

**DALLAS CENTER-GRIMES COMMUNITY SCHOOL DISTRICT**

**INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**June 30, 2023**



## Table of Contents

|  | <u>Page</u>               |
|--|---------------------------|
| Officials  | 1                         |
| Independent Auditor's Report   | 2-4                       |
| Management's Discussion and Analysis (MD&A)  | 5-17                      |
| Basic Financial Statements:  | <u>Exhibit</u>            |
| Government-wide Financial Statements:  |                           |
| Statement of Net Position  | A 19                      |
| Statement of Activities  | B 20                      |
| Governmental Fund Financial Statements:  |                           |
| Balance Sheet  | C 22                      |
| Reconciliation of the Balance Sheet -  |                           |
| Governmental Funds to the Statement of Net Position                                  | D 23                      |
| Statement of Revenues, Expenditures and Changes in Fund Balances                     | E 24                      |
| Reconciliation of the Statement of Revenues, Expenditures and Changes                |                           |
| in Fund Balances - Governmental Funds to the Statement of Activities                 | F 25                      |
| Proprietary Funds Financial Statements:  |                           |
| Statement of Net Position  | G 26                      |
| Statement of Revenues, Expenses and Changes in Fund Net Position                     | H 27                      |
| Statement of Cash Flows  | I 28                      |
| Notes to Financial Statements  | 29-44                     |
| Required Supplementary Information:  |                           |
| Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in      |                           |
| Balances-Budget and Actual-All Governmental Funds and Proprietary Fund               | 46                        |
| Notes to Required Supplementary Information - Budgetary Reporting                    | 47                        |
| Schedule of the District's Proportionate Share of the Net Pension Liability          | 48                        |
| Schedule of District Contributions   | 49                        |
| Notes to Required Supplementary Information - Pension Liability                      | 50                        |
| Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes | 51                        |
| Supplementary Information:   | <u>Schedule/Statement</u> |
| Non-major Governmental Funds:  |                           |
| Combining Balance Sheet  | 1 53                      |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances            | 2 54                      |
| Schedule of Changes in Special Revenue Fund, Student Activity Accounts               | 3 55-57                   |
| Capital Projects Fund Accounts:  |                           |
| Combining Balance Sheet  | 4 58                      |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances            | 5 59                      |
| Proprietary Funds:   |                           |
| Combining Statement of Net Position  | 6 60                      |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Position           | 7 62                      |
| Combining Statement of Cash Flows  | 8 63                      |
| Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds | 9 64                      |
| Schedule of Expenditures of Federal Awards   | 10 65                     |
| Notes to Schedule of Expenditure of Federal Awards                                   | 66                        |
| Independent Auditor's Report on Internal Control over Financial Reporting and on     |                           |
| Compliance and Other Matters Based on an Audit of Financial Statements               |                           |
| Performed in Accordance with <i>Government Auditing Standards</i>                    | 67-68                     |
| Independent Auditor's Report on Compliance for Each Major Federal Program            |                           |
| and Report on Internal Control over Compliance Required by the Uniform Guidance      | 69-70                     |
| Schedule of Findings and Questioned Costs  | 71-72                     |

**Dallas Center-Grimes Community School District**  
**Officials**  
**Year Ended June 30, 2023**

---

| <u>Name</u>                      | <u>Title</u>   | <u>Term Expires</u> |
|----------------------------------|--|---------------------|
| <b>Board of Education</b>        |  |                     |
| Kathie Hicok                     | President  | 2023                |
| Ryan Carpenter                   | Vice President                                       | 2023                |
| Mark Wills                       | Board Member   | 2025                |
| Monica Malmberg                  | Board Member   | 2025                |
| Marco Bejarno                    | Board Member   | 2023                |
| Brandon Mc Nace                  | Board Member   | 2025                |
| Kim Praska                       | Board Member   | 2023                |
| Nick Fiala                       | Board Member   | 2025                |
| Nancy Baker Curtis               | Board Member   | 2025                |
| <b>School District Officials</b> |  |                     |
| Dr. Scott Blum                   | Superintendent                                       | 2023                |
| Michelle Wearmouth               | District Secretary/Treasurer<br>and Business Manager | 2023                |
| Ahler's Law Firm                 | Attorney   | Indefinite          |



705 Main Street  
Pella, IA 50219  
Ph.: 641-628-3737  
Fax: 641-628-3757

[www.vanmaanencpa.com](http://www.vanmaanencpa.com)

**Van Maanen, Sietstra, Meyer & Nikkel, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

## **Independent Auditor's Report**

To the Board of Education  
Dallas Center-Grimes Community School District:

### Report on the Financial Statements

#### Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Dallas Center-Grimes Community School District as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year ended in accordance with U.S. general accepted accounting principles.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of 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 related to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Dallas Center-Grimes Community School 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 generally accepted auditing standards 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 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Dallas Center-Grimes Community School 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Dallas Center-Grimes Community School 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 Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability (Asset), the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 5 through 16 and 45 through 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the 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 Dallas Center-Grimes Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2023, (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 10, including the Schedule of Expenditures of Federal Awards by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is 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 by the United States of America. In our opinion, the supplementary information in Schedules 1 through 10 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated December 27, 2023, on our consideration of the Dallas Center-Grimes Community School District's internal control over financial reporting and on our tests of its compliance with certain

provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Dallas Center-Grimes Community School District's internal control over financial reporting and compliance.

*Van Maanen, Sietstra, Meyer & Nikkel PC*

Van Maanen, Sietstra, Meyer & Nikkel, PC  
Certified Public Accountants

March 25, 2024

The 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, 2023. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

### **FINANCIAL HIGHLIGHTS**

- ◆ General Fund revenues increased from \$41,030,516 in FY22 to \$45,664,919 in FY23 while General Fund expenditures increased from \$40,756,794 in FY22 to \$43,041,157 in FY23. A portion of the increased expenditures are attributed to the increased costs associated with serving 84 new students.
- ◆ The increase in cash reserve levy resulted in an increase of \$2,623,763 in the District's General Fund balances, including restricted, committed and unassigned fund balances, from \$6,568,181 in FY22 to \$9,191,944 in FY23.
- ◆ The increase in General Fund revenues was primarily attributable to an increase in receipts of state funds and property tax collections due to a 2.5% increase in allowable growth and a significant increase in student enrollment of 84 students.
- ◆ The increase in General Fund expenditures was primarily attributable to an increase in the negotiated salary and benefits, and the increased staffing associated with student growth. As student numbers increase, instructional supply expenditures increased as well. As the number of facilities increase, utility, repair, and staffing will also increase as well.

### **USING THIS ANNUAL REPORT**

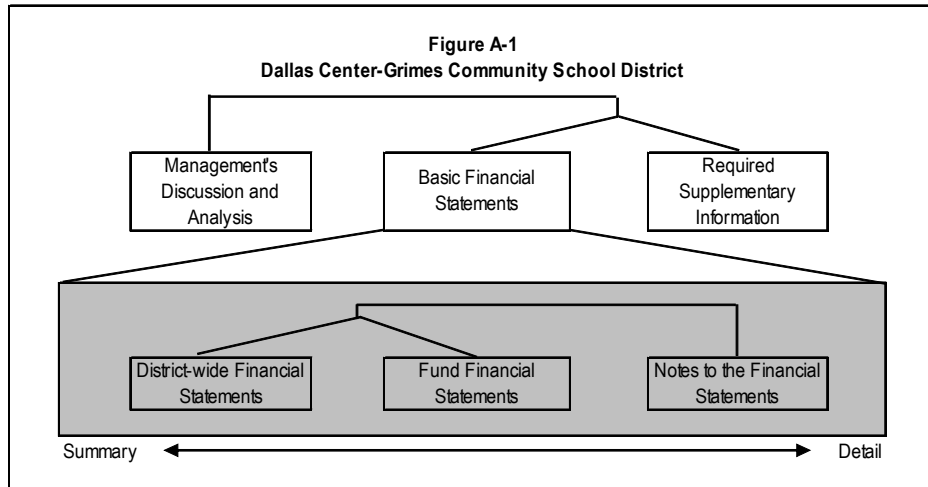
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- ◆ The first two statements are *government-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- ◆ The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
- ◆ The statements for *governmental funds* explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.
- ◆ The statements for *proprietary funds* offer short-term and long-term financial information about the activities the District operates like businesses, such as food services.
- ◆ The statements for *fiduciary funds* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.



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



**Dallas Center-Grimes Community School District**  
**Management's Discussion and Analysis**  
**June 30, 2023**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

| <b>Figure A-2</b>  |   |  |   |
|--|---|--|---|
| <b>Major Features of the District-wide and Fund Financial Statements</b> |   |  |   |
|  | District-wide Statements  | Fund Statements  |   |
|  |   | Governmental Funds   | Proprietary Funds   |
| Scope  | Entire district (except fiduciary funds)  | The activities of the district that are not proprietary or fiduciary, such as the special education and building maintenance   | Activities the district operates similar to private businesses: food services, farm account, and student construction     |
| Required financial statements  | * Statement of net position<br>* Statement of activities                                  | * Balance sheet<br>* Statement of revenues, expenditures, and changes in fund balances   | * Statement of net position<br>* Statement of revenues, expenses and changes in net position<br>* Statement of cash flows |
| 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   |
| 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                                      |
| Type of inflow/outflow information                                       | All revenues and expenses during year, regardless of when cash is received or paid        | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid                                    |
| Type of deferred outflow / inflow information                            | Consumption / acquisition of net position that is applicable to a future reporting period | Consumption / acquisition of fund balance that is applicable to a future reporting period  | Consumption / acquisition of net position that is applicable to a future reporting period                                 |
| Common names of district funds included                                  | All funds   | General, Debt Service, Capital Projects, Management, Student Activity  | Nutrition Fund, Farm Enterprise Account, Student Construction Fund  |

## REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

### Government-wide Financial Statements

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

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or position.

To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities. The valuation of the district increased 9.24%.

| Review of DC-G Property Tax Valuations by Year           |                               |                             |                      |  |
|--|-------------------------------|-----------------------------|----------------------|--|
| Year   | Taxable Valuation without TIF | Increase over previous year | Percent increase     |  |
| FY 2013  | 623,265,810                   | 34,060,518                  | 5.78%                |  |
| FY 2014  | 641,969,948                   | 18,704,138                  | 3.00%                |  |
| FY 2015  | 665,894,262                   | 23,924,314                  | 3.73%                |  |
| FY 2016  | 730,051,763                   | 64,157,501                  | 9.63%                |  |
| FY 2017  | 781,236,584                   | 51,184,821                  | 7.01%                |  |
| FY 2018  | 889,708,657                   | 108,472,073                 | 13.88%               |  |
| FY2019   | 986,121,394                   | 96,412,737                  | 10.84%               |  |
| FY 2020  | 1,067,053,763                 | 80,932,369                  | 8.21%                |  |
| FY 2021  | 1,115,866,712                 | 48,812,949                  | 4.57%                |  |
| FY2022   | 1,234,260,846                 | 118,394,134                 | 10.61%               |  |
| FY2023   | 1,348,297,539                 | 248,162,321                 | 9.24%                |  |
| Dallas Center - Grimes Facilities by Age                 |                               |                             |                      |  |
| Dallas Center – Grimes Elementary, Grimes                |                               |                             | Opened 8-1-1988      |  |
| Dallas Center – Grimes Elementary, Dallas Center         |                               |                             | Opened 1-1-2002      |  |
| Dallas Center – Grimes Middle School, Dallas Center      |                               |                             | Opened 8-1-2004      |  |
| Dallas Center – Grimes High School, Grimes               |                               |                             | Opened 8-1-2002      |  |
| Dallas Center – Grimes Auditorium addition, Grimes       |                               |                             | Opened 9-1-2005      |  |
| Dallas Center – Grimes Sports Complex, Grimes            |                               |                             | Final phase 9-1-2006 |  |
| Dallas Center - Grimes North Ridge Elementary, Grimes    |                               |                             | Opened 8-1-2008      |  |
| Dallas Center - Grimes Meadows 8-9, Grimes               |                               |                             | Opened 8-1-2012      |  |
| Dallas Center - Grimes North Ridge 8 Room Addition       |                               |                             | Opened 8-1-2014      |  |
| Dallas Center - Grimes Transportation-Operation Facility |                               |                             | Opened 8-1-2015      |  |
| Dallas Center - Grimes Heritage Elementary               |                               |                             | Opened 8-1-2017      |  |
| Dallas Center - Grimes SB / BB Complex                   |                               |                             | Final phase 8-1-2019 |  |
| Dallas Center - Grimes 5-6 Middle School renovation      |                               |                             | Opened 8-1-2021      |  |
| Dallas Center - Grimes Oak View 7-8 Facility, Grimes     |                               |                             | Opened 8-1-2021      |  |
| Dallas Center - Grimes HS phase 1 renovation             |                               |                             | Began 8-1-2022       |  |

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

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

## Fund Financial Statements

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

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

The District has three kinds of funds:

- ◆ Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements.
  - The District's governmental funds include the General Fund, Debt Service Fund, Capital Projects Funds, and Special Revenue funds such as the Student Activity fund, Management fund, and PPEL fund.
- ◆ Proprietary Funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.
  - The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District's enterprise funds include the School Nutrition Fund, Student Construction Fund, and the Farm Enterprise Fund.
- ◆ Fiduciary Funds: The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-purpose Trust and Agency funds.
  - Private-Purpose Trust Fund – The District accounts for outside donations for scholarships for individual students in this fund. The DC-G Educational Foundation is now responsible for most of the scholarships awarded within the District.
  - Agency Fund- These are funds for which the District administers and accounts for certain federal and/or state grants on behalf of other Districts and certain revenue collected for District employee purchases. The District has only one Agency fund which holds employee funds contributed by employees through payroll for use in the Medical and Dependent Care Flexible Spending Program.

