



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

**Communications Letter**

**June 30, 2025**

**Dallas Center - Grimes Community School District  
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## Report on Matters Identified as a Result of the Audit of the Basic Financial Statements

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

In planning and performing our audit of the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dallas Center - Grimes Community School District, Grimes, Iowa as of and for the year ended June 30, 2025, 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, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the District's basic financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible*. The chance of the future event or events occurring is more than remote but less than likely.
- *Probable*. The future event or events are likely to occur.

The material weakness identified is stated within this letter.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated October 21, 2025, on such statements.

The purpose of this communication, which is an integral part of our audit, is to describe for the Board of Education, management, others within the District, and state oversight agencies the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

BerganKDV, Ltd.

St. Cloud, Minnesota  
October 21, 2025

**Dallas Center - Grimes Community School District  
Material Weakness**

**Lack of Segregation of Accounting Duties**

During the year ended June 30, 2025, the District had a lack of segregation of accounting duties due to a limited number of office employees. This lack of segregation of accounting duties can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

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

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

**Dallas Center - Grimes Community School District  
Required Communication**

We have audited the basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District for the year ended June 30, 2025. Professional standards require that we advise you of the following matters related to our audit.

**Our Responsibility in Relation to the Basic Financial Statement Audit**

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the basic financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the basic financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the basic financial statements are free of material misstatement. An audit of the basic financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Our Responsibility in Relation to *Government Auditing Standards***

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**Dallas Center - Grimes Community School District  
Required Communication**

**Our Responsibility in Relation to *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)**

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined on a test basis, evidence about the District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the District's compliance with those requirements.

In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance.

**Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

**Significant Risks**

We addressed the following significant risks of material misstatement identified in our planning procedures:

- **Management Override of Controls - Overall Financial Statements** - Management override of internal control is considered a risk in substantially all engagements as management may be incentivized to produce better results.
- **Improper Revenue Recognition** - Revenue recognition is considered a fraud risk on substantially all engagements as it generally has a significant impact on the results of the governments operations. In addition, complexities exist surrounding the calculation and recording of various revenue sources including property taxes and state aid.
- **Improper Disbursements and Payroll/Misappropriation of Assets** - If accounting duties cannot be appropriately segregated, there is a risk of unauthorized disbursements related to student activities, accounts payable and payroll being made from the District.
- **Capital Assets Valuation** - Capital assets and related depreciation are material to the financial statements and involve significant estimates.
- **Pension Valuation** - Net pension liability, deferred outflows of resources related to pensions, and deferred inflows of resources related to pensions are generally material to the financial statements and involve significant estimates.

**Dallas Center - Grimes Community School District  
Required Communication**

**Qualitative Aspects of the District's Significant Accounting Practices**

*Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to the basic financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

*Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the basic financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the basic financial statements relate to:

Depreciation - The District is currently depreciating its' capital assets over their estimated useful lives, as determined by management, using the straight-line method.

Total Other Post Employment Benefits (OPEB) Liability - This balance is based on an actuarial study using the estimates of future obligations of the District for post-employment benefits.

Net Pension Liability, Deferred Outflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Pensions - These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

*Financial Statement Disclosures*

Certain basic financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The basic financial statement disclosures are neutral, consistent, and clear.

**Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

**Uncorrected and Corrected Misstatements**

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the basic financial statements as a whole and each applicable opinion unit.

**Dallas Center - Grimes Community School District  
Required Communication**

**Uncorrected and Corrected Misstatements (Continued)**

Management did not identify, and we did not notify them of any uncorrected financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the basic financial statements taken as a whole.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's basic financial statements or the auditor's report. No such disagreements arose during the course of our audit.

**Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter.

**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating, and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditor.

**Noncompliance with Laws and Regulations, Violations of Contract Provisions or Grant Agreements**

- Certified enrollment was over reported.

**Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Dallas Center - Grimes Community School District  
Required Communication**

**Other Information Included in Annual Reports (Continued)**

With respect to the supplementary information accompanying the basic financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the basic financial statements.

**Dallas Center - Grimes Community School District  
Financial Analysis**

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours.

