conclusion:*

Response accepted.