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 District-wide financial statements because it cannot use these assets to finance its operations.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

|                                | <b>Figure A-3</b>                          |         |               |       |           |         |           |
|--------------------------------|--|---------|---------------|-------|-----------|---------|-----------|
|                                | <b>Condensed Statement of Net Position</b> |         |               |       |           |         |           |
|                                | <b>(Expressed in Thousands)</b>            |         |               |       |           |         |           |
|                                | Governmental                               |         | Business Type |       | Total     |         | Total     |
|                                | Activities,                                |         | Activities    |       | District, |         | Change    |
|                                | June 30,                                   |         | June 30,      |       | June 30,  |         | June 30,  |
|                                | 2023                                       | 2022    | 2023          | 2022  | 2023      | 2022    | 2022-2023 |
| Current and other assets       | \$ 74,879                                  | 73,027  | 1,366         | 1,464 | 76,245    | 74,491  | 2.4%      |
| Capital assets                 | 101,427                                    | 104,354 | 332           | 390   | 101,759   | 104,744 | -2.8%     |
| Total assets                   | 176,306                                    | 177,381 | 1,698         | 1,854 | 178,004   | 179,235 | -0.7%     |
| Deferred outflows of resources | 14,912                                     | 6,526   | -             | -     | 14,912    | 6,526   | 128.5%    |
| Long-term liabilities          | 83,325                                     | 77,986  | -             | -     | 83,325    | 77,986  | 6.8%      |
| Other liabilities              | 5,228                                      | 5,072   | 81            | 168   | 5,309     | 5,240   | 1.3%      |
| Total liabilities              | 88,553                                     | 83,058  | 81            | 168   | 88,634    | 83,226  | 6.5%      |
| Deferred inflows of resources  | 39,096                                     | 42,151  | -             | -     | 39,096    | 42,151  | -7.2%     |
| Net position:                  |  |         |               |       |           |         |           |
| Invested in capital assets,    |  |         |               |       |           |         |           |
| net of related debt            | 40,009                                     | 40,317  | 332           | 399   | 40,341    | 40,716  | -0.9%     |
| Restricted                     | 23,256                                     | 21,430  | -             | -     | 23,256    | 21,430  | 8.5%      |
| Unrestricted                   | 304  | (3,049) | 1,285         | 1,287 | 1,589     | (1,762) | -190.2%   |
| Total net position             | \$ 63,569                                  | 58,698  | 1,617         | 1,686 | 65,186    | 60,384  | 8.0%      |

**Dallas Center-Grimes Community School District**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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

**Figure A-4**  
**Changes in Net Position**  
**(Expressed in Thousands)**

|  | Governmental<br>Activities |        | Business Type<br>Activities |       | Total<br>District   |        | Total<br>Change |
|--|----------------------------|--------|-----------------------------|-------|---------------------|--------|-----------------|
|  | Year ended June 30,        |        | Year ended June 30,         |       | Year ended June 30, |        | June 30,        |
|  | 2023                       | 2022   | 2023                        | 2022  | 2023                | 2022   | 2022-2023       |
| Revenues:  |                            |        |                             |       |                     |        |                 |
| Program revenues:  |                            |        |                             |       |                     |        |                 |
| Charges for service  | \$ 4,200                   | 3,716  | 1,450                       | 318   | 5,650               | 4,034  | 40.1%           |
| Operating grants, contributions and<br>restricted interest | 7,431                      | 7,071  | 1,165                       | 2,603 | 8,596               | 9,674  | -11.1%          |
| General revenues:  |                            |        |                             |       |                     |        |                 |
| Property tax   | 24,975                     | 21,335 | -                           | -     | 24,975              | 21,335 | 17.1%           |
| Statewide sales, services and use tax                      | 4,618                      | 3,868  | -                           | -     | 4,618               | 3,868  | 19.4%           |
| Unrestricted state grants                                  | 18,186                     | 16,313 | -                           | -     | 18,186              | 16,313 | 11.5%           |
| Unrestricted investment earnings                           | 1,610                      | 134    | -                           | -     | 1,610               | 134    | 1101.5%         |
| Other  | 689                        | 2,061  | 47                          | -     | 736                 | 2,061  | -64.3%          |
| Total revenues   | 61,709                     | 54,498 | 2,662                       | 2,921 | 64,371              | 57,419 | 12.1%           |
| Program expenses:  |                            |        |                             |       |                     |        |                 |
| Governmental activities:                                   |                            |        |                             |       |                     |        |                 |
| Instruction  | 28,612                     | 26,222 | -                           | -     | 28,612              | 26,222 | 9.1%            |
| Support services   | 14,794                     | 12,880 | -                           | -     | 14,794              | 12,880 | 14.9%           |
| Non-instructional programs                                 | -                          | -      | 2,667                       | 2,453 | 2,667               | 2,453  | 8.7%            |
| Other expenses   | 13,433                     | 5,795  | -                           | -     | 13,433              | 5,795  | 131.8%          |
| Total expenses   | 56,839                     | 44,897 | 2,667                       | 2,453 | 59,506              | 47,350 | 25.7%           |
| Transfer in (out)  | -                          | -      | -                           | -     | -                   | -      |                 |
| Contributed capital  | -                          | -      | -                           | -     | -                   | -      |                 |
| Change in net position                                     | 4,870                      | 9,601  | (5)                         | 468   | 4,865               | 10,069 | -51.7%          |
| Net position beginning of year                             | 58,698                     | 49,097 | 1,622                       | 1,218 | 60,320              | 50,315 | 19.9%           |
| Net position end of year                                   | \$ 63,568                  | 58,698 | 1,617                       | 1,686 | 65,185              | 60,384 | 8.0%            |

Property tax, sales and service tax, and unrestricted state grants account for 77.4% of the total revenue. The District's expenses primarily relate to instruction and support services, which account for 76.4% of the total expenses.

## Governmental Activities

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, 2023 compared to those expenses for the year ended June 30, 2022.

| Figure A-5<br>Total and Net Cost of Governmental Activities<br>(Expressed in Thousands) |                        |        |           |                      |        |           |
|---|------------------------|--------|-----------|----------------------|--------|-----------|
|   | Total Cost of Services |        | Change    | Net Cost of Services |        | Change    |
|   | 2023                   | 2022   | 2022-2023 | 2023                 | 2022   | 2022-2023 |
| Instruction   | \$ 28,612              | 26,222 | 9.1%      | 18,657               | 16,997 | 9.8%      |
| Support services  | 14,794                 | 12,880 | 14.9%     | 14,777               | 12,859 | 14.9%     |
| Other expenses  | 13,433                 | 5,795  | 131.8%    | 11,773               | 4,254  | 176.8%    |
| Totals  | \$ 56,839              | 44,897 | 26.6%     | 45,207               | 34,110 | 32.5%     |

- The cost financed by users of the District's programs was \$4,200,286.
- Federal and state government subsidized certain programs with grants and contributions totaling \$7,431,164. The net cost of governmental activities was financed with \$29,592,838 in property and other taxes and \$18,185,864 in unrestricted state grants.

## Business Type Activities

Revenues for business type activities were \$1,450,329 and expenses were \$2,667,261. Non-operating revenues for business type activities were \$1,211,770 with Federal sources as 95% of those revenues. This is primarily revenue generated for the school nutrition program operating under emergency COVID-19 funding from the Federal government. The District's business type activities include the School Nutrition Fund, Student Construction, and Farm Enterprise Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income. The business type activities were impacted by the school closure for the pandemic.

During the year ended June 30, 2023, the District increased meal prices by .10 cents. Federal pandemic funds provided universal feeding for students. The District continues to contract food services with Taher, Incorporated of Minnesota.

## 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 government funds, as well. As the District completed the year, its governmental funds reported a combined fund balance of \$42,009,379. The previous year, governmental funds reported a combined fund balance of \$39,972,108.

## Governmental Fund Highlights

- The District's unassigned/unrestricted general fund balance increased \$2,026,884 in FY23. The District planned for the fund balance to increase in the fiscal year as fund as cash reserve levy could finally be levied again fully. The district's targeted financial solvency rate is 10-15%. Due to enrollment increases, special education deficits, and ELL deficits, maintaining a stable solvency ratio over time is difficult. In a brief history of solvency, the solvency ratio was 18.38% in FY18 after a large enrollment and special education deficit increases and 20.93% in FY19 as visible prudent action for recovery was taken by the Board action to levy the maximum cash reserve amount to replenish fund balance. Solvency ratio fell to 15.85% at the close of FY20 and 12.36% at the close of FY21. The District again awaited the opportunity to levy cash reserve in FY22 and FY23 to increase this ratio and closed FY22 with a solvency ratio of 14.26% and closed FY23 with a solvency ratio of 17.4%. To remain solvent and prepare for upcoming growth, the District must plan ahead for enrollment and special education deficits which impact the budget prior to availability of funds.

**Dallas Center-Grimes Community School District  
Management's Discussion and Analysis  
June 30, 2023**

---

- DC-G has experienced enrollment growth, which has allowed for additional dollars to fund programs. This has allowed some of the increased cost to be covered by new funds. Significant student growth within a single year may inhibit the District's ability to maintain a constant property tax rate.
- Over the past ten years the net impact of open enrollment has been very positive for DC-G. However, the net open enrollment has declined significantly in the last eight years. The district must monitor the change in net open enrollment in closely.
- In 2001-02, DC-G implemented an instructional levy. In 2001-02, the instructional levy was 3%, in 2002-03 it was 7%, and since 2003-04 this levy has been at the maximum 10%. The District voted to renew its instructional levy in January 2023 for a five year period beginning July 1, 2024.
- The District has implemented an extensive at-risk program, now at the maximum funding level. This has provided funding for some of the additional staff needed in the District, and has allowed the regular operating budget to absorb other increases.
- The District's administrative team and school board closely monitor monthly revenues and expenditures. The board has intentionally decided not to commit funds beyond a certain level which helps maintain a relatively constant or increasing fund balance. Depending on enrollment, it may be prudent for the district to expend greater than current year authority in an effort to reduce carryover authority.
- The Physical Plant and Equipment Levy (PPEL) fund balance increased from \$4,686,556 in FY22 to \$5,521,161 at the end of FY23. Funds were spent primarily on a major technology infrastructure upgrades, costs associated with the new bus facility, school bus purchases, carpet replacement, and other district repairs and maintenance.
- The Management fund balance decreased from \$2,295,522 in FY22 to \$1,796,577 in FY23. Costs associated with early retirement offerings, and increased costs of property, casualty, and workers compensation impacted the decline along with the District's limited levy for FY23 in this fund.
- The Partially Funded Insurance fund balance increased from \$3,389,212 at the close of FY22 to \$4,354,524. The District continues to work toward required collateralization of this fund.

### **Proprietary Fund Highlights**

School Nutrition cash/investments and inventories decreased from \$1,323,231 at June 30, 2022 to \$1,295,343 at June 30, 2023. The Farm account cash/investments remained stable at \$23,141.

### **BUDGETARY HIGHLIGHTS**

Over the course of the year, Dallas Center - Grimes Community School District monitored the published budget. Budget amendments were needed in one of the four areas, the support services area.

It is the District's practice to budget expenditures at levels up to the maximum authorized spending authority for funds, yet to manage and control the spending through the line-item budget. It is difficult to predict budget outcomes without the Legislature passing allowable growth percentage within budgetary timelines.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

At June 30, 2023, the District had invested \$101.4 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) More detailed information about the District's capital assets is presented in Note 4 to the financial statements. Depreciation expense for the year was \$3,063,479 in both governmental and business type activities.



Figure A-6  
Capital Assets, net of Depreciation  
(Expressed in Thousands)

|                                   | Governmental<br>Activities |         | Business type<br>Activities |      | Total<br>District |         | Total<br>Change |
|-----------------------------------|----------------------------|---------|-----------------------------|------|-------------------|---------|-----------------|
|                                   | June 30,                   |         | June 30,                    |      | June 30,          |         | June 30,        |
|                                   | 2023                       | 2022    | 2023                        | 2022 | 2023              | 2022    | 2022-2023       |
| Land                              | \$ 5,886                   | 5,886   | -                           | -    | 5,886             | 5,886   | 0.0%            |
| Construction in progress          | -                          | -       | -                           | -    | -                 | -       | #DIV/0!         |
| Buildings                         | 93,483                     | 95,839  | -                           | -    | 93,483            | 95,839  | -2.5%           |
| Improvements other than buildings | 804                        | 925     | -                           | -    | 804               | 925     | -13.1%          |
| Furniture and equipment           | 1,254                      | 1,704   | 332                         | 390  | 1,586             | 2,094   | -24.3%          |
| Totals                            | \$ 101,427                 | 104,354 | 332                         | 390  | 101,759           | 104,744 | -2.8%           |

## Long Term Debt

At June 30, 2022, the District has \$85,754,000 in general obligation, revenue and other long-term debt outstanding. This represents an increase of approximately 10% attributable to net pension liability. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 5 of the financial statements.

Figure A-7  
Outstanding Long-Term Obligations  
(Expressed in Thousands)

|                               | Total<br>District |        | Total<br>Change |
|-------------------------------|-------------------|--------|-----------------|
|                               | June 30,          |        | June 30,        |
|                               | 2023              | 2022   | 2022-2023       |
| General obligation bonds      | \$ 65,640         | 68,100 | -3.6%           |
| GO bond discount, net         | (177)             | (197)  | -10.2%          |
| GO bond premium, net          | 3,479             | 3,749  | -7.2%           |
| Revenue bonds                 | 4,925             | 4,925  | 0.0%            |
| Revenue bond discount, net    | (21)              | (25)   | -16.0%          |
| Early retirement              | 13                | 86     | -84.9%          |
| Net pension liability         | 10,838            | 373    | 2805.6%         |
| Other postemployment benefits | 1,057             | 976    | 8.3%            |
| Totals                        | \$ 85,754         | 77,987 | 10.0%           |

## ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances which may affect financial health in the future:

- The District continues to experience enrollment growth. 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 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 2022-23 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.
- Two large developments continue to proceed in the City of Grimes: the Heritage development and the Beaverbrook development. There is also development platted near the new 7-8 facility. Rapid home building in each of these areas is being continually monitored by the District. Residential building permits are being requested well above the historical levels. The District will need to closely monitor changes in enrollment and make staffing changes immediately. 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.
- 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 2023 was the second year of a two-year contract with the Dallas Center-Grimes Education Association. The Board negotiated a new two year agreement for FY24 and 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, 2021, 2022 and 2023 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**  
**June 30, 2023**

---

- In the January 1, 2017 assessment of District taxable valuation, property values increased by 9.63%. 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%. 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.
- The District has grown an average of 125.2 students per year for the past ten years.

| Student Growth by Year |     |
|------------------------|-----|
| 2008                   | 63  |
| 2009                   | 53  |
| 2010                   | 58  |
| 2011                   | 28  |
| 2012                   | 35  |
| 2013                   | 157 |
| 2014                   | 104 |
| 2015                   | 130 |
| 2016                   | 207 |
| 2017                   | 131 |
| 2018                   | 114 |
| 2019                   | 191 |
| 2020                   | 95  |
| 2021                   | 171 |
| 2022                   | 85  |

Although this level of growth is not planned for the future, it is prudent for the District to plan for growth of 75 to 100 students per year. This increase creates facility challenges as the District also increases it's preschool program.

- 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 is expected to 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.

Exhibit A

|   | Governmental<br>Activities | Business Type<br>Activities | Total              |
|---|----------------------------|-----------------------------|--------------------|
| <b>Assets</b>                                   |                            |                             |                    |
| Cash, cash equivalents and pooled investments   | \$ 46,929,973              | 1,347,625                   | 48,277,598         |
| Receivables:                                    |                            |                             |                    |
| Property tax:                                   |                            |                             |                    |
| Delinquent                                      | 58,985                     | -                           | 58,985             |
| Succeeding year                                 | 26,164,222                 | -                           | 26,164,222         |
| Accounts  | 1,391,981                  | 6,625                       | 1,398,606          |
| Due from other governments                      | 333,031                    | -                           | 333,031            |
| Inventories                                     | -                          | 12,605                      | 12,605             |
| Capital assets, net of accumulated depreciation | 101,427,347                | 331,673                     | 101,759,020        |
| <b>Total assets</b>                             | <b>176,305,539</b>         | <b>1,698,528</b>            | <b>178,004,067</b> |
| <b>Deferred Outflows of Resources</b>           |                            |                             |                    |
| Pension related deferred outflows               | 14,817,467                 | -                           | 14,817,467         |
| OPEB related deferred outflows                  | 95,010                     | -                           | 95,010             |
| <b>Total deferred outflows of resources</b>     | <b>14,912,477</b>          | <b>-</b>                    | <b>14,912,477</b>  |
| <b>Liabilities</b>                              |                            |                             |                    |
| Accounts payable                                | 1,349,254                  | 81,348                      | 1,430,602          |
| Salaries and benefits payable                   | 681,313                    | -                           | 681,313            |
| Due to other governments                        | 319,500                    | -                           | 319,500            |
| Accrued interest payable                        | 450,238                    | -                           | 450,238            |
| Long-term liabilities:                          |                            |                             |                    |
| Portion due within one year:                    |                            |                             |                    |
| General obligation bonds                        | 2,415,000                  | -                           | 2,415,000          |
| Early retirement                                | 12,953                     | -                           | 12,953             |
| Portion due after one year:                     |                            |                             |                    |
| General obligation bonds                        | 66,526,812                 | -                           | 66,526,812         |
| Revenue bonds                                   | 4,903,506                  | -                           | 4,903,506          |
| Net pension liability                           | 10,838,264                 | -                           | 10,838,264         |
| Net OPEB liability                              | 1,056,688                  | -                           | 1,056,688          |
| <b>Total liabilities</b>                        | <b>88,553,528</b>          | <b>81,348</b>               | <b>88,634,876</b>  |
| <b>Deferred Inflows of Resources</b>            |                            |                             |                    |
| Unavailable property tax revenue                | 26,164,222                 | -                           | 26,164,222         |
| Pension related deferred inflows                | 12,205,723                 | -                           | 12,205,723         |
| OPEB related deferred inflows                   | 726,266                    | -                           | 726,266            |
| <b>Total deferred inflows of resources</b>      | <b>39,096,211</b>          | <b>-</b>                    | <b>39,096,211</b>  |

Exhibit A

|                                  | Governmental<br>Activities | Business Type<br>Activities | Total             |
|----------------------------------|----------------------------|-----------------------------|-------------------|
| <b>Net position</b>              |                            |                             |                   |
| Net investment in capital assets | 40,008,857                 | 331,673                     | 40,340,530        |
| Restricted for:                  |                            |                             |                   |
| Categorical funding              | 987,011                    | -                           | 987,011           |
| Debt service                     | 13,635,121                 | -                           | 13,635,121        |
| Management levy purposes         | 1,796,577                  | -                           | 1,796,577         |
| Physical plant and equipment     | 5,521,161                  | -                           | 5,521,161         |
| Capital projects                 | 885,774                    | -                           | 885,774           |
| Student activities               | 430,183                    | -                           | 430,183           |
| Unrestricted                     | 303,593                    | 1,285,507                   | 1,589,100         |
| <b>Total net position</b>        | <b>\$ 63,568,277</b>       | <b>1,617,180</b>            | <b>65,185,457</b> |

See notes to financial statements.