**Certified Enrollment**

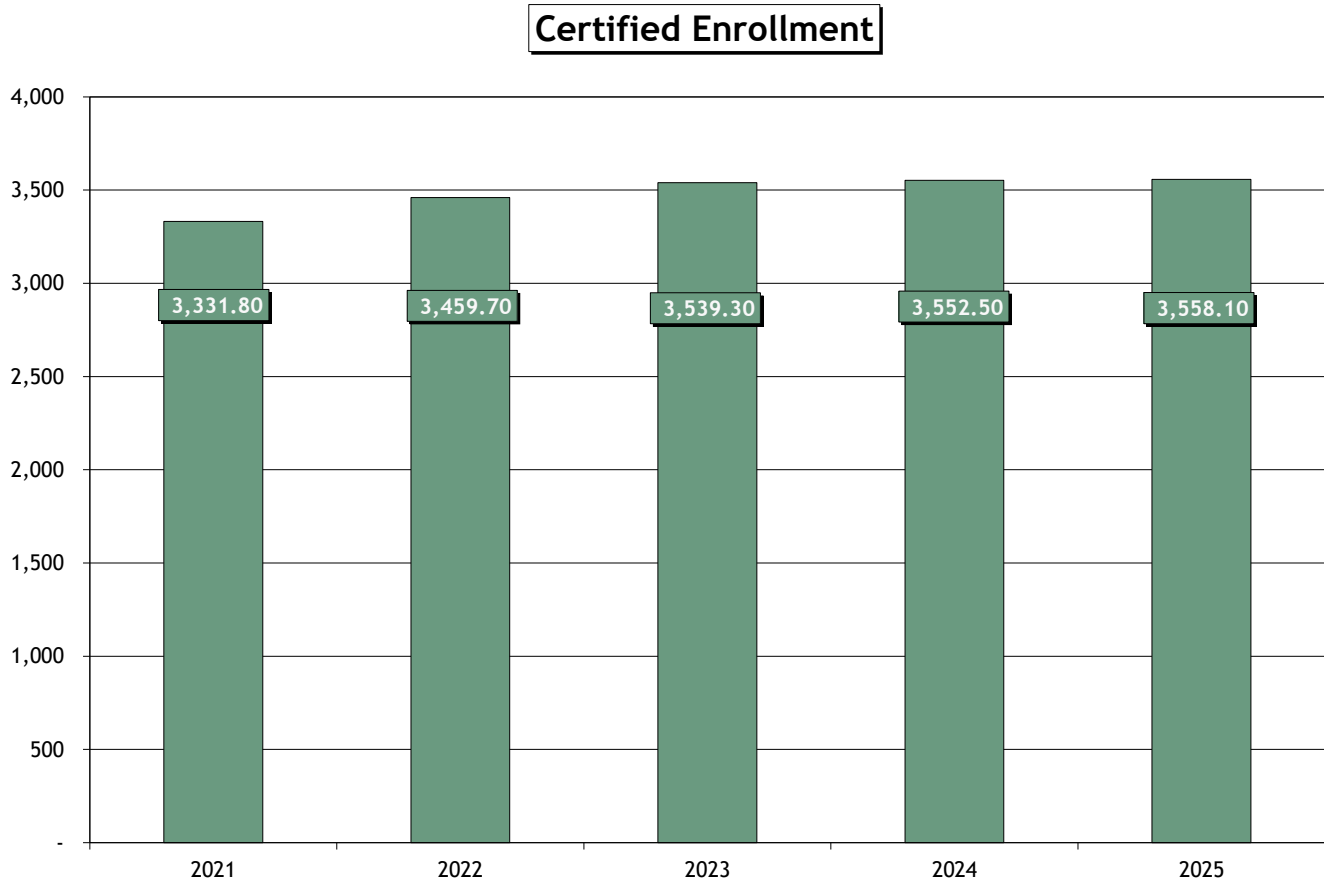
The largest single funding source for Iowa school districts is regular program district cost. Each year, the State Legislature sets the regular program district cost per pupil. Regular program district cost is calculated by multiplying the regular program district cost per pupil for the year plus regular program supplemental state aid by the enrollment.

<u>Budget Year</u>	<u>Growth Rate</u>	<u>Regular Program District Cost Per Pupil</u>
2026	2.07%	\$ 7,988
2025	2.50%	7,826
2024	2.99%	7,635
2023	2.57%	7,413
2022	2.54%	7,227
2021	2.14%	7,048
2020	1.08%	6,880

## Dallas Center - Grimes Community School District Financial Analysis

### Certified Enrollment (Continued)

The following chart and graph summarize certified enrollment of the District over the past five years:

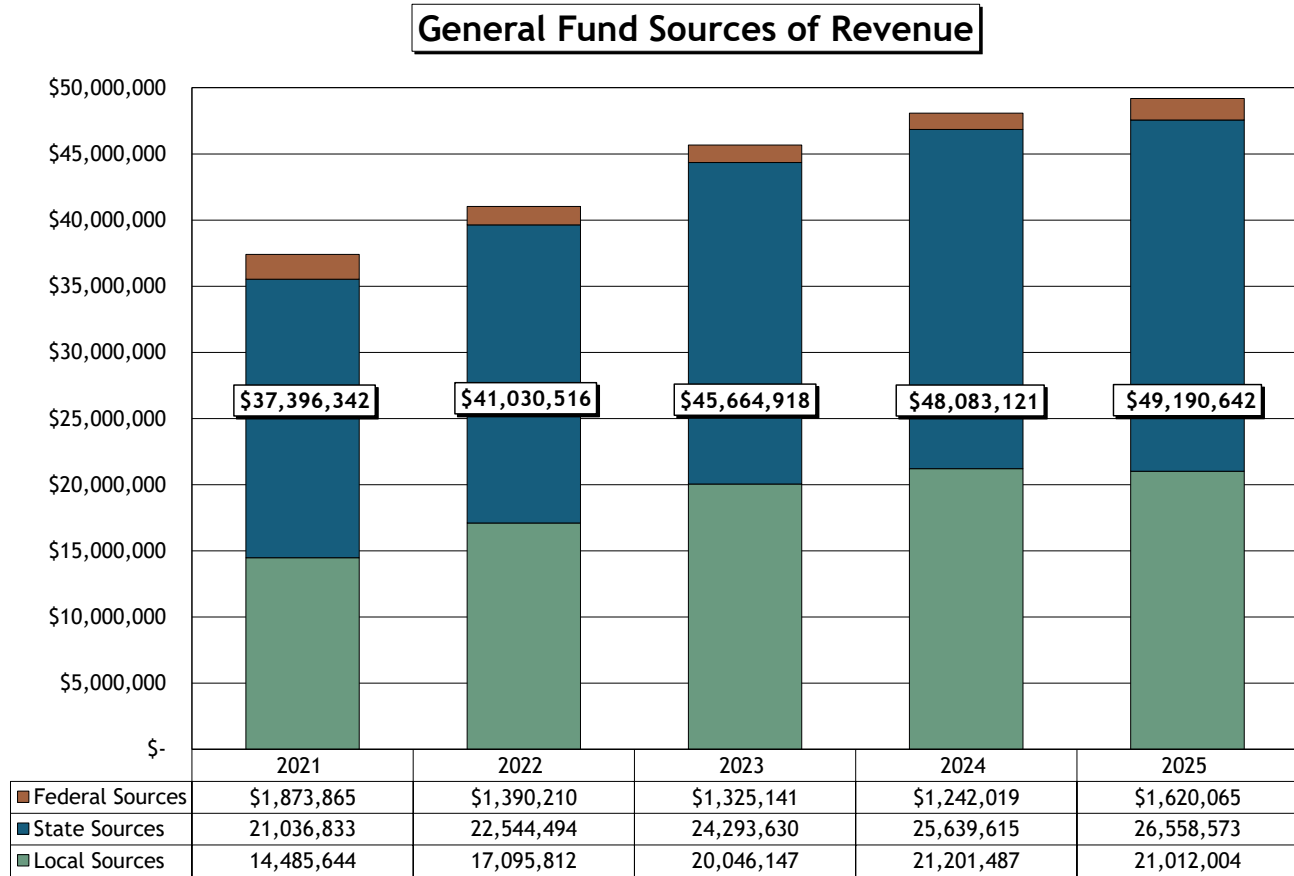


The graph above demonstrates the fluctuations in certified enrollment over the past five years with 2025 reporting 3,558.10, an increase of 5.60 from 2024 and an overall increase of 226.30 since 2021.