Exhibit B

**Dallas Center-Grimes Community School District**  
**Statement of Activities**  
**Year ended June 30, 2023**

|                                    | Program Revenues     |                     |   |                         |                          | Net (Expense) Revenue & Changes in Net Position |
|------------------------------------|----------------------|---------------------|---|-------------------------|--------------------------|---|
|                                    | Expenses             | Charges for Service | Operating Grants, Contributions and Restricted Interest | Governmental Activities | Business Type Activities |   |
| <b>Functions/Programs</b>          |                      |                     |   |                         |                          |   |
| Governmental activities:           |                      |                     |   |                         |                          |   |
| Instruction:                       |                      |                     |   |                         |                          |   |
| Regular instruction                | \$ 15,167,481        | 2,682,822           | 5,120,195   | (7,364,464)             | -                        | (7,364,464)                                     |
| Special instruction                | 6,022,179            | 693,342             | 593,131   | (4,735,706)             | -                        | (4,735,706)                                     |
| Other instruction                  | 7,422,090            | 824,122             | 41,480  | (6,556,488)             | -                        | (6,556,488)                                     |
|                                    | <u>28,611,750</u>    | <u>4,200,286</u>    | <u>5,754,806</u>  | <u>(18,656,658)</u>     | <u>-</u>                 | <u>(18,656,658)</u>                             |
| Support services:                  |                      |                     |   |                         |                          |   |
| Student                            | 949,096              | -                   | -   | (949,096)               | -                        | (949,096)                                       |
| Instructional staff                | 3,136,007            | -                   | -   | (3,136,007)             | -                        | (3,136,007)                                     |
| Administration                     | 4,224,059            | -                   | -   | (4,224,059)             | -                        | (4,224,059)                                     |
| Operating and maintenance of plant | 4,649,718            | -                   | -   | (4,649,718)             | -                        | (4,649,718)                                     |
| Transportation                     | 1,835,278            | -                   | 17,157  | (1,818,121)             | -                        | (1,818,121)                                     |
|                                    | <u>14,794,158</u>    | <u>-</u>            | <u>17,157</u>   | <u>(14,777,001)</u>     | <u>-</u>                 | <u>(14,777,001)</u>                             |
| Other expenditures:                |                      |                     |   |                         |                          |   |
| Facilities acquisition             | 9,366,132            | -                   | -   | (9,366,132)             | -                        | (9,366,132)                                     |
| Long-term debt interest            | 2,407,432            | -                   | -   | (2,407,432)             | -                        | (2,407,432)                                     |
| AEA flowthrough                    | 1,659,201            | -                   | 1,659,201   | -                       | -                        | -   |
|                                    | <u>13,432,765</u>    | <u>-</u>            | <u>1,659,201</u>  | <u>(11,773,564)</u>     | <u>-</u>                 | <u>(11,773,564)</u>                             |
| Total governmental activities      | 56,838,673           | 4,200,286           | 7,431,164   | (45,207,223)            | -                        | (45,207,223)                                    |
| Business type activities:          |                      |                     |   |                         |                          |   |
| Support services:                  |                      |                     |   |                         |                          |   |
| Farm account                       | -                    | 1,860               | -   | -                       | 1,860                    | 1,860   |
| Non-instructional programs:        |                      |                     |   |                         |                          |   |
| Food service operations            | 2,667,261            | 1,448,469           | 1,165,073   | -                       | (53,719)                 | (53,719)  |
| Total business type activities     | <u>2,667,261</u>     | <u>1,450,329</u>    | <u>1,165,073</u>  | <u>-</u>                | <u>(51,859)</u>          | <u>(51,859)</u>                                 |
| Total primary government           | <u>\$ 59,505,934</u> | <u>5,650,615</u>    | <u>8,596,237</u>  | <u>(45,207,223)</u>     | <u>(51,859)</u>          | <u>(45,259,082)</u>                             |

Exhibit B

|   | Program Revenues    |   |                         | Net (Expense) Revenue & Changes in Net Position |            |
|---|---------------------|---|-------------------------|---|------------|
|   | Charges for Service | Operating Grants, Contributions and Restricted Interest | Governmental Activities | Business Type Activities                        | Total      |
| Expenses  |                     |   |                         |   |            |
| General Revenues:                                 |                     |   |                         |   |            |
| Property tax levied for:                          |                     |   |                         |   |            |
| General purposes                                  |                     |   | 16,410,786              | -   | 16,410,786 |
| Debt service                                      |                     |   | 6,063,380               | -   | 6,063,380  |
| Capital outlay                                    |                     |   | 2,500,857               | -   | 2,500,857  |
| Statewide sales, services and use tax             |                     |   | 4,617,815               | -   | 4,617,815  |
| Unrestricted state grants                         |                     |   | 18,185,864              | -   | 18,185,864 |
| Unrestricted investment earnings                  |                     |   | 1,610,270               | 45,362  | 1,655,632  |
| Other   |                     |   | 108,079                 | -   | 108,079    |
| Contributions not restricted to specific programs |                     |   | 580,716                 | 1,335   | 582,051    |
| Total general revenues                            |                     |   | 50,077,767              | 46,697  | 50,124,464 |
| Change in net position                            |                     |   | 4,870,544               | (5,162)   | 4,865,382  |
| Net position beginning of year, as restated       |                     |   | 58,697,733              | 1,622,342                                       | 60,320,075 |
| Net position end of year                          |                     |   | \$ 63,568,277           | 1,617,180                                       | 65,185,457 |

See notes to financial statements.



Exhibit C

**Dallas Center-Grimes Community School District  
Balance Sheet  
Governmental Funds  
June 30, 2023**

|   | General              | Debt<br>Service   | Capital<br>Projects | Non-major        | Total             |
|---|----------------------|-------------------|---------------------|------------------|-------------------|
| <b>Assets</b>   |                      |                   |                     |                  |                   |
| Cash, cash equivalents and pooled investments                                 | \$ 9,081,523         | 14,072,244        | 16,150,168          | 2,244,868        | 41,548,803        |
| Receivables:  |                      |                   |                     |                  |                   |
| Property tax:   |                      |                   |                     |                  |                   |
| Delinquent  | 38,094               | 14,115            | 5,822               | 954              | 58,985            |
| Succeeding year   | 16,368,476           | 6,465,662         | 2,666,088           | 663,996          | 26,164,222        |
| Accounts  | 1,363,104            | -                 | 28,877              | -                | 1,391,981         |
| Due from other governments  | 5,896                | -                 | 327,135             | -                | 333,031           |
| <b>Total assets</b>   | <b>\$ 26,857,093</b> | <b>20,552,021</b> | <b>19,178,090</b>   | <b>2,909,818</b> | <b>69,497,022</b> |
| <b>Liabilities, Deferred Inflows of Resources<br/>and Fund Balances</b>       |                      |                   |                     |                  |                   |
| Liabilities:  |                      |                   |                     |                  |                   |
| Accounts payable  | \$ 295,862           | 1,000             | 6,684               | 19,062           | 322,608           |
| Due to other governments  | 319,500              | -                 | -                   | -                | 319,500           |
| Salaries and benefits payable   | 681,313              | -                 | -                   | -                | 681,313           |
| <b>Total liabilities</b>  | <b>1,296,675</b>     | <b>1,000</b>      | <b>6,684</b>        | <b>19,062</b>    | <b>1,323,421</b>  |
| Deferred inflows of resources :   |                      |                   |                     |                  |                   |
| Unavailable revenues:   |                      |                   |                     |                  |                   |
| Succeeding year property tax  | 16,368,476           | 6,465,662         | 2,666,088           | 663,996          | 26,164,222        |
| <b>Total deferred inflows of resources</b>                                    | <b>16,368,476</b>    | <b>6,465,662</b>  | <b>2,666,088</b>    | <b>663,996</b>   | <b>26,164,222</b> |
| Fund balances:  |                      |                   |                     |                  |                   |
| Restricted for:   |                      |                   |                     |                  |                   |
| Categorical funding   | 987,011              | -                 | -                   | -                | 987,011           |
| Debt service  | -                    | 14,085,359        | -                   | -                | 14,085,359        |
| Management levy purposes  | -                    | -                 | -                   | 1,796,577        | 1,796,577         |
| Student activities  | -                    | -                 | -                   | 430,183          | 430,183           |
| School infrastructure   | -                    | -                 | 10,984,157          | -                | 10,984,157        |
| Physical plant and equipment  | -                    | -                 | 5,521,161           | -                | 5,521,161         |
| Unassigned  | 8,204,931            | -                 | -                   | -                | 8,204,931         |
| <b>Total fund balances</b>  | <b>9,191,942</b>     | <b>14,085,359</b> | <b>16,505,318</b>   | <b>2,226,760</b> | <b>42,009,379</b> |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 26,857,093</b> | <b>20,552,021</b> | <b>19,178,090</b>   | <b>2,909,818</b> | <b>69,497,022</b> |

See notes to financial statements.

Exhibit D

**Dallas Center-Grimes Community School District  
Reconciliation of the Balance Sheet  
Governmental Funds to the Statement of Net Position  
June 30, 2023**

---

**Total fund balances of governmental funds (Exhibit C)** **\$ 42,009,379**

***Amounts reported for governmental activities in the  
Statement of Net Position are different because:***

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

|                                   |    |                     |  |             |
|-----------------------------------|----|---------------------|--|-------------|
| Land                              | \$ | 5,885,890           |  |             |
| Buildings                         |    | 117,977,967         |  |             |
| Improvements                      |    | 3,089,524           |  |             |
| Vehicles, furniture and equipment |    | 9,004,253           |  |             |
| Accumulated depreciation          |    | <u>(34,530,287)</u> |  | 101,427,347 |

The Internal Service Fund is used by management to charge the costs of partial self funding of the District's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities

4,354,524

Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.

(450,238)

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

|                                |  |                     |  |           |
|--------------------------------|--|---------------------|--|-----------|
| Deferred outflows of resources |  | 14,912,477          |  |           |
| Deferred inflows of resources  |  | <u>(12,931,989)</u> |  | 1,980,488 |

Long-term liabilities, including bonds and notes payable, bond discounts, deferred bond costs, bond premiums, net pension liability, other postemployment benefits and special termination benefits are not due and payable in the current year and, therefore,

|                               |  |                 |  |              |
|-------------------------------|--|-----------------|--|--------------|
| General obligation bonds      |  | (65,640,000)    |  |              |
| Sales tax revenue bonds       |  | (4,925,000)     |  |              |
| Bond discounts, net           |  | 198,511         |  |              |
| Bond premiums, net            |  | (3,478,829)     |  |              |
| Net pension liability         |  | (10,838,264)    |  |              |
| Other postemployment benefits |  | (1,056,688)     |  |              |
| Special termination benefits  |  | <u>(12,953)</u> |  | (85,753,223) |

**Net position of governmental activities (Exhibit A)** **\$ 63,568,277**

See notes to financial statements.

## Exhibit E

**Dallas Center-Grimes Community School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year ended June 30, 2023**

|  | General       | Debt<br>Service | Capital<br>Projects | Non-major | Total      |
|--|---------------|-----------------|---------------------|-----------|------------|
| Revenues:  |               |                 |                     |           |            |
| Local sources:   |               |                 |                     |           |            |
| Local tax  | \$ 16,011,027 | 6,063,380       | 2,500,857           | 399,760   | 24,975,024 |
| Tuition  | 2,967,385     | -               | -                   | 785,951   | 3,753,336  |
| Other  | 1,067,735     | 488,044         | 1,187,664           | 44        | 2,743,487  |
| State sources  | 24,293,630    | 555             | 4,618,044           |           | 28,912,229 |
| Federal sources  | 1,325,141     | -               | -                   |           | 1,325,141  |
| Total revenues   | 45,664,918    | 6,551,979       | 8,306,565           | 1,185,755 | 61,709,217 |
| Expenditures:  |               |                 |                     |           |            |
| Current:   |               |                 |                     |           |            |
| Instruction:   |               |                 |                     |           |            |
| Regular  | 16,096,168    | -               | -                   | 66,012    | 16,162,180 |
| Special  | 6,440,038     | -               | -                   | -         | 6,440,038  |
| Other  | 5,409,419     | -               | -                   | 782,572   | 6,191,991  |
|  | 27,945,625    | -               | -                   | 848,584   | 28,794,209 |
| Support services:  |               |                 |                     |           |            |
| Student  | 1,082,570     | -               | -                   | -         | 1,082,570  |
| Instructional staff  | 3,051,896     | -               | -                   | -         | 3,051,896  |
| Administration   | 3,767,440     | -               | 464,570             | 1,000     | 4,233,010  |
| Operation and maintenance of plant                           | 3,963,105     | -               | 30,595              | 829,742   | 4,823,442  |
| Transportation   | 1,571,320     | -               | 26,195              | 5,209     | 1,602,724  |
|  | 13,436,331    | -               | 521,360             | 835,951   | 14,793,642 |
| Other expenditures:  |               |                 |                     |           |            |
| Facilities acquisition                                       | -             | -               | 9,366,132           | -         | 9,366,132  |
| Long-term debt:  |               |                 |                     |           |            |
| Principal  | -             | 2,460,000       | -                   | -         | 2,460,000  |
| Interest and fiscal charges                                  | -             | 2,598,762       | -                   | -         | 2,598,762  |
| AEA flowthrough  | 1,659,201     | -               | -                   | -         | 1,659,201  |
|  | 1,659,201     | 5,058,762       | 9,366,132           | -         | 16,084,095 |
| Total expenditures   | 43,041,157    | 5,058,762       | 9,887,492           | 1,684,535 | 59,671,946 |
| Excess (deficiency) of revenues over<br>(under) expenditures | 2,623,761     | 1,493,217       | (1,580,927)         | (498,780) | 2,037,271  |
| Other financing sources (uses):                              |               |                 |                     |           |            |
| Transfers in   | -             | 884,652         | -                   | -         | 884,652    |
| Transfers out  | -             | -               | (884,652)           | -         | (884,652)  |
| Total other financing sources (uses)                         | -             | 884,652         | (884,652)           | -         | -          |
| Change in fund balances                                      | 2,623,761     | 2,377,869       | (2,465,579)         | (498,780) | 2,037,271  |
| Fund balances beginning of year                              | 6,568,181     | 11,707,490      | 18,970,897          | 2,725,540 | 39,972,108 |
| Fund balances end of year                                    | \$ 9,191,942  | 14,085,359      | 16,505,318          | 2,226,760 | 42,009,379 |

See notes to financial statements.

**Dallas Center-Grimes Community School District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds to the Statement of Activities**  
**Year ended June 30, 2023**

---

**Net change in fund balances - total governmental funds (Exhibit E)** **\$ 2,037,271**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciated

|                      |             |             |
|----------------------|-------------|-------------|
| Capital outlays      | \$ 79,002   |             |
| Depreciation expense | (3,005,327) | (2,926,325) |
|                      |             |             |

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds

|                               |           |           |
|-------------------------------|-----------|-----------|
| Bond principal repaid         | 2,460,000 |           |
| Amortization of bond premium  | 269,867   |           |
| Amortization of bond discount | (24,109)  | 2,705,758 |
|                               |           |           |

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as follows

(54,428)

The current year District IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.

2,412,667

The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in Net Position of the Internal Service Fund is reported with governmental activities.

965,312

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

|                  |           |           |
|------------------|-----------|-----------|
| Early retirement | 73,193    |           |
| Pension expense  | (307,621) |           |
| OPEB expense     | (35,283)  | (269,711) |
|                  |           |           |

**Change in net position of governmental activities (Exhibit B)** **\$ 4,870,544**

See notes to financial statements.

Exhibit G

**Dallas Center-Grimes Community School District**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

|                                  | Business Type<br>Activities<br>Enterprise<br>Funds | Governmental<br>Activities<br>Internal Service<br>Funds |
|----------------------------------|--|---|
| <b>Assets</b>                    |  |   |
| Current assets:                  |  |   |
| Cash and cash equivalents        | \$ 1,347,625                                       | 5,381,170   |
| Accounts receivable              | 6,625  | -   |
| Inventories                      | 12,605   | -   |
| Total current assets             | 1,366,855  | 5,381,170   |
| Non-current assets:              |  |   |
| Machinery and equipment          | 1,145,606  | -   |
| Accumulated depreciation         | (813,933)  | -   |
| Total non-current assets         | 331,673  | -   |
| <b>Total assets</b>              | <b>1,698,528</b>                                   | <b>5,381,170</b>  |
| <b>Liabilities</b>               |  |   |
| Current liabilities:             |  |   |
| Accounts payable                 | 81,348   | 1,026,646   |
| <b>Total liabilities</b>         | <b>81,348</b>                                      | <b>1,026,646</b>  |
| <b>Net Position</b>              |  |   |
| Net investment in capital assets | 331,673  | -   |
| Unrestricted                     | 1,285,507  | 4,354,524   |
| <b>Total net position</b>        | <b>\$ 1,617,180</b>                                | <b>4,354,524</b>  |

See notes to financial statements.

Exhibit H

**Dallas Center-Grimes Community School District**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year ended June 30, 2023**

|                                | Business Type<br>Activities<br>Enterprise<br>Funds | Governmental<br>Activities<br>Internal Service<br>Funds |
|--------------------------------|--|---|
| Operating revenues:            |  |   |
| Local sources:                 |  |   |
| Operating revenues             | \$ 1,450,329                                       | 6,311,230   |
| Operating expenses:            |  |   |
| Instructional programs:        |  |   |
| Support services:              |  |   |
| Services                       | -  | 5,345,918   |
|                                | -  | 5,345,918   |
| Non-instructional programs:    |  |   |
| Food service operations:       |  |   |
| Services                       | 2,214,457  | -   |
| Supplies                       | 394,652  | -   |
| Depreciation                   | 58,152   | -   |
|                                | 2,667,261  | -   |
| Total operating expenses       | 2,667,261  | 5,345,918   |
| Operating income (loss)        | (1,216,932)  | 965,312   |
| Non-operating revenues:        |  |   |
| State sources                  | 14,022   | -   |
| Federal sources                | 1,151,051  | -   |
| Interest income                | 45,362   | -   |
| Contributions                  | 1,335  | -   |
| Transfers in                   | 0  | -   |
| Total non-operating revenues   | 1,211,770  | -   |
| Contributed capital            | 0  | -   |
| Changes in net position        | (5,162)  | 965,312   |
| Net position beginning of year | 1,622,342  | 3,389,212   |
| Net position end of year       | \$ 1,617,180                                       | 4,354,524   |

See notes to financial statements.

Exhibit I

**Dallas Center-Grimes Community School District**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year ended June 30, 2023**

|  | Business Type<br>Activities<br>Enterprise<br>Funds | Governmental<br>Activities<br>Internal Service<br>Funds |
|--|--|---|
| Cash flows from operating activities:  |  |   |
| Cash received from sale of lunches and breakfasts  | \$ 1,425,119                                       | -   |
| Cash received from miscellaneous operating activities  | 25,210   | 6,325,996   |
| Cash payments to suppliers for goods or services   | (2,449,450)  | (5,232,953)   |
| Net cash provided (used) by operating activities   | (999,121)  | 1,093,043   |
| Cash flows from non-capital financing activities:  |  |   |
| State grants received  | 14,022   | -   |
| Federal grants received  | 912,374  | -   |
| Contributions  | 1,335  | -   |
| Net cash provided by non-capital financing activities  | 927,731  | -   |
| Cash flows from investing activities:  |  |   |
| Interest on investments  | 45,362   | -   |
| Net decrease in cash and cash equivalents  | (26,028)   | 1,093,043   |
| Cash and cash equivalents at beginning of year   | 1,373,653  | 4,288,127   |
| Cash and cash equivalents at end of year   | \$ 1,347,625                                       | 5,381,170   |
| Reconciliation of operating loss to net cash used by operating activities:   |  |   |
| Operating income (loss)  | \$ (1,216,932)                                     | 965,312   |
| Adjustments to reconcile operating gain (loss) to<br>net cash used by operating activities:                                |  |   |
| Commodities used   | 238,677  | -   |
| Depreciation   | 58,152   | -   |
| Decrease (increase) in accounts receivable   | 96,202   | -   |
| Decrease (increase) in inventories   | 7,505  | -   |
| Increase (decrease) in accounts payable  | (86,523)   | 127,731   |
| Net cash provided (used) by operating activities   | \$ (999,121)                                       | 1,093,043   |
| <b>Reconciliation of cash and cash equivalents at year end to<br/>specific assets included on Statement of Net Assets:</b> |  |   |
| Current assets:  |  |   |
| Cash and investments   | \$ 1,347,625                                       | 5,381,170   |
| Cash and cash equivalents at year end  | \$ 1,347,625                                       | 5,381,170   |

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2023, the District received \$238,677 of federal commodities.

See notes to financial statements.

## Basic Financial Statements

### (1) Summary of Significant Accounting Policies

The Dallas Center-Grimes Community School 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 area served includes the cities of Dallas Center and Grimes, Iowa, and the predominate agricultural territory in Dallas County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles 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 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.

Dallas Center-Grimes Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but 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. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary 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 non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

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

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

*Unrestricted net position* consists of net position not meeting the definition of the preceding categories. Unrestricted net position 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.

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. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues 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 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 is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The other governmental funds of the District are considered non-major and are as follows:

The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

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.

Student Activity Funds: 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 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.

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

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

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

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

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 fund is 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.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

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

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

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

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

Property Tax Receivable – Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. 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 reported as a deferred inflow 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 become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2021 assessed property valuations; is for the tax accrual period July 1, 2022 through June 30, 2023 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2022.

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

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 expense when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture, and equipment, 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 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 repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reported capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

---

| <u>Asset Class</u>                | <u>Amount</u> |
|-----------------------------------|---------------|
| Land                              | \$ 2,000      |
| Buildings                         | 10,000        |
| Improvements other than buildings | 10,000        |
| Furniture and equipment:          |               |
| School Nutrition Fund equipment   | 500           |
| Other furniture and equipment     | 1,000         |

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

| <u>Asset Class</u>                | <u>Estimated<br/>Useful Lives<br/>(In Years)</u> |
|-----------------------------------|--|
| Buildings                         | 50   |
| Improvements other than buildings | 20-50  |
| Furniture and equipment           | 5-15   |

Deferred Outflows of Resources Deferred outflows of resources represent a consumption of net position applicable to a future year(s) and 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 projected and actual earnings on pension plan investments, contributions from the District after the measurement date but before the end of the District's reporting period and the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

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.

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 Dallas Center-Grimes Community School 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.

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consists of property tax receivable and other receivables not collected within sixty days after year end.

Deferred inflows of resources in the Statement of Net Position consists 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.

Fund Equity – 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, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

*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.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2023, expenditures did not exceed the budgeted amounts.

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

The District's deposits in banks at June 30, 2023 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

At June 30, 2023, the District had investments in the following:

|                                      |    |                   |
|--------------------------------------|----|-------------------|
| Iowa Schools Joint Investment Trust: |    |                   |
| Diversified Portfolio                | \$ | 17,173,058        |
| UMB Bank                             |    |                   |
| Government and Agency Bonds          |    | 10,730,328        |
| Goldman Sachs Treasury Money Market  |    | 932,866           |
|                                      | \$ | <u>28,836,252</u> |

At June 30, 2023, the District had investments in the Iowa School Joint Investment Trust (ISJIT) which are valued at an amortized cost. There were no limitations or restrictions on withdrawal of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

(3) **Interfund Transfers**

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

| Transfer to  | Transfer from          | Amount            |
|--------------|------------------------|-------------------|
| Debt service | Capital projects, SAVE | \$ 884,652        |
|              |                        | <u>\$ 884,652</u> |

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

**(4) Capital Assets**

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

|  | Balance<br>Beginning of Year | Increases   | Decreases | Balance End of<br>Year |
|--|------------------------------|-------------|-----------|------------------------|
| <b>Governmental activities:</b>              |                              |             |           |                        |
| Capital assets not being depreciated:        |                              |             |           |                        |
| Land   | \$ 5,885,890                 | -           | -         | 5,885,890              |
| Total capital assets not being depreciated   | 5,885,890                    | -           | -         | 5,885,890              |
| Capital assets being depreciated:            |                              |             |           |                        |
| Buildings                                    | 117,977,967                  | -           | -         | 117,977,967            |
| Improvements other than buildings            | 3,089,524                    | -           | -         | 3,089,524              |
| Furniture and equipment                      | 9,067,281                    | 79,002      | 142,030   | 9,004,253              |
| Total capital assets being depreciated       | 130,134,772                  | 79,002      | 142,030   | 130,071,744            |
| Less accumulated depreciation for:           |                              |             |           |                        |
| Buildings                                    | 22,139,062                   | 2,356,257   | -         | 24,495,319             |
| Improvements other than buildings            | 2,164,917                    | 120,062     | -         | 2,284,979              |
| Furniture and equipment                      | 7,363,011                    | 529,008     | 142,030   | 7,749,989              |
| Total accumulated depreciation               | 31,666,990                   | 3,005,327   | 142,030   | 34,530,287             |
| Total capital assets being depreciated, net  | 98,467,782                   | (2,926,325) | -         | 95,541,457             |
| Governmental activities capital assets, net  | \$ 104,353,672               | (2,926,325) | -         | 101,427,347            |
| <b>Business type activities:</b>             |                              |             |           |                        |
| Furniture and equipment                      | \$ 1,145,606                 | -           | -         | 1,145,606              |
| Less accumulated depreciation                | 755,781                      | 58,152      | -         | 813,933                |
| Business type activities capital assets, net | \$ 389,825                   | (58,152)    | -         | 331,673                |

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

|         |            |
|---------|------------|
| Regular | \$ 734,187 |
| Special | 151,519    |
| Other   | 1,350,383  |

Support services:

|                                    |         |
|------------------------------------|---------|
| Student support                    | 7,452   |
| Instructional staff                | 263,294 |
| Administration                     | 151,518 |
| Operation and maintenance of plant | 72,665  |
| Transportation                     | 274,309 |

Total governmental activities depreciation expense

\$ 3,005,327

Business type activities:

Food service operations

\$ 58,152

**(5) Long-term Liabilities**

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

|                          | Balance<br>Beginning<br>of Year | Additions         | Reductions       | Balance<br>End of<br>Year | Due<br>Within<br>One Year |
|--------------------------|---------------------------------|-------------------|------------------|---------------------------|---------------------------|
| Governmental activities: |                                 |                   |                  |                           |                           |
| General obligation bonds | \$ 68,100,000                   | -                 | 2,460,000        | 65,640,000                | 2,415,000                 |
| GO bond discounts        | (197,161)                       | -                 | (20,143)         | (177,018)                 | -                         |
| GO bond premiums         | 3,748,696                       | -                 | 269,866          | 3,478,830                 | -                         |
| Revenue bonds            | 4,925,000                       | -                 | -                | 4,925,000                 | -                         |
| Revenue bond discounts   | (25,461)                        | -                 | (3,967)          | (21,494)                  | -                         |
| Early retirement         | 86,145                          | -                 | 73,192           | 12,953                    | 12,953                    |
| Net pension liability    | 373,105                         | 10,465,159        | -                | 10,838,264                | -                         |
| Net OPEB liability       | 976,068                         | 80,620            | -                | 1,056,688                 | -                         |
| Total                    | <u>\$ 77,986,392</u>            | <u>10,545,779</u> | <u>2,778,948</u> | <u>85,753,223</u>         | <u>2,427,953</u>          |

General Obligation Bonds Payable

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

| Year ending<br>June 30, | Bond Issue of December 1, 2010 |                      |                  | Year ending<br>June 30, | Bond Issue of February 26, 2019 |                      |                  |
|-------------------------|--------------------------------|----------------------|------------------|-------------------------|---------------------------------|----------------------|------------------|
|                         | Int. Rate %                    | Principal            | Interest         |                         | Int. Rate %                     | Principal            | Interest         |
| 2024                    | 5.625                          | \$ -                 | 620,156          | 2024                    | 4.000%                          | \$ -                 | 774,800          |
| 2025                    | 5.625                          | -                    | 620,156          | 2025                    | 4.000%                          | -                    | 774,800          |
| 2026                    | 5.625                          | -                    | 620,156          | 2026                    | 4.000%                          | -                    | 774,800          |
| 2027                    | 5.625                          | -                    | 620,156          | 2027                    | 4.000%                          | -                    | 774,800          |
| 2028                    | 5.625                          | -                    | 620,156          | 2028                    | 4.000%                          | -                    | 774,800          |
| 2029                    | 5.625                          | 11,025,000           | 620,156          | 2029                    | 4.000%                          | -                    | 774,800          |
|                         |                                | <u>\$ 11,025,000</u> | <u>3,720,936</u> | 2030                    | 4.000%                          | 1,130,000            | 774,800          |
|                         |                                |                      |                  | 2031                    | 4.000%                          | 1,220,000            | 729,600          |
|                         |                                |                      |                  | 2032                    | 4.000%                          | 1,320,000            | 680,800          |
|                         |                                |                      |                  | 2033                    | 4.000%                          | 1,400,000            | 628,000          |
|                         |                                |                      |                  | 2034                    | 4.000%                          | 1,600,000            | 572,000          |
|                         |                                |                      |                  | 2035                    | 4.000%                          | 1,700,000            | 508,000          |
|                         |                                |                      |                  | 2036                    | 4.000%                          | 3,500,000            | 440,000          |
|                         |                                |                      |                  | 2037                    | 4.000%                          | 3,700,000            | 300,000          |
|                         |                                |                      |                  | 2038                    | 4.000%                          | 3,800,000            | 152,000          |
|                         |                                |                      |                  |                         |                                 | <u>\$ 19,370,000</u> | <u>9,434,000</u> |

Dallas Center-Grimes Community School District  
Notes to Basic Financial Statements  
June 30, 2023