## Dallas Center - Grimes Community School District Financial Analysis

### General Fund Sources of Revenue

The following table displays the sources of revenue for the General Fund:



Total General Fund revenues of \$49,190,642 increased \$1,107,521, or 2.3%, from 2024 to 2025. Revenue increased \$11,794,300, or 31.5% over the course of the five years presented.

State revenue, which makes up the largest percentage of the District's revenue at 54.0%, increased \$918,958, due primarily to the increase in Regular Program District cost per Pupil and the increase in certified enrollment. Federal revenue accounts for 3.3% of the District's revenue and increased \$378,046 due to receiving the one time school safety grant. Local sources make up the remaining 42.7% of revenue and decreased \$189,483, due to a decrease in the general fund share of the property tax levy offset by increases in tuition related to increased open enrollment.

## Dallas Center - Grimes Community School District Financial Analysis

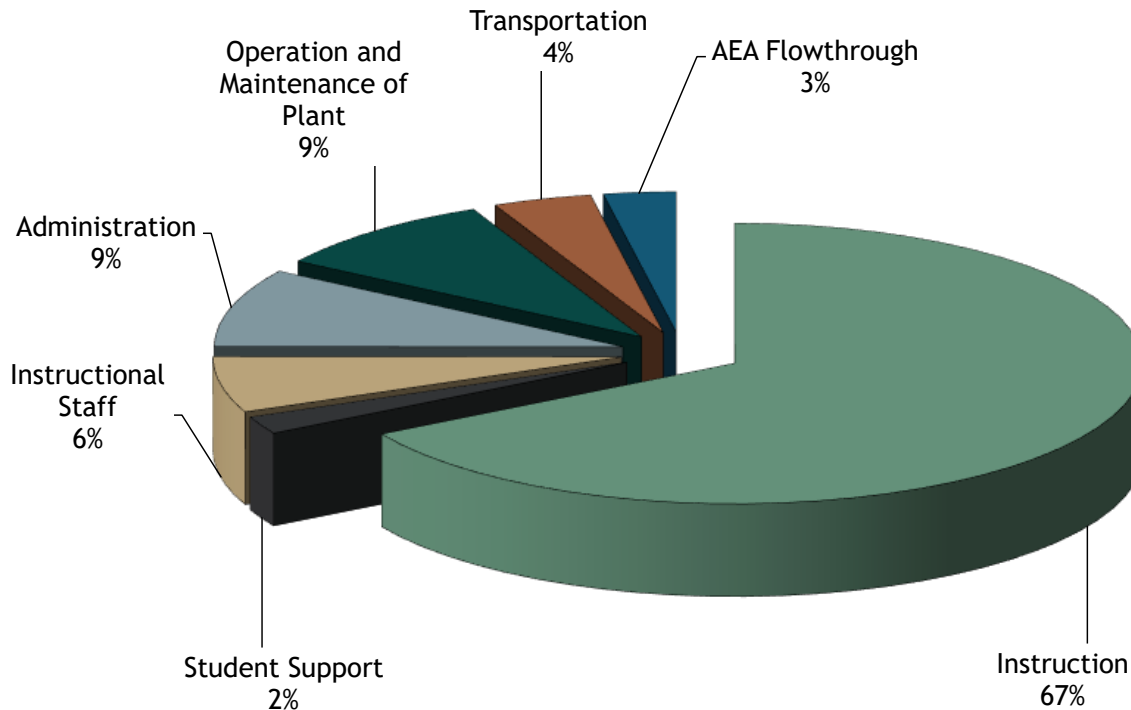
### General Fund Expenditures

General Fund expenditures by program for the past five years are summarized below:

General Fund Expenditures	2021	2022	2023	2024	2025	Variance
Instruction	\$ 24,671,943	\$ 26,714,533	\$ 27,945,625	\$ 31,050,652	\$ 31,989,767	\$ 939,115
Student	1,157,469	1,043,832	1,082,570	1,001,273	980,558	(20,715)
Instructional Staff	2,495,689	2,871,905	3,051,896	3,114,630	3,082,220	(32,410)
Administration	3,018,953	3,288,340	3,767,440	3,826,458	4,352,626	526,168
Operation and Maintenance of Plant	3,484,428	3,842,571	3,963,105	4,142,956	4,397,867	254,911
Transportation	1,217,164	1,455,200	1,571,320	1,709,099	1,875,412	166,313
AEA Flowthrough	1,442,196	1,540,413	1,659,201	1,757,408	1,373,932	(383,476)
<b>Total</b>	<b>\$ 37,487,842</b>	<b>\$ 40,756,794</b>	<b>\$ 43,041,157</b>	<b>\$ 46,602,476</b>	<b>\$ 48,052,382</b>	<b>\$ 1,449,906</b>

Total expenditures increased by \$1,449,906, or 3.1%, from 2024 to 2025. Most of this increase was from instruction expenditures that increased by \$939,115. This was due to increases in salaries and benefits offset by decreases in tuition paid to other districts related to open enrollment. Administration expenditures increased \$526,168 due to hiring additional employees and annual cost of living adjustments. Area Education Agency Flow through decreased \$383,476 due to changes in legislation related to Area Education Agencies. Other programs expenditures were consistent with the prior year.

### General Fund Expenditure Allocation



Total instruction expenditures (regular, special, vocational, and other) for 2025 represents approximately 67% of total General Fund expenditures.

## Dallas Center - Grimes Community School District Financial Analysis

### General Fund Operations

The chart below illustrates the General Fund revenue, expenditures, and fund balances for the past five years:

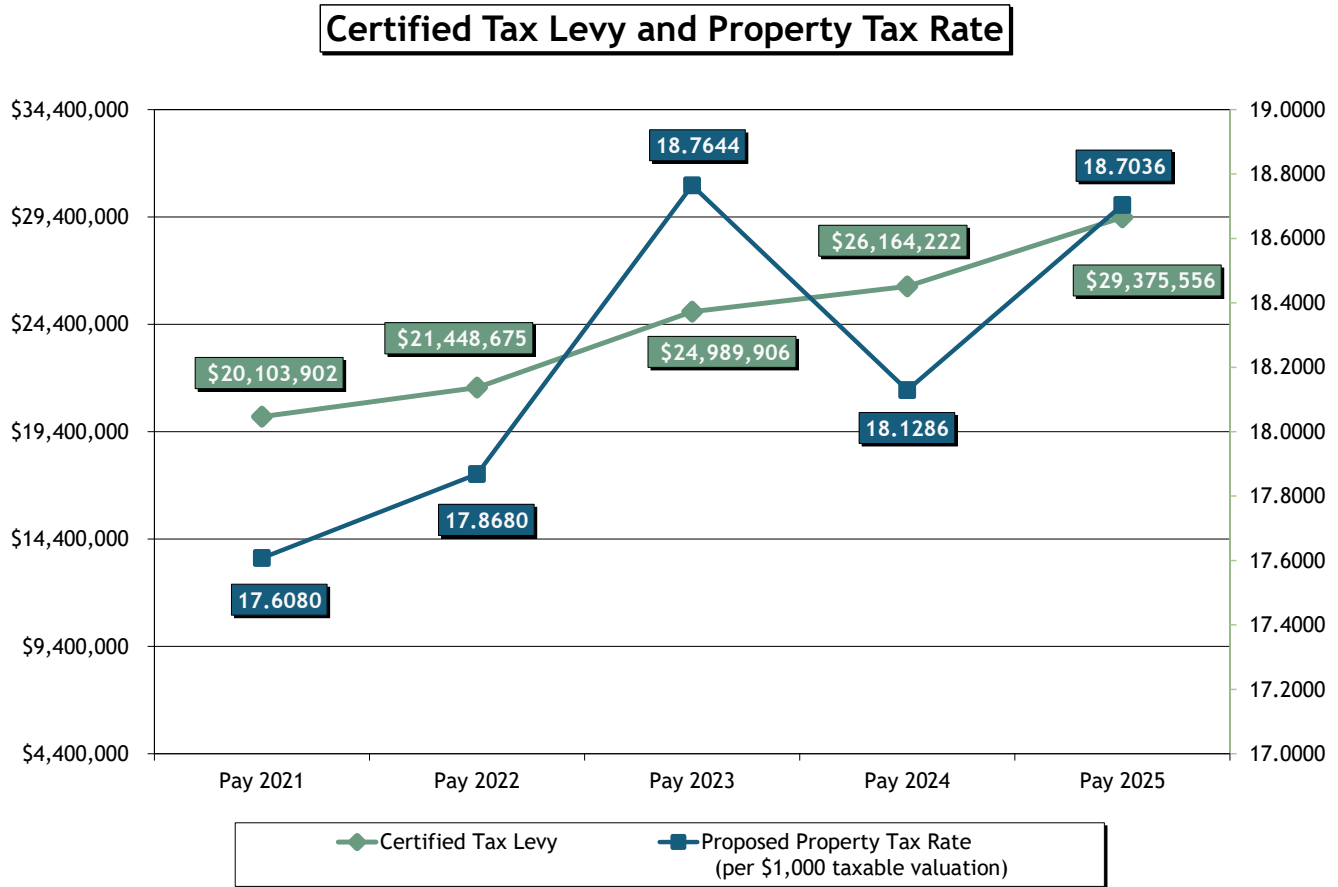
Year Ended June 30,	2021	2022	2023	2024	2025
Revenues	\$ 37,396,342	\$ 41,030,516	\$ 45,664,918	\$ 48,083,121	\$ 49,190,642
Expenditures	37,487,842	40,756,794	43,041,157	46,602,476	48,052,382
Excess of revenues over (under) expenditures	(91,500)	273,722	2,623,761	1,480,645	1,138,260
Less transfers out	(35,502)	-	-	-	-
Fund balance, July 1	6,421,461	6,294,459	6,568,181	9,191,942	10,672,587
<b>Fund Balance, June 30</b>	<b>\$ 6,294,459</b>	<b>\$ 6,568,181</b>	<b>\$ 9,191,942</b>	<b>\$ 10,672,587</b>	<b>\$ 11,810,847</b>
Categorical funding	\$ 948,945	\$ 936,133	\$ 987,011	\$ 1,167,877	\$ 1,342,969
Committed for					
Future purchases	900,000	-	546,000	994,000	545,000
Unassigned	4,445,514	5,632,048	7,658,931	8,510,710	9,922,878
<b>Fund Balance, June 30</b>	<b>\$ 6,294,459</b>	<b>\$ 6,568,181</b>	<b>\$ 9,191,942</b>	<b>\$ 10,672,587</b>	<b>\$ 11,810,847</b>

From 2024 to 2025, revenues increased 2.3% and expenditures increased 3.1%. Included in this illustration are all the general activities of the District, including all categorical funding programs.

Overall, fund balance increased by \$1,138,260 from 2024, including an increase of \$1,412,168 in unassigned fund balance. At June 30, 2025, the District had \$9,922,878 in unassigned fund balance, which is over two month or 20.7% of expenditures (based on 2025 spending levels).

## Dallas Center - Grimes Community School District Financial Analysis

### Certified Tax Levy and Property Tax Levy



### School Nutrition Fund

The following table presents five years of comparative operating results for the School Nutrition Fund:

Year Ended June 30,	2021	2022	2023	2024	2025
Operating revenue	\$ 172,638	\$ 318,095	\$ 1,450,329	\$ 1,433,224	\$ 1,256,799
Operating expenses	1,542,208	2,453,833	2,667,261	2,483,173	2,088,429
Loss from operations	(1,369,570)	(2,135,738)	(1,216,932)	(1,049,949)	(831,630)
Nonoperating revenue	1,594,222	2,603,939	1,211,770	956,595	860,980
Contributed capital	289,457	-	-	-	-
<b>Change in Net Position</b>	<b>\$ 514,109</b>	<b>\$ 468,201</b>	<b>\$ (5,162)</b>	<b>\$ (93,354)</b>	<b>\$ 29,350</b>

Overall, food service operating revenues decreased 12.3% from 2024 to 2025, while expenses decreased 15.9%. Nonoperating revenues decreased by 10.0%. The fund finished the year with an increase in net position of \$29,350. Operating revenue decreased due to a decrease in the number of meals served. Nonoperating revenue decreased as a result of no longer receiving supply chain assistance funding. Expenses decreased due to decreased food service costs associated to the decrease in meals served.