General Obligation Bonds Payable (continued)

| Year ending<br>June 30, | Bond Issue of February 26, 2019 |                      |                  |
|-------------------------|---------------------------------|----------------------|------------------|
|                         | Int. Rate %                     | Principal            | Interest         |
| 2024                    | 4.000%                          | \$ -                 | 774,800          |
| 2025                    | 4.000%                          | -                    | 774,800          |
| 2026                    | 4.000%                          | -                    | 774,800          |
| 2027                    | 4.000%                          | -                    | 774,800          |
| 2028                    | 4.000%                          | -                    | 774,800          |
| 2029                    | 4.000%                          | -                    | 774,800          |
| 2030                    | 4.000%                          | 1,130,000            | 774,800          |
| 2031                    | 4.000%                          | 1,220,000            | 729,600          |
| 2032                    | 4.000%                          | 1,320,000            | 680,800          |
| 2033                    | 4.000%                          | 1,400,000            | 628,000          |
| 2034                    | 4.000%                          | 1,600,000            | 572,000          |
| 2035                    | 4.000%                          | 1,700,000            | 508,000          |
| 2036                    | 4.000%                          | 3,500,000            | 440,000          |
| 2037                    | 4.000%                          | 3,700,000            | 300,000          |
| 2038                    | 4.000%                          | 3,800,000            | 152,000          |
|                         |                                 | <u>\$ 19,370,000</u> | <u>9,434,000</u> |

| Year ending<br>June 30, | Bond Issue of March 18, 2020 |                      |                  |
|-------------------------|------------------------------|----------------------|------------------|
|                         | Int. Rate %                  | Principal            | Interest         |
| 2024                    | 3.000%                       | \$ 735,000           | 673,350          |
| 2025                    | 3.000%                       | 590,000              | 651,300          |
| 2026                    | 3.000%                       | 600,000              | 633,600          |
| 2027                    | 3.000%                       | 2,125,000            | 615,600          |
| 2028                    | 3.000%                       | 2,190,000            | 551,850          |
| 2029                    | 3.000%                       | 2,255,000            | 486,150          |
| 2030                    | 3.000%                       | 1,005,000            | 418,500          |
| 2031                    | 3.000%                       | 1,025,000            | 388,350          |
| 2032                    | 3.000%                       | 1,040,000            | 357,600          |
| 2033                    | 3.000%                       | 1,070,000            | 326,400          |
| 2034                    | 3.000%                       | 1,055,000            | 294,300          |
| 2035                    | 3.000%                       | 1,075,000            | 262,650          |
| 2036                    | 3.000%                       | 910,000              | 230,400          |
| 2037                    | 3.000%                       | 880,000              | 203,100          |
| 2038                    | 3.000%                       | 955,000              | 176,700          |
| 2039                    | 3.000%                       | 4,935,000            | 148,050          |
|                         |                              | <u>\$ 22,445,000</u> | <u>6,417,900</u> |

| Year ending<br>June 30, | Bond Issue of May 10, 2021 |                   |               |
|-------------------------|----------------------------|-------------------|---------------|
|                         | Int. Rate %                | Principal         | Interest      |
| 2024                    | 1.150%                     | \$ 100,000        | 6,843         |
| 2025                    | 1.150%                     | 100,000           | 5,692         |
| 2026                    | 1.150%                     | 100,000           | 4,543         |
| 2027                    | 1.150%                     | 100,000           | 3,392         |
| 2028                    | 1.150%                     | 100,000           | 2,243         |
| 2029                    | 1.150%                     | 95,000            | 1,092         |
|                         |                            | <u>\$ 595,000</u> | <u>23,805</u> |

| Year ending<br>June 30, | Bond Issue of May 10, 2021 |                     |               |
|-------------------------|----------------------------|---------------------|---------------|
|                         | Int. Rate %                | Principal           | Interest      |
| 2024                    | 1.000%                     | \$ 225,000          | 25,000        |
| 2025                    | 1.000%                     | 1,300,000           | 22,750        |
| 2026                    | 1.000%                     | 975,000             | 9,750         |
|                         |                            | <u>\$ 2,500,000</u> | <u>57,500</u> |

| Year ending<br>June 30, | Bond Issue of May 27, 2021 |                     |                  |
|-------------------------|----------------------------|---------------------|------------------|
|                         | Int. Rate %                | Principal           | Interest         |
| 2024                    | 1.250%                     | \$ 295,000          | 124,937          |
| 2025                    | 1.250%                     | 350,000             | 121,250          |
| 2026                    | 1.250%                     | 675,000             | 116,875          |
| 2027                    | 1.250%                     | 200,000             | 108,438          |
| 2028                    | 1.250%                     | 175,000             | 105,937          |
| 2029                    | 1.250%                     | 200,000             | 103,750          |
| 2030                    | 1.250%                     | 1,125,000           | 101,250          |
| 2031                    | 1.250%                     | 1,125,000           | 87,188           |
| 2032                    | 1.500%                     | 1,125,000           | 73,125           |
| 2033                    | 1.500%                     | 1,125,000           | 56,250           |
| 2034                    | 1.750%                     | 1,125,000           | 39,375           |
| 2035                    | 1.750%                     | 1,125,000           | 19,688           |
|                         |                            | <u>\$ 8,645,000</u> | <u>1,058,063</u> |

| Year ending<br>June 30, | Bond Issue of May 27, 2021 |                     |               |
|-------------------------|----------------------------|---------------------|---------------|
|                         | Int. Rate %                | Principal           | Interest      |
| 2024                    | 1.000%                     | \$ 1,060,000        | 10,600        |
|                         |                            | <u>\$ 1,060,000</u> | <u>10,600</u> |

General Obligation Bonds Payable (continued)

|                      | Total             |                   |
|----------------------|-------------------|-------------------|
| Principal            | Interest          | Total             |
| \$ 2,415,000         | 2,235,686         | 4,650,686         |
| 2,340,000            | 2,195,948         | 4,535,948         |
| 2,350,000            | 2,159,724         | 4,509,724         |
| 2,425,000            | 2,122,386         | 4,547,386         |
| 2,465,000            | 2,054,986         | 4,519,986         |
| 13,575,000           | 1,985,948         | 15,560,948        |
| 3,260,000            | 1,294,550         | 4,554,550         |
| 3,370,000            | 1,205,138         | 4,575,138         |
| 3,485,000            | 1,111,525         | 4,596,525         |
| 3,595,000            | 1,010,650         | 4,605,650         |
| 3,780,000            | 905,675           | 4,685,675         |
| 3,900,000            | 790,338           | 4,690,338         |
| 4,410,000            | 670,400           | 5,080,400         |
| 4,580,000            | 503,100           | 5,083,100         |
| 4,755,000            | 328,700           | 5,083,700         |
| 4,935,000            | 148,050           | 5,083,050         |
| <u>\$ 65,640,000</u> | <u>20,722,804</u> | <u>86,362,804</u> |

In-Substance Defeasance – June 19, 2017

On June 19, 2017, equity from the District was used to advance refund \$2,780,000 of outstanding general obligation bonds dated July 1, 2004. \$3,052,567 has been placed in an irrevocable escrow account and has been invested in U.S. Government Obligations which have been certified to be sufficient to pay all principal and interest due on the Series 2004 bonds. The District remains contingently liable in the remote possibility the account is insufficient to pay the refunded bonds. This advance refunding was undertaken to reduce total debt service payments over the next 7 years by \$3,676,258. The fiscal responsibility shown in prior years has allowed the District to advance refund the Series 2004 bonds and reduce future debt payments.

Revenue Bonds

Details of the District's June 30, 2023 statewide sales, services and use tax revenue bonded indebtedness are as follows:

| Year ending<br>June 30, | Bond Issue of December 1, 2010 |                     |                  |
|-------------------------|--------------------------------|---------------------|------------------|
|                         | Int. Rate %                    | Principal           | Interest         |
| 2024                    | 5.850                          | \$ -                | 288,113          |
| 2025                    | 5.850                          | -                   | 288,112          |
| 2026                    | 5.850                          | -                   | 288,113          |
| 2027                    | 5.850                          | -                   | 288,112          |
| 2028                    | 5.850                          | -                   | 288,113          |
| 2029                    | 5.850                          | -                   | 288,112          |
| 2030                    | 5.850                          | 4,925,000           | 144,056          |
|                         |                                | <u>\$ 4,925,000</u> | <u>1,872,731</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. Annual principal and interest payments on the bonds are expected to require nearly 33% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the notes is \$6,797,731. For the current year, \$288,113 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$4,617,815.



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

- a) All proceeds from the statewide sales, services and use tax shall be placed in a revenue account.
- b) 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.
- c) 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, 2023.

## **(6) Pension Plan**

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

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, anytime 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.

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

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

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

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

The District's contributions to IPERS for the year ended June 30, 2023 were \$2,412,667.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the District reported a liability of \$10,838,264 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. At June 30, 2023, the District's proportion was 0.273066%, which was an increase of 0.006926% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized pension expense of \$2,105,046. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 480,460                        | 148,460                          |
| Changes of assumptions  | 9,196                             | 258                              |
| Net difference between projected and actual earnings<br>on IPERS' investments   | 10,493,907                        | 11,654,109                       |
| Changes in proportion and differences between District<br>contributions and the District's proportionate share of contributions | 1,421,237                         | 402,896                          |
| District contributions subsequent to the measurement date   | 2,412,667                         | -                                |
| Total   | <u>\$ 14,817,467</u>              | <u>12,205,723</u>                |

\$2,412,667 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 ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending<br>June, 30 | Amount            |
|-------------------------|-------------------|
| 2024                    | \$ (735,246)      |
| 2025                    | (411,585)         |
| 2026                    | (1,139,079)       |
| 2027                    | 2,435,813         |
| 2028                    | 49,174            |
| Total                   | <u>\$ 199,077</u> |

There were no non-employer contributing entities to IPERS.

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

|  |   |
|--|---|
| Rate of Inflation<br>(effective June 30, 2017)                   | 2.60% per annum.  |
| Rates of salary increase<br>(effective June 30, 2017)            | 3.25 to 16.25% average, including inflation<br>Rates vary by membership group |
| Long-term investment rate of return<br>(effective June 30, 2017) | 7.00% compounded annually, net of investment<br>expense, including inflation  |
| Wage growth<br>(effective June 30, 2017)                         | 3.25% per annum, based on 2.60% inflation and<br>0.65% real wage inflation    |

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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:

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

|   | 1%<br>Decrease<br>(6.00%) | Discount<br>Rate<br>(7.00%) | 1%<br>Increase<br>(8.00%) |
|---|---------------------------|-----------------------------|---------------------------|
| District's proportionate share of the net pension liability | \$ 20,192,988             | 10,838,264                  | 2,594,180                 |

IPERS 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).

Payables to IPERS - At June 30, 2023, the District reported payables to IPERS of \$13,559 for legally required District contributions and \$9,034 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

**(7) Other Post-Employment Benefits (OPEB)**

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 for employees are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75.

OPEB Benefits - Individuals who are employed by 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.

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

|  |       |
|--|-------|
| Inactive employees or beneficiaries currently receiving benefit payments | 13    |
| Active employees   | 414   |
|  | <hr/> |
|  | 427   |
|  | <hr/> |

Total OPEB Liability - the District's total OPEB liability of \$1,056,688 was measured as of June 30, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

|                            |  |
|----------------------------|--|
| Rate of Inflation          |  |
| (effective June 30, 2023)  | 3.25% per annum.                       |
| Rates of salary increase   | 3.00% per annum                        |
| (effective June 30, 2023)  | including inflation                    |
| Discount rate              | 3.65% compounded annually,             |
| (effective June 30, 2023)  | including inflation                    |
| Healthcare cost trend rate | 7.00% initial rate decreasing by 0.50% |
| (effective June 30, 2023)  | annually to an ultimate rate of 4.00%  |

Discount Rate - The discount rate used to measure the total OPEB liability was 3.65% 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.

Mortality rates are from the SOA RPH-2021 total dataset mortality table fully generational using Scale MP-2021. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience studies with dates corresponding to those listed above.

#### Changes in the Total OPEB Liability

|  |              |
|--|--------------|
| Total OPEB liability beginning of year             | \$ 976,068   |
| Changes for the year:                              |              |
| Service cost                                       | 123,746      |
| Interest cost                                      | 37,691       |
| Differences between expected and actual experience | (10,607)     |
| Changes in assumptions                             | -            |
| Benefit payments                                   | (70,210)     |
| Net changes  | 80,620       |
| Total OPEB liability end of year                   | \$ 1,056,688 |

Changes of assumptions reflect a change in the discount rate from 3.54% in fiscal year 2022 to 3.65% in fiscal year 2023.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.65%) or 1% higher (4.65%) than the current discount rate.

|                      | 1%<br>Decrease<br>(2.65%) | Discount<br>Rate<br>(3.65%) | 1%<br>Increase<br>(4.65%) |
|----------------------|---------------------------|-----------------------------|---------------------------|
| Total OPEB liability | \$ 1,154,000              | 1,056,688                   | 970,000                   |

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District as what the District's total liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.00%) or 1% higher (7.00%) than the current healthcare cost trend rates.

|                      | 1%<br>Decrease<br>(5.00%) | Healthcare<br>Cost Trend<br>Rate<br>(6.00%) | 1%<br>Increase<br>(7.00%) |
|----------------------|---------------------------|---|---------------------------|
| Total OPEB liability | \$ 928,000                | 1,056,688                                   | 1,215,000                 |

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2023, the District recognized OPEB expense of \$32,283. At June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following resources:

|  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ -                              | \$ 629,828                       |
| Changes in assumptions                             | 95,010                            | 96,438                           |
| Total  | \$ 95,010                         | \$ 726,266                       |

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

| Year ending<br>June 30, | Amount            |
|-------------------------|-------------------|
| 2024                    | \$ 50,499         |
| 2025                    | 50,499            |
| 2026                    | 50,499            |
| 2027                    | 50,499            |
| 2028                    | 50,056            |
| Thereafter              | 379,204           |
|                         | <u>\$ 631,256</u> |

**(8) Termination Benefits**

The District offered a voluntary early retirement plan to its full-time, certified employees. Eligible employees must have been at least age fifty-five and must have completed fifteen years of continuous service to the District. Employees must have completed an application which is subject to approval by the Board of Education. The benefit was \$40,000 paid into a 403(b) plan. Early retirement expenditures for the year ended June 30, 2023 totaled \$73,193.

**(9) Risk Management**

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

**(10) Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$1,659,201 for the year ended June 30, 2023 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**(11) Tax Abatements**

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

Tax Abatements of Other Entities

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Additionally, the City of Dallas Center offered 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 exception 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, 2023 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 | \$ 795,491           |
| City of Dallas Center | Chapter 404 tax abatement program               | 34,773               |
| City of Urbandale     | Urban renewal and economic development projects | 97,998               |

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2023, this reimbursement amounted to \$442,852.

## (12) Commitments and Contingencies

### Litigation and Contingencies

There is currently an investigation ongoing against the District due to a complaint filed with the Iowa Civil Rights Commission. The outcome and eventual liability of the District, if any, from this investigation and from any unasserted claims is not known at this time. The District believes the outcome of these matters will not have material effect on the District's financial statements.

## (13) Categorical Funding

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

The following is a schedule of the categorical funding in the General Fund at June 30, 2023.

| Program                     | Amount            |
|-----------------------------|-------------------|
| Teacher leadership          | \$ 643,125        |
| Teacher salary supplement   | 32,558            |
| Professional development    | 16,092            |
| 4-yr old preschool          | 37,078            |
| Gifted and talented program | 258,158           |
| Total                       | <u>\$ 987,011</u> |

**Required Supplementary Information**



**Dallas Center-Grimes Community School District**  
**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses, and Changes in Balances**  
**Budget and Actual - All Governmental Funds and Proprietary Funds**  
**Required Supplementary Information**  
**Year ended June 30, 2023**

|   | Governmental<br>Funds<br>Actual | Proprietary<br>Funds<br>Actual | Total<br>Actual | Budgeted Amounts |              | Final to Actual<br>Variance-Favorable<br>(Unfavorable) |
|---|---------------------------------|--------------------------------|-----------------|------------------|--------------|--|
|   |                                 |                                |                 | Original         | Final        |  |
| Revenues:   |                                 |                                |                 |                  |              |  |
| Local sources   | \$ 31,471,847                   | 1,497,026                      | 32,968,873      | 29,702,633       | 29,702,633   | 3,266,240  |
| State sources   | 28,912,229                      | 14,022                         | 28,926,251      | 29,548,176       | 29,548,176   | (621,925)  |
| Federal sources   | 1,325,141                       | 1,151,051                      | 2,476,192       | 3,077,980        | 3,077,980    | (601,788)  |
| Total revenues  | 61,709,217                      | 2,662,099                      | 64,371,316      | 62,328,789       | 62,328,789   | 2,042,527  |
| Expenditures/Expenses:  |                                 |                                |                 |                  |              |  |
| Instruction   | 28,794,209                      | -                              | 28,794,209      | 31,960,218       | 31,960,218   | 3,166,009  |
| Support services  | 14,793,642                      | -                              | 14,793,642      | 18,585,880       | 19,035,880   | 4,242,238  |
| Non-instructional programs  | -                               | 2,667,261                      | 2,667,261       | 2,682,960        | 2,682,960    | 15,699   |
| Other expenditures  | 16,084,095                      | -                              | 16,084,095      | 24,132,972       | 24,132,972   | 8,048,877  |
| Total expenditures/expenses   | 59,671,946                      | 2,667,261                      | 62,339,207      | 77,362,030       | 77,812,030   | 15,472,823   |
| Excess (deficiency) of revenues over<br>(under) expenditures/expenses | 2,037,271                       | (5,162)                        | 2,032,109       | (15,033,241)     | (15,483,241) | 17,515,350   |
| Other financing sources (uses), net                                   | -                               | -                              | -               | -                | -            | -  |
| Change in fund balance  | 2,037,271                       | (5,162)                        | 2,032,109       | (15,033,241)     | (15,483,241) | 17,515,350   |
| Balance beginning of year   | 39,972,108                      | 1,622,342                      | 41,594,450      | 40,316,481       | 40,316,481   | 1,277,969  |
| Balance end of year   | \$ 42,009,379                   | 1,617,180                      | 43,626,559      | 25,283,240       | 24,833,240   | 18,793,319   |

See accompanying independent auditor's report.

Dallas Center-Grimes Community School District  
Notes to Required Supplementary Information – Budgetary Reporting  
Year ended June 30, 2023

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 Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's Budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional 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 ended June 30, 2023 expenditures did not exceed the amount budgeted.

**Dallas Center-Grimes Community School District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Iowa Public Employee's Retirement System**  
**For The Last Nine Years\* (In Thousands)**  
**Required Supplementary Information**

|   | 2023      | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| District's proportion of the net pension liability  | 0.273066% | 0.266140% | 0.267376% | 0.227519% | 0.250103% | 0.235337% | 0.229923% | 0.221670% | 0.205702% |
| District's proportionate share of the net pension liability   | \$ 10,838 | \$ 373    | \$ 18,651 | 13,263    | 15,822    | 15,536    | 14,339    | 11,020    | 8,325     |
| District's covered-employee payroll   | \$ 23,157 | \$ 21,603 | \$ 21,227 | 17,451    | 18,792    | 17,411    | 16,341    | 15,282    | 13,736    |
| District's proportionate share of the net pension liability as a percentage of its covered-employee payroll | 46.80%    | 1.73%     | 87.86%    | 76.00%    | 84.20%    | 89.23%    | 87.75%    | 72.11%    | 60.61%    |
| IPERS' net position as a percentage of the total pension liability  | 91.41%    | 100.81%   | 82.90%    | 85.45%    | 83.62%    | 82.21%    | 81.82%    | 85.19%    | 87.61%    |

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

See accompanying independent auditor's report.

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

|   | 2023      | 2022      | 2021      | 2020    | 2019    | 2018    | 2017    | 2016    | 2015    | 2014    |
|---|-----------|-----------|-----------|---------|---------|---------|---------|---------|---------|---------|
| Statutorily required contribution                                     | \$ 2,400  | \$ 2,186  | \$ 2,039  | 2,004   | 1,647   | 1,678   | 1,555   | 1,459   | 1,365   | 1,227   |
| Contributions in relation to the<br>statutorily required contribution | (2,400)   | (2,186)   | (2,039)   | (2,004) | (1,647) | (1,678) | (1,555) | (1,459) | (1,365) | (1,227) |
| Contribution deficiency (excess)                                      | \$ -      | \$ -      | \$ -      | -       | -       | -       | -       | -       | -       | -       |
| District's covered-employee payroll                                   | \$ 25,425 | \$ 23,157 | \$ 21,603 | 21,227  | 17,451  | 18,792  | 17,411  | 16,341  | 15,282  | 13,736  |
| Contributions as a percentage of<br>covered-employee payroll          | 9.44%     | 9.44%     | 9.44%     | 9.44%   | 9.44%   | 8.93%   | 8.93%   | 8.93%   | 8.93%   | 8.93%   |

See accompanying independent auditor's report.

**Dallas Center Grimes Community School District**  
**Notes to Required Supplementary Information- Benefits**  
**Year ended June 30, 2023**

---

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

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

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

**Dallas Center-Grimes Community School District**  
**Schedule of Changes in the District's**  
**Total OPEB Liability, Related Ratios and Notes**  
**For the Last Six Years**  
**Required Supplementary Information**

|  | 2023          | 2022          | 2021          | 2020       | 2019       | 2018       |
|--|---------------|---------------|---------------|------------|------------|------------|
| Service cost   | \$ 123,746    | \$ 183,663    | \$ 178,435    | 237,521    | 217,296    | 209,200    |
| Interest cost  | 37,691        | 35,347        | 33,093        | 76,490     | 74,949     | 70,946     |
| Changes of benefit terms   | -             | -             | -             | (761,377)  | -          | -          |
| Difference between expected and actual experiences               | (10,607)      | (582,666)     | -             | (177,401)  | -          | -          |
| Changes in assumptions   | -             | (79,393)      | 6,340         | 89,097     | 53,309     | (41,610)   |
| Benefit payments   | (70,210)      | (67,321)      | (100,826)     | (85,668)   | (148,369)  | (138,000)  |
| Net change in total OPEB liability                               | 80,620        | (510,370)     | 117,042       | (621,338)  | 197,185    | 100,536    |
| Total OPEB liability beginning of year                           | 976,068       | 1,486,438     | 1,369,396     | 1,990,734  | 1,793,549  | 1,693,013  |
| Total OPEB liability end of year                                 | \$ 1,056,688  | \$ 976,068    | \$ 1,486,438  | 1,369,396  | 1,990,734  | 1,793,549  |
| Covered-employee payroll   | \$ 19,493,000 | \$ 18,834,176 | \$ 22,090,000 | 21,446,703 | 19,011,486 | 18,353,586 |
| Total OPEB liability as a percentage of covered-employee payroll | 5.42%         | 5.18%         | 6.73%         | 6.39%      | 10.47%     | 9.77%      |

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

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

*Changes 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, 2023 | 3.65% |
| Year ended June 30, 2022 | 3.54% |
| Year ended June 30, 2021 | 2.16% |
| Year ended June 30, 2020 | 2.21% |
| Year ended June 30, 2019 | 3.50% |
| Year ended June 30, 2018 | 3.87% |
| Year ended June 30, 2017 | 3.58% |

See accompanying independent auditor's report.

## **Supplementary Information**

## Schedule 1

**Dallas Center-Grimes Community School District**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2023**

|   | Special Revenue     |                     |                  |
|---|---------------------|---------------------|------------------|
|   | Management<br>Levy  | Student<br>Activity | Total            |
| <b>Assets</b>   |                     |                     |                  |
| Cash, cash equivalents and pooled investments                             | \$ 1,795,623        | 449,245             | 2,244,868        |
| Receivables:  |                     |                     |                  |
| Property tax:   |                     |                     |                  |
| Delinquent  | 954                 | -                   | 954              |
| Subsequent year   | 663,996             | -                   | 663,996          |
| Accounts  | -                   | -                   | -                |
| <b>Total assets</b>   | <b>\$ 2,460,573</b> | <b>449,245</b>      | <b>2,909,818</b> |
| <b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>       |                     |                     |                  |
| Liabilities:  |                     |                     |                  |
| Accounts payable  | \$ -                | 19,062              | 19,062           |
| Total liabilities   | -                   | 19,062              | 19,062           |
| Deferred inflows of resources:  |                     |                     |                  |
| Unavailable revenues:   |                     |                     |                  |
| Succeeding year property tax  | 663,996             | -                   | 663,996          |
| Total deferred inflows of resources                                       | 663,996             | -                   | 663,996          |
| Fund balances:  |                     |                     |                  |
| Restricted for:   |                     |                     |                  |
| Management levy purposes  | 1,796,577           | -                   | 1,796,577        |
| Student activities  | -                   | 430,183             | 430,183          |
| Total fund balances   | 1,796,577           | 430,183             | 2,226,760        |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 2,460,573</b> | <b>449,245</b>      | <b>2,909,818</b> |

See accompanying independent auditor's report.



## Schedule 2

**Dallas Center-Grimes Community School District**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**Year ended June 30, 2023**

|                                    | Special Revenue    |                     |           |
|------------------------------------|--------------------|---------------------|-----------|
|                                    | Management<br>Levy | Student<br>Activity | Total     |
| Revenues:                          |                    |                     |           |
| Local sources:                     |                    |                     |           |
| Local tax                          | \$ 399,760         | -                   | 399,760   |
| Other                              | 3,214              | 782,737             | 785,951   |
| State sources                      | 44                 | -                   | 44        |
| Total revenues                     | 403,018            | 782,737             | 1,185,755 |
| Expenditures:                      |                    |                     |           |
| Current:                           |                    |                     |           |
| Instruction:                       |                    |                     |           |
| Regular                            | 66,012             | -                   | 66,012    |
| Other                              | -                  | 782,572             | 782,572   |
| Support Services:                  |                    |                     |           |
| Administration                     | 1,000              | -                   | 1,000     |
| Operation and maintenance of plant | 829,742            | -                   | 829,742   |
| Student transportation             | 5,209              | -                   | 5,209     |
| Total expenditures                 | 901,963            | 782,572             | 1,684,535 |
| Change in fund balances            | (498,945)          | 165                 | (498,780) |
| Fund balances beginning of year    | 2,295,522          | 430,018             | 2,725,540 |
| Fund balances end of year          | \$ 1,796,577       | 430,183             | 2,226,760 |

See accompanying independent auditor's report.

## Schedule 3

**Dallas Center-Grimes Community School District**  
**Schedule of Changes in Special Revenue Fund, Student Activity Accounts**  
**Year ended June 30, 2023**

| Account                        | Balance<br>Beginning<br>of Year | Revenues | Expenditures | Intrafund<br>Transfers | Balance<br>End<br>of Year |
|--------------------------------|---------------------------------|----------|--------------|------------------------|---------------------------|
| HS Annual                      | \$ 396                          | 120      | 3,246        | 2,730                  | -                         |
| HS Art Club                    | 1,217                           | -        | -            | -                      | 1,217                     |
| Athletics                      | 2,420                           | 76,396   | 58,582       | (13,718)               | 6,516                     |
| Athletics Resale               | 1,486                           | 19,079   | 12,155       | -                      | 8,410                     |
| HS/MS/Elem Band Resale         | -                               | 5,781    | 12,861       | 7,080                  | -                         |
| Baseball                       | -                               | 18,963   | 17,669       | -                      | 1,294                     |
| Baseball Fundraising           | 11,466                          | 1,870    | 8,032        | -                      | 5,304                     |
| Boosters                       | -                               | 107,274  | 111,025      | 3,751                  | -                         |
| Athletic Performance           | 476                             | 582      | 2,712        | 1,654                  | -                         |
| Camps & Clinics                | 125                             | -        | -            | -                      | 125                       |
| Boys/Girls Basketball          | 9,158                           | 20,018   | 15,433       | (5,806)                | 7,937                     |
| Basketball Fundraising         | 10,454                          | 12,840   | 5,713        | -                      | 17,581                    |
| Girls Basketball               | -                               | 14,156   | 11,264       | -                      | 2,892                     |
| Girls Basketball Fundraising   | 12,009                          | 11,932   | 8,981        | -                      | 14,960                    |
| Class of:                      |                                 | -        | -            | -                      | -                         |
| 2021                           | -                               | -        | -            | -                      | -                         |
| 2022                           | -                               | -        | -            | 12                     | 12                        |
| 2023                           | 13,085                          | 7,184    | 9,772        | -                      | 10,497                    |
| 2024                           | 5,080                           | 5,007    | 3,173        | -                      | 6,914                     |
| 2025                           | 4,800                           | 3,344    | -            | -                      | 8,144                     |
| 2026                           | -                               | 2,010    | -            | -                      | 2,010                     |
| Cross Country                  | -                               | 1,760    | 3,537        | 1,777                  | -                         |
| Boys Cross Country Fundraiser  | 472                             | 2,475    | 1,932        | -                      | 1,015                     |
| Girls Cross Country Fundraiser | 71                              | -        | -            | -                      | 71                        |
| Dance Team                     | 7,286                           | 18,052   | 19,064       | -                      | 6,274                     |
| Dig Pink Volleyball            | 254                             | -        | -            | -                      | 254                       |
| Drama/Speech                   | -                               | 4,930    | 5,051        | 121                    | -                         |
| Drill Team                     | 569                             | -        | -            | -                      | 569                       |
| Equip Repair                   | 2,833                           | 2,190    | -            | -                      | 5,023                     |
| E-sports                       | 1,500                           | 413      | 1,493        | -                      | 420                       |
| Football                       | 17,655                          | 57,016   | 67,571       | -                      | 7,100                     |
| Football Fundraising           | 13,585                          | 24,780   | 36,222       | -                      | 2,143                     |
| HS French Club                 | 685                             | -        | -            | -                      | 685                       |
| FFA                            | 9,130                           | 10,584   | 7,818        | -                      | 11,896                    |
| Greenhouse Club                | 1,026                           | 912      | -            | -                      | 1,938                     |
| Girls Softball                 | 4,305                           | 15,322   | 25,432       | 5,805                  | -                         |
| Girls Softball Fundraiser      | -                               | 24,394   | 5,310        | -                      | 19,084                    |
| Boys Golf                      | -                               | -        | 2,287        | 2,287                  | -                         |
| Boys Golf Fundraiser           | 159                             | 707      | 194          | -                      | 672                       |
| Girls Golf                     | -                               | 480      | 4,730        | 4,250                  | -                         |
| Girls Golf Fundraiser          | 2,350                           | 725      | 631          | -                      | 2,444                     |
| HS Bakers                      | 1,158                           | -        | -            | -                      | 1,158                     |
| HS Enterprise                  | 2,634                           | 1,715    | 1,780        | -                      | 2,569                     |