## Dallas Center - Grimes Community School District Financial Analysis

### Budget and Actual

The chart below highlights 2025 governmental and enterprise fund budget and actual results. Originally, the District budgeted for a deficit of \$10,759,878 for 2025. The District did not amend its budget in 2025. At the end of the fiscal year, actual revenues exceeded expenditures in the governmental funds and enterprise funds.

Overall, revenues were over budget by \$4,324,135 or 6.3%. The variance was primarily a result of the District's practice to budget conservatively for student counts and state and federal aids. Expenditures were under budget by \$15,545,935 producing a 19.6% variance. The variance was primarily a result of the District's practice to budget conservatively.

	Budgeted Amounts Original and Final	Actual		Variance with Final Budget - Over (Under)
		Governmental Funds	Enterprise Funds	
<b>Revenues</b>				
Local sources	\$ 36,547,281	\$ 37,743,931	\$ 1,313,340	\$ 2,509,990
State sources	30,754,859	31,315,238	12,278	572,657
Federal sources	1,172,598	1,620,065	794,021	1,241,488
Total revenues	<u>68,474,738</u>	<u>70,679,234</u>	<u>2,119,639</u>	<u>4,324,135</u>
<b>Expenditures</b>				
Instruction	34,505,698	32,914,497	-	(1,591,201)
Support services	19,960,294	17,490,545	-	(2,469,749)
Noninstructional programs	3,083,790	-	2,088,429	(995,361)
Other expenditures	21,684,834	11,211,132	-	(10,473,702)
Total expenditures	<u>79,234,616</u>	<u>61,616,174</u>	<u>2,088,429</u>	<u>(15,530,013)</u>
<b>Net Change in Fund Balances</b>	\$ (10,759,878)	\$ 9,063,060	\$ 31,210	\$ 19,854,148

## **Dallas Center - Grimes Community School District Emerging Issues**

### **Executive Summary**

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant updates include:

- **Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***

GASB has issued GASB Statement No. 103 relating to changes in financial reporting requirements. The changes provide clarity, enhance the relevance of information, provide more useful information for decision-making, and provide for greater comparability amongst government entities.

- **Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***

GASB has issued GASB Statement No. 104 relating to capital asset disclosures. The disclosures required by this Statement provide users of the financial statements with essential information about certain types of capital assets.

The following is an extensive summary of the current updates. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss these issues with you further and their applicability to your District.

**Dallas Center - Grimes Community School District  
Emerging Issues**

**Accounting Standard Update - GASB Statement No. 103 - *Financial Reporting Model Improvements***

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement addresses 5 areas of the financial statements (1) Management's Discussion and Analysis (MD&A), (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position, (4) Major Component Unit Information, and (5) Budgetary Comparison Information.

This Statement continues the requirement that the MD&A precede the basic financial statements as part of the Required Supplementary Information (RSI). This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. The Statement stresses that detailed analyses should explain why balances and results of operations changed, rather than stating amounts and "boilerplate" discussions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. The Statement provides clarification regarding operating and nonoperating revenues and expenses. Also, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication - RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

GASB Statement No. 103 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).

**Dallas Center - Grimes Community School District  
Emerging Issues**

**Accounting Standard Update - GASB Statement No. 104 - *Disclosure of Certain Capital Assets***

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets continue to be disclosed separately in the capital assets note disclosures including presentation of capital assets by major class and separate disclosure of lease assets, subscription assets, and intangible right-to-use assets.

This Statement requires additional disclosures for capital assets held for sale. A capital asset is held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

GASB Statement No. 104 is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

Information provided above was obtained from [www.gasb.org](http://www.gasb.org).