## Schedule 3

**Dallas Center-Grimes Community School District**  
**Schedule of Changes in Special Revenue Fund, Student Activity Accounts**  
**Year ended June 30, 2023**

| Account                     | Balance<br>Beginning<br>of Year | Revenues | Expenditures | Intrafund<br>Transfers | Balance<br>End<br>of Year |
|-----------------------------|---------------------------------|----------|--------------|------------------------|---------------------------|
| HS Student Council          | 13,688                          | 9,622    | 4,992        | -                      | 18,318                    |
| HS Honor Society            | 4,875                           | 3,424    | 3,033        | -                      | 5,266                     |
| HS Cheerleading             | 4,543                           | 19,007   | 12,763       | -                      | 10,787                    |
| HS Dance Marathon           | 1,254                           | -        | 526          | -                      | 728                       |
| HS Juice/Pop Machine        | 12,541                          | 821      | 4,287        | (2,985)                | 6,090                     |
| HS Best Buddies             | 2,312                           | 140      | 194          | -                      | 2,258                     |
| HS Band/Vocal Fundraiser    | 16,325                          | 9,929    | 18,790       | -                      | 7,464                     |
| HS Show Choir               | 9,576                           | 35,030   | 36,437       | -                      | 8,169                     |
| HS Jazz Choir               | 265                             | 13,391   | 1,461        | (12,074)               | 121                       |
| HS Vocal Solo Ensemble      | -                               | 8,065    | 20,139       | 12,074                 | -                         |
| HS Band Fundraiser          | -                               | 2,179    | -            | -                      | 2,179                     |
| Interest                    | 7,991                           | 8,531    | 349          | (15,819)               | 354                       |
| Boys Soccer                 | 3,622                           | 3,798    | 4,274        | (1,443)                | 1,703                     |
| Boys Soccer Fundraiser      | -                               | 2,850    | 2,962        | 112                    | -                         |
| Girls Soccer                | 3,570                           | 3,088    | 7,987        | 1,329                  | -                         |
| Girls Soccer Fundraiser     | -                               | 9,421    | 2,938        | -                      | 6,483                     |
| HS Drama/Musical            | 23,466                          | 697      | 19,856       | -                      | 4,307                     |
| MS Drama/Musical            | 3,614                           | 24,159   | 7,554        | -                      | 20,219                    |
| Mock Trial                  | -                               | 1,820    | 1,984        | 164                    | -                         |
| P.A.L.S.                    | 4,095                           | -        | -            | -                      | 4,095                     |
| Picture Fund                | 3,897                           | -        | 4,140        | 243                    | -                         |
| Spanish Club                | 638                             | -        | -            | -                      | 638                       |
| Track                       | 485                             | 459      | 5,615        | 4,671                  | -                         |
| Boys Track                  | -                               | 14,955   | 6,050        | (3,342)                | 5,563                     |
| Boys Track Fundraising      | 8,273                           | -        | 6,003        | -                      | 2,270                     |
| Girls Track                 | -                               | 1,887    | 4,877        | 2,990                  | -                         |
| Girls Track Fundraising     | -                               | 33       | 385          | 352                    | -                         |
| Tennis- Boys                | -                               | 126      | 497          | 371                    | -                         |
| Tennis- Boys Fundraising    | -                               | -        | 101          | 101                    | -                         |
| Tennis- Girls               | -                               | -        | 419          | 419                    | -                         |
| Volleyball                  | 11,063                          | 11,779   | 10,837       | (4,670)                | 7,335                     |
| Volleyball Fundraising      | 2,488                           | 13,780   | 5,821        | -                      | 10,447                    |
| Washington DC fundraiser    | 276                             | -        | -            | -                      | 276                       |
| Wrestling                   | 9,787                           | 13,351   | 27,620       | 4,482                  | -                         |
| Wrestling Fundraiser        | 9,582                           | 9,200    | 5,766        | (1,482)                | 11,534                    |
| Wrestling- Girls            | -                               | 1,900    | 6,464        | 4,564                  | -                         |
| Wrestling- Girls Fundraiser | -                               | 4,553    | 1,823        | -                      | 2,730                     |
| Meadows Yearbook            | 7,249                           | 550      | -            | -                      | 7,799                     |
| HS/MS/Elem Vocal Resale     | -                               | -        | -            | -                      | -                         |
| Jr. High Annual             | 8,579                           | 747      | -            | -                      | 9,326                     |
| Jr. High Cheerleading       | 1,180                           | -        | 1,106        | -                      | 74                        |
| Jr. High Juice/Pop Machine  | 38,626                          | 31,832   | 44,144       | -                      | 26,314                    |
| Jr. High Student Council    | 6,457                           | -        | 72           | -                      | 6,385                     |

## Schedule 3

**Dallas Center-Grimes Community School District****Schedule of Changes in Special Revenue Fund, Student Activity Accounts****Year ended June 30, 2023**

| Account                              | Balance<br>Beginning<br>of Year | Revenues | Expenditures | Intrafund<br>Transfers | Balance<br>End<br>of Year |
|--------------------------------------|---------------------------------|----------|--------------|------------------------|---------------------------|
| Jr. High Honor Society               | 81                              | -        | -            | -                      | 81                        |
| MS Athletics                         | -                               | 280      | -            | -                      | 280                       |
| MS Band/Vocal Fundraiser             | 413                             | -        | 525          | 112                    | -                         |
| Northridge Fundraiser                | 22,188                          | 3,134    | 1,561        | -                      | 23,761                    |
| Oak View Band Fundraiser             | 279                             | 14,129   | 10,296       | -                      | 4,112                     |
| Oak View Showchoir                   | 1,650                           | 11,759   | 4,654        | (112)                  | 8,643                     |
| Meadows Pop Fundraiser               | 6,705                           | 2,756    | 1,520        | -                      | 7,941                     |
| Meadows Student Council              | 5,818                           | 474      | 1,200        | -                      | 5,092                     |
| Kiwanis Key Club                     | 2,568                           | 1,349    | 1,231        | -                      | 2,686                     |
| Seniors Against Cancer 2010          | 111                             | -        | -            | -                      | 111                       |
| FFA Test Plot                        | 1,952                           | 9,474    | 2,457        | -                      | 8,969                     |
| Elementary Juice - Grimes            | -                               | -        | -            | -                      | -                         |
| Elementary Fundraiser - Grimes       | 10,167                          | 1,404    | 2,061        | -                      | 9,510                     |
| Elementary Fundraiser - D.C.         | 10,376                          | 1,181    | 9,688        | -                      | 1,869                     |
| Elementary Fundraiser - Heritage     | 9,219                           | 1,604    | 1,233        | -                      | 9,590                     |
| Elementary Student Council           | 329                             | -        | -            | -                      | 329                       |
| Technology Student Association (TSA) | -                               | 822      | 209          | -                      | 613                       |
| Character Counts                     | -                               | 236      | -            | -                      | 236                       |
| Total                                | \$ 430,017                      | 782,737  | 782,571      | -                      | 430,183                   |

See accompanying independent auditor's report.

**Dallas Center-Grimes Community School District**  
**Combining Balance Sheet**  
**Capital Projects Fund Accounts**  
**June 30, 2023**

|   | Capital Projects                            |                           |   |                   |
|---|---|---------------------------|---|-------------------|
|   | Statewide Sales,<br>Services and Use<br>Tax | Other Capital<br>Projects | Physical Plant<br>and Equipment<br>Levy | Total             |
| <b>Assets</b>   |   |                           |   |                   |
| Cash, cash equivalents and pooled investments                                 | \$ 10,661,543                               | -                         | 5,488,625                               | 16,150,168        |
| Receivables:  |   |                           |   |                   |
| Property tax:   |   |                           |   |                   |
| Delinquent  | -   | -                         | 5,822                                   | 5,822             |
| Succeeding year   | -   | -                         | 2,666,088                               | 2,666,088         |
| Accounts  | -   | -                         | 28,877                                  | 28,877            |
| Due from other governments  | 327,135                                     | -                         | -                                       | 327,135           |
| <b>Total assets</b>   | <b>\$ 10,988,678</b>                        | <b>-</b>                  | <b>8,189,412</b>                        | <b>19,178,090</b> |
| <b>Liabilities, Deferred Inflows of Resources<br/>and Fund Balances</b>       |   |                           |   |                   |
| Liabilities:  |   |                           |   |                   |
| Accounts payable  | \$ 4,521                                    | -                         | 2,163                                   | 6,684             |
| Total liabilities   | 4,521                                       | -                         | 2,163                                   | 6,684             |
| Deferred inflows of resources:  |   |                           |   |                   |
| Unavailable revenues:   |   |                           |   |                   |
| Succeeding year property tax  | -   | -                         | 2,666,088                               | 2,666,088         |
| Total deferred inflows of resources   | -   | -                         | 2,666,088                               | 2,666,088         |
| Fund balances:  |   |                           |   |                   |
| Restricted for:   |   |                           |   |                   |
| School infrastructure   | 10,984,157                                  | -                         | -                                       | 10,984,157        |
| Physical plant and equipment  | -   | -                         | 5,521,161                               | 5,521,161         |
| Total fund balances   | 10,984,157                                  | -                         | 5,521,161                               | 16,505,318        |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balances</b> | <b>\$ 10,988,678</b>                        | <b>-</b>                  | <b>8,189,412</b>                        | <b>19,178,090</b> |

See accompanying independent auditor's report.

## Schedule 5

**Dallas Center-Grimes Community School District**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Capital Projects Fund Accounts**  
**Year ended June 30, 2023**

|   | Capital Projects                            |                           |   |             |
|---|---|---------------------------|---|-------------|
|   | Statewide Sales,<br>Services and Use<br>Tax | Other Capital<br>Projects | Physical Plant<br>and Equipment<br>Levy | Total       |
| Revenues:   |   |                           |   |             |
| Local sources:  |   |                           |   |             |
| Local tax   | \$ -  | -                         | 2,500,857                               | 2,500,857   |
| Other   | 867,408                                     | 8,450                     | 311,806                                 | 1,187,664   |
| State sources   | 4,617,815                                   | -                         | 229                                     | 4,618,044   |
| Total revenues  | 5,485,223                                   | 8,450                     | 2,812,892                               | 8,306,565   |
| Expenditures:   |   |                           |   |             |
| Current:  |   |                           |   |             |
| Support services:   |   |                           |   |             |
| Administration  | -   | -                         | 464,570                                 | 464,570     |
| Operation and maintenance of plant                        | -   | -                         | 30,595                                  | 30,595      |
| Transportation  | -   | -                         | 26,195                                  | 26,195      |
| Other expenditures:                                       |   |                           |   |             |
| Facilities acquisition                                    | 3,884,746                                   | 4,024,459                 | 1,456,927                               | 9,366,132   |
| Total expenditures  | 3,884,746                                   | 4,024,459                 | 1,978,287                               | 9,887,492   |
| Excess (deficiency) of revenues over (under) expenditures | 1,600,477                                   | (4,016,009)               | 834,605                                 | (1,580,927) |
| Other financing sources (uses):                           |   |                           |   |             |
| Transfers out   | (884,652)                                   | -                         | -                                       | (884,652)   |
| Total other financing uses                                | (884,652)                                   | -                         | -                                       | (884,652)   |
| Change in fund balances                                   | 715,825                                     | (4,016,009)               | 834,605                                 | (2,465,579) |
| Fund balances beginning of year                           | 10,268,332                                  | 4,016,009                 | 4,686,556                               | 18,970,897  |
| Fund balances end of year                                 | \$ 10,984,157                               | -                         | 5,521,161                               | 16,505,318  |

See accompanying independent auditor's report.

## Schedule 6

**Dallas Center-Grimes Community School District**  
**Combining Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

|                                  | Business Type Activities |                         |                 |           |
|----------------------------------|--------------------------|-------------------------|-----------------|-----------|
|                                  | Enterprise Funds         |                         |                 |           |
|                                  | School<br>Nutrition      | Student<br>Construction | Farm<br>Account | Total     |
| <b>Assets</b>                    |                          |                         |                 |           |
| Current assets:                  |                          |                         |                 |           |
| Cash and cash equivalents        | \$ 1,295,343             | 29,141                  | 23,141          | 1,347,625 |
| Accounts receivable              | 6,625                    | -                       | -               | 6,625     |
| Inventories                      | 12,605                   | -                       | -               | 12,605    |
| Total current assets             | 1,314,573                | 29,141                  | 23,141          | 1,366,855 |
| Non-current assets:              |                          |                         |                 |           |
| Machinery and equipment          | 1,145,606                | -                       | -               | 1,145,606 |
| Accumulated depreciation         | (813,933)                | -                       | -               | (813,933) |
| Total non-current assets         | 331,673                  | -                       | -               | 331,673   |
| <b>Total assets</b>              | 1,646,246                | 29,141                  | 23,141          | 1,698,528 |
| <b>Liabilities</b>               |                          |                         |                 |           |
| Current liabilities:             |                          |                         |                 |           |
| Accounts payable                 | 81,348                   | -                       | -               | 81,348    |
| Total current liabilities        | 81,348                   | -                       | -               | 81,348    |
| <b>Total liabilities</b>         | 81,348                   | -                       | -               | 81,348    |
| <b>Net position</b>              |                          |                         |                 |           |
| Net investment in capital assets | 331,673                  | -                       | -               | 331,673   |
| Unrestricted                     | 1,233,225                | 29,141                  | 23,141          | 1,285,507 |
| <b>Total net position</b>        | \$ 1,564,898             | 29,141                  | 23,141          | 1,617,180 |

See accompanying independent auditor's report.

Schedule 6

| Governmental Activities         |                   |           |
|---------------------------------|-------------------|-----------|
| Internal Service Funds          |                   |           |
| Partially Self-Funded Insurance | Flexible Benefits | Total     |
| 5,302,162                       | 79,008            | 5,381,170 |
| -                               | -                 | -         |
| -                               | -                 | -         |
| 5,302,162                       | 79,008            | 5,381,170 |
| -                               | -                 | -         |
| -                               | -                 | -         |
| -                               | -                 | -         |
| 5,302,162                       | 79,008            | 5,381,170 |
| 947,638                         | 79,008            | 1,026,646 |
| 947,638                         | 79,008            | 1,026,646 |
| 947,638                         | 79,008            | 1,026,646 |
| -                               | -                 | -         |
| 4,354,524                       | -                 | 4,354,524 |
| 4,354,524                       | -                 | 4,354,524 |



**Dallas Center-Grimes Community School District**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year ended June 30, 2023**

|   | Business Type Activities |                      |              |             | Governmental Activities         |                   |           |
|---|--------------------------|----------------------|--------------|-------------|---------------------------------|-------------------|-----------|
|   | Enterprise Funds         |                      |              |             | Internal Service Funds          |                   |           |
|   | School Nutrition         | Student Construction | Farm Account | Total       | Partially Self-Funded Insurance | Flexible Benefits | Total     |
| Operating revenue:                          |                          |                      |              |             |                                 |                   |           |
| Local sources:                              |                          |                      |              |             |                                 |                   |           |
| Other local sources:                        |                          |                      |              |             |                                 |                   |           |
| Food service sales                          | \$ 1,425,119             | -                    | -            | 1,425,119   | -                               | -                 | -         |
| Other operating revenue                     | 23,350                   | -                    | 1,860        | 25,210      | 6,311,230                       | -                 | 6,311,230 |
| Total operating revenues                    | 1,448,469                | -                    | 1,860        | 1,450,329   | 6,311,230                       | -                 | 6,311,230 |
| Operating expenses:                         |                          |                      |              |             |                                 |                   |           |
| Instructional programs:                     |                          |                      |              |             |                                 |                   |           |
| Support services:                           |                          |                      |              |             |                                 |                   |           |
| Services                                    | -                        | -                    | -            | -           | 5,345,918                       | -                 | 5,345,918 |
|   | -                        | -                    | -            | -           | 5,345,918                       | -                 | 5,345,918 |
| Non-instructional programs:                 |                          |                      |              |             |                                 |                   |           |
| Food service operations:                    |                          |                      |              |             |                                 |                   |           |
| Services                                    | 2,214,457                | -                    | -            | 2,214,457   | -                               | -                 | -         |
| Supplies                                    | 394,652                  | -                    | -            | 394,652     | -                               | -                 | -         |
| Depreciation                                | 58,152                   | -                    | -            | 58,152      | -                               | -                 | -         |
|   | 2,667,261                | -                    | -            | 2,667,261   | -                               | -                 | -         |
| Total operating expenses                    | 2,667,261                | -                    | -            | 2,667,261   | 5,345,918                       | -                 | 5,345,918 |
| Operating income (loss)                     | (1,218,792)              | -                    | 1,860        | (1,216,932) | 965,312                         | -                 | 965,312   |
| Non-operating revenues:                     |                          |                      |              |             |                                 |                   |           |
| State sources                               | 14,022                   | -                    | -            | 14,022      | -                               | -                 | -         |
| Federal sources                             | 1,151,051                | -                    | -            | 1,151,051   | -                               | -                 | -         |
| Interest income                             | 45,362                   | -                    | -            | 45,362      | -                               | -                 | -         |
| Contributions                               | 1,335                    | -                    | -            | 1,335       | -                               | -                 | -         |
| Total non-operating revenues                | 1,211,770                | -                    | -            | 1,211,770   | -                               | -                 | -         |
| Contributed capital                         | -                        | -                    | -            | -           | -                               | -                 | -         |
| Change in net position                      | (7,022)                  | -                    | 1,860        | (5,162)     | 965,312                         | -                 | 965,312   |
| Net position beginning of year, as restated | 1,571,920                | 29,141               | 21,281       | 1,622,342   | 3,389,212                       | -                 | 3,389,212 |
| Net position end of year                    | \$ 1,564,898             | 29,141               | 23,141       | 1,617,180   | 4,354,524                       | -                 | 4,354,524 |

See accompanying independent auditor's report.

**Dallas Center-Grimes Community School District**  
**Combining Statement of Cash Flows**  
**Proprietary Funds**  
**Year ended June 30, 2023**

|   | Business Type Activities |                      |              |             | Governmental Activities         |                   |             |
|---|--------------------------|----------------------|--------------|-------------|---------------------------------|-------------------|-------------|
|   | Enterprise Funds         |                      |              |             | Internal Service Funds          |                   |             |
|   | School Nutrition         | Student Construction | Farm Account | Total       | Partially Self-Funded Insurance | Flexible Benefits | Total       |
| Cash flows from operating activities:   |                          |                      |              |             |                                 |                   |             |
| Cash received from sale of lunches and breakfasts   | \$ 1,425,119             | -                    | -            | 1,425,119   | -                               | -                 | -           |
| Cash Received from miscellaneous operating activities   | 23,350                   | -                    | 1,860        | 25,210      | 6,311,230                       | 14,766            | 6,325,996   |
| Cash payments to suppliers for goods or services  | (2,449,450)              | -                    | -            | (2,449,450) | (5,232,953)                     | -                 | (5,232,953) |
| Net cash provided (used) by operating activities  | (1,000,981)              | -                    | 1,860        | (999,121)   | 1,078,277                       | 14,766            | 1,093,043   |
| Cash flows from non-capital financing activities:   |                          |                      |              |             |                                 |                   |             |
| State grants received   | 14,022                   | -                    | -            | 14,022      | -                               | -                 | -           |
| Federal grants received   | 912,374                  | -                    | -            | 912,374     | -                               | -                 | -           |
| Contributions   | 1,335                    | -                    | -            | 1,335       | -                               | -                 | -           |
| Net cash provided by non-capital financing activities   | 927,731                  | -                    | -            | 927,731     | -                               | -                 | -           |
| Cash flows from investing activities:   |                          |                      |              |             |                                 |                   |             |
| Interest on investments   | 45,362                   | -                    | -            | 45,362      | -                               | -                 | -           |
| Net increase (decrease) in cash and cash equivalents  | (27,888)                 | -                    | 1,860        | (26,028)    | 1,078,277                       | 14,766            | 1,093,043   |
| Cash and cash equivalents at beginning of year  | 1,323,231                | 29,141               | 21,281       | 1,373,653   | 4,223,885                       | 64,242            | 4,288,127   |
| Cash and cash equivalents at end of year  | \$ 1,295,343             | 29,141               | 23,141       | 1,347,625   | 5,302,162                       | 79,008            | 5,381,170   |
| <b>Reconciliation of operating income (loss) to net cash used by operating activities:</b>                            |                          |                      |              |             |                                 |                   |             |
| Operating income (loss)   | \$ (1,218,792)           | -                    | 1,860        | (1,216,932) | 965,312                         | -                 | 965,312     |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:                 |                          |                      |              |             |                                 |                   |             |
| Commodities received  | 238,677                  | -                    | -            | 238,677     | -                               | -                 | -           |
| Depreciation  | 58,152                   | -                    | -            | 58,152      | -                               | -                 | -           |
| Decrease (increase) in inventories  | 7,505                    | -                    | -            | 7,505       | -                               | -                 | -           |
| Increase (decrease) in accounts payable   | (86,523)                 | -                    | -            | (86,523)    | 112,965                         | 14,766            | 127,731     |
| Net cash provided (used by) operating activities  | \$ (1,000,981)           | -                    | 1,860        | (999,121)   | 1,078,277                       | 14,766            | 1,093,043   |
| <b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:</b> |                          |                      |              |             |                                 |                   |             |
| Current assets:   |                          |                      |              |             |                                 |                   |             |
| Cash and investments  | \$ 1,295,343             | 29,141               | 23,141       | 1,347,625   | 5,302,162                       | 79,008            | 5,381,170   |
| Cash and cash equivalents at year end   | \$ 1,295,343             | 29,141               | 23,141       | 1,347,625   | 5,302,162                       | 79,008            | 5,381,170   |

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2023, the District received \$238,677 of federal commodities.

See accompanying independent auditor's report.

## Schedule 9

**Dallas Center-Grimes Community School District**  
**Schedule of Revenues by Source and Expenditures by Function**  
**All Governmental Funds**  
**For the Last Ten Years**

|                            | Modified Accrual Basis |            |            |            |            |            |            |            |            |            |
|----------------------------|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                            | 2023                   | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       | 2014       |
| Revenues:                  |                        |            |            |            |            |            |            |            |            |            |
| Local sources:             |                        |            |            |            |            |            |            |            |            |            |
| Local tax                  | \$ 24,975,024          | 21,334,598 | 20,220,149 | 18,428,172 | 18,805,963 | 16,653,465 | 14,847,680 | 13,075,546 | 12,272,534 | 11,884,997 |
| Tuition                    | 3,753,336              | 2,630,843  | 2,429,852  | 2,677,963  | 2,700,118  | 2,586,747  | 2,733,064  | 2,517,722  | 2,236,592  | 2,160,260  |
| Other                      | 2,743,487              | 2,336,188  | 2,184,507  | 3,121,664  | 2,756,732  | 2,295,056  | 2,133,492  | 2,024,313  | 1,895,944  | 2,146,295  |
| State sources              | 28,912,229             | 26,805,713 | 24,460,395 | 22,345,634 | 21,291,432 | 20,299,489 | 18,465,973 | 16,689,892 | 15,091,801 | 13,584,833 |
| Federal sources            | 1,325,141              | 1,390,210  | 1,873,865  | 904,858    | 876,276    | 838,679    | 736,963    | 631,454    | 498,934    | 535,750    |
| Total                      | \$ 61,709,217          | 54,497,552 | 51,168,768 | 47,478,291 | 46,430,521 | 42,673,436 | 38,917,172 | 34,938,927 | 31,995,805 | 30,312,135 |
| Expenditures:              |                        |            |            |            |            |            |            |            |            |            |
| Instruction:               |                        |            |            |            |            |            |            |            |            |            |
| Regular                    | \$ 16,162,180          | 17,496,183 | 14,942,681 | 14,062,751 | 12,769,327 | 12,460,152 | 11,613,216 | 11,181,345 | 10,722,326 | 9,568,759  |
| Special                    | 6,440,038              | 7,609,738  | 4,959,049  | 4,699,500  | 3,799,400  | 3,297,029  | 3,083,743  | 4,435,322  | 3,883,233  | 3,588,540  |
| Other                      | 6,191,991              | 2,652,552  | 5,235,787  | 4,932,273  | 4,918,487  | 4,760,706  | 4,377,423  | 2,085,479  | 2,147,323  | 1,815,048  |
| Support services:          |                        |            |            |            |            |            |            |            |            |            |
| Student                    | 1,082,570              | 1,043,832  | 1,157,469  | 1,009,947  | 977,902    | 910,540    | 771,241    | 762,618    | 634,873    | 598,037    |
| Instructional staff        | 3,051,896              | 2,871,905  | 2,495,689  | 2,686,155  | 2,337,432  | 2,363,454  | 2,197,720  | 1,783,497  | 1,238,643  | 1,057,144  |
| Administration             | 4,233,010              | 3,413,085  | 3,475,195  | 3,197,295  | 2,618,014  | 2,571,134  | 2,467,466  | 2,632,356  | 2,957,997  | 2,711,628  |
| Operation and maintenance  |                        |            |            |            |            |            |            |            |            |            |
| of plant                   | 4,823,442              | 4,325,287  | 4,126,032  | 3,480,768  | 3,276,755  | 2,950,904  | 2,587,132  | 2,763,862  | 3,025,115  | 2,718,926  |
| Transportation             | 1,602,724              | 1,848,971  | 1,682,644  | 1,514,024  | 1,593,671  | 1,569,138  | 1,136,030  | 1,260,699  | 1,097,040  | 1,402,211  |
| Other expenditures:        |                        |            |            |            |            |            |            |            |            |            |
| Facilities acquisition     | 9,366,132              | 7,924,529  | 21,091,911 | 21,911,847 | 7,208,443  | 3,988,789  | 12,619,631 | 3,332,373  | 2,197,567  | 2,610,141  |
| Long-term debt:            |                        |            |            |            |            |            |            |            |            |            |
| Principal                  | 2,460,000              | 2,420,000  | 19,415,000 | 2,155,000  | 1,490,000  | 1,455,000  | 1,430,000  | 1,535,000  | 1,365,000  | 1,310,000  |
| Interest and other charges | 2,598,762              | 2,855,892  | 3,202,543  | 2,603,267  | 1,624,656  | 1,658,476  | 1,828,613  | 1,787,846  | 1,353,558  | 1,386,846  |
| AEA flowthrough            | 1,659,201              | 1,540,413  | 1,442,196  | 1,310,827  | 1,225,741  | 1,153,382  | 1,033,233  | 960,969    | 904,670    | 823,740    |
| Total                      | \$ 59,671,946          | 56,002,387 | 83,226,196 | 63,563,654 | 43,839,828 | 39,138,704 | 45,145,448 | 34,521,366 | 31,527,345 | 29,591,020 |

See accompanying independent auditor's report.

**Dallas Center-Grimes School District**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2023**

---

**Note 1. Basis of Presentation**

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

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the accrual or 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. Indirect Cost Rate**

Dallas Center-Grimes Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

**Note 4. Noncash Assistance**

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$238,677 related to USDA Commodities grants provided by the U.S. Department of Agriculture passed through the Iowa Department of Education, Assistance Listing Number 10.555.

## Schedule 10

**Dallas Center-Grimes Community School District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2023**

| <u>Grantor/Program</u>   | <u>Pass-Through</u>                      |  | <u>Expenditures</u> |
|--|--|--|---------------------|
|  | <u>Assistance<br/>Listing<br/>Number</u> | <u>Entity<br/>Identifying<br/>Number</u> |                     |
| Indirect:  |  |  |                     |
| U.S. Department of Agriculture:  |  |  |                     |
| Passed through Iowa Department of Education:   |  |  |                     |
| Child Nutrition Cluster:   |  |  |                     |
| School Breakfast Program   | 10.553                                   | FY 23                                    | \$ 103,970          |
| Supply Chain Assistance  | 10.555                                   | FY 23                                    | 156,533             |
| National School Lunch Program  | 10.555                                   | FY 23                                    | 890,548 *           |
|  |  |  | <u>1,151,051</u>    |
| U.S. Department of Education:  |  |  |                     |
| Passed through Iowa Department of Education:   |  |  |                     |
| Title I Grants to Local Educational Agencies   | 84.010                                   | FY 23                                    | <u>159,560</u>      |
| Career and Technical Education - Basic Grants to States                                  | 84.048                                   | FY 23                                    | <u>32,330</u>       |
| Supporting Effective Instruction State Grants  | 84.367                                   | FY 23                                    | <u>36,514</u>       |
| Student Support and Academic Enrichment Program  | 84.424                                   | FY 23                                    | <u>14,077</u>       |
| American Rescue Plan Elementary and Secondary<br>School Emergency Relief (ARP ESSER III) | 84.425U                                  | FY 23                                    | <u>328,384</u>      |
| Passed through Area Education Agency:  |  |  |                     |
| Special Education - Grants to States   | 84.027                                   | FY 23                                    | <u>154,969</u>      |
| Total  |  |  | <u>\$ 1,876,885</u> |

\*includes \$238,677 of non-cash awards.

See Notes to Schedule of Expenditures of Federal Awards.



705 Main Street  
Pella, IA 50219  
Ph.: 641-628-3737  
Fax: 641-628-3757

[www.vanmaanen CPA.com](http://www.vanmaanen CPA.com)

**Van Maanen, Sietstra, Meyer & Nikkel, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Board of Education of Dallas Center-Grimes Community School District:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Dallas Center-Grimes Community School District, as of and for the year ended June 30, 2023, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2023 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

#### Dallas Center – Grimes Community School District's Responses to the Findings

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

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Dallas Center-Grimes Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Van Maanen, Sietstra, Meyer & Nikkel PC*

Van Maanen, Sietstra, Meyer & Nikkel, PC  
Certified Public Accountants

March 25, 2024



705 Main Street  
Pella, IA 50219  
Ph.: 641-628-3737  
Fax: 641-628-3757

[www.vanmaanencpa.com](http://www.vanmaanencpa.com)

**Van Maanen, Sietstra, Meyer & Nikkel, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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

To the Board of Education of Dallas Center-Grimes Community School District:

### Report on Compliance for Each Major Federal Program

#### Opinion on Each Major Federal Program

We have audited Dallas Center-Grimes Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. Dallas Center-Grimes Community School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

#### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, 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 Dallas Center-Grimes Community School 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 Dallas Center-Grimes Community School 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 Dallas Center-Grimes Community School 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 Dallas Center-Grimes Community School 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 judgement made by a reasonable user of the report on compliance about Dallas Center-Grimes Community School 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 judgement 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 Dallas Center-Grimes Community School District's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.
- Obtain an understanding of Dallas Center-Grimes Community School 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 Dallas Center-Grimes Community School 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 we identified during the audit.

#### Report on Internal Control Over Compliance

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

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

*Van Maanen, Sietstra, Meyer & Nikkel PC*

Van Maanen, Sietstra, Meyer & Nikkel, PC  
Certified Public Accountants

March 25, 2024

**Part I: Summary of the Independent Auditor's Results**

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with the Uniform Guidance, Section 200.516(a).
- (g) Major programs were as follows:
  - Child Nutrition Cluster:
    - Assistance Listing Number 10.553 – School Breakfast Program
    - Assistance Listing Number 10.555 – National School Lunch Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Dallas Center-Grimes Community School District qualified as a low-risk auditee.

**Part II: Findings Related to the Financial Statements**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

No matters were noted.

**Part III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCIES:**

No matters were noted.

**Part IV: Other Findings Related to Required Statutory Reporting**

IV-A-23      Certified Budget For the year ended June 30, 2023, no expenditures exceeded the certified budget amounts.

**Dallas Center-Grimes Community School District**  
**Schedule of Findings and Questioned Costs**  
**Year ended June 30, 2023**

---

- IV-B-23      Questionable Expenditures - No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-23      Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-23      Business Transactions – No business transactions between the District and District officials or employees were noted.
- IV-E-23      Restricted Donor Activity – No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa
- IV-F-23      Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-G-23      Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-H-23      Certified Enrollment – No variances regarding the basic enrollment data certified to the Department of Education were noted.
- IV-I-23      Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-J-23      Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-          Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.
- IV-L-23      Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.
- IV-M-23      Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, 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, 2023, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

|                                    |    |           |                   |
|------------------------------------|----|-----------|-------------------|
| Beginning balance                  |    | \$        | 10,268,332        |
| Revenues:                          |    |           |                   |
| Sales tax revenues                 | \$ | 4,617,815 |                   |
| Other local revenues               |    | 867,408   | 5,485,223         |
|                                    |    |           | <hr/>             |
| Expenditures/transfers out:        |    |           |                   |
| School infrastructure construction |    | 3,884,746 |                   |
| Transfers to other funds:          |    |           |                   |
| Debt service fund                  |    | 884,652   | 4,769,398         |
|                                    |    |           | <hr/>             |
| Ending balance                     |    | \$        | <u>10,984,157</u> |

For the year ended June 30, 2023, the District did not reduce any levies as a result of the moneys received under Chapter 423 or 423F of the Code of Iowa.