

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

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

**JUNE 30, 2021**

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**JUNE 30, 2021**

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**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**JUNE 30, 2021**

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**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**OFFICIALS**

<b>Name</b> -----	<b>Title</b> -----	<b>Term Expires</b> -----
<b>Board of Education</b>		
Mike Reed	President	2021
Janet Sieverding	Vice President	2023
Allysen Bonifas	Board Member	2021
Mart Ploessl	Board Member	2023
Matthew Wedeking	Board Member	2023

**School Officials**

Tom Meyer	Superintendent	2022
Penny Medinger	District Secretary/Treasurer	2022
Ahlers & Cooney, P.C.	Attorney	2022
Lynch Dallas, P.C.	Attorney	2022

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P.O. Box 743  
Dubuque, IA 52004-0743  
Phone | 563-582-7224  
Fax | 563-582-6118

901 Spring Street  
P.O. Box 294  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of the  
Bellevue Community School District:

### Report on the Financial Statements

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

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 Bellevue Community School District, Bellevue, Iowa, as of and for the year ended June 30, 2021, and related Notes to the Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

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 Bellevue Community School District as of June 30, 2021, and the respective changes in financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## **Other Matters**

### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis and the other required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, 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 Bellevue 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, 2020 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 7, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 U.S. generally accepted auditing standards. In our opinion, the supplementary information 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 Government Auditing Standards, we have also issued our report dated January 25, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Bellevue Community School District's internal control over financial reporting and compliance.

O'CONNOR, BROOKS & CO., P.C.

*O'Connor, Brooks & Co., P.C.*

Dubuque, Iowa  
January 25, 2022

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Bellevue 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, 2021. We encourage readers to consider this information in conjunction with the District's financial statements, which follow this section.

**Financial Highlights**

- General Fund revenues increased from \$7,841,335 in fiscal 2020 to \$7,995,394 in fiscal 2021, for a total increase of \$154,059. Revenues from property tax decreased \$238,000, revenues from tuition (open enrollment, special education, preschool) decreased \$47,000, revenues from state sources increased \$157,000, revenues from federal sources increased \$302,000, and other miscellaneous income decreased \$19,000.
- The budgeted enrollment on which state aid and county property taxes are based on decreased 9 students.
- General Fund expenditures increased from \$7,251,270 in fiscal 2020 to \$7,795,432 in fiscal 2021, a total increase of \$544,000. Salaries and benefits increased \$444,000. Supplies increased \$94,000. Purchased services, equipment and miscellaneous expenditures decreased \$2,600.
- COVID-19 and the need to social distance partially caused salaries and benefits to increase because additional supervision was needed for classes that needed to be split because of the number of individuals per room. Supplies increased because of PPE (Personal Protective Equipment) that was needed to enable in-person classes which the District was able to maintain the entire year. \$274,000 additional federal funds were received specifically for COVID-19 expenditures.
- The District's General Fund balance increased from \$2,473,054 in fiscal 2020 to \$2,708,357 in fiscal 2021, a 10% increase from the prior year.
- The District's total tax levy rate of \$10.88 for FY21 was a decrease of 90¢ from the FY20 rate. The General Fund tax rate increased \$1.04; the Management Fund levy decreased by \$0.03; the PPEL Fund levy was decreased by \$0.11 with a 3% income surtax.
- The state authorized a 2.30% increase in state supplemental assistance for school districts for FY21. The Bellevue School District realized an increase of \$128,066 in new monies from the State district cost per pupil funds.



## Overview of the Financial Statements

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

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

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

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

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes.

Supplementary Information provides detailed information about the nonmajor governmental funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

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

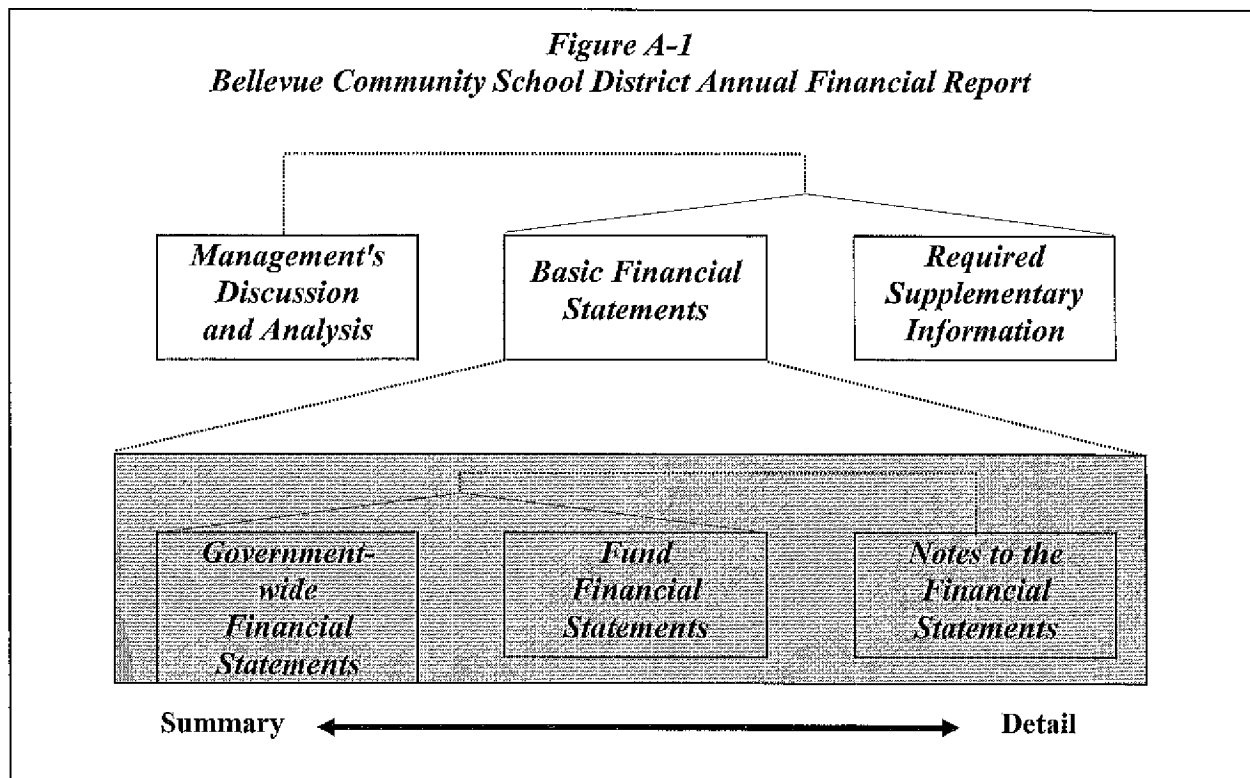


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of the management’s discussion and analysis highlights the structure and contents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

<b>Figure A-2</b>				
<b>Major Features of the Government-Wide and Fund Financial Statements</b>				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services is included here	Instances in which the district administers resources on behalf of someone else, such as scholarships and CPPC.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during 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 and payable during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## **Government-wide Financial Statements**

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

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

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

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business type activities:* The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program 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 government-wide statements, additional information follows the governmental fund statements to explain the relationship or differences between the two statements.

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

The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

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

Internal service funds, (the other kind of proprietary fund) are optional and available to report activities that provide supplies and services for other District programs and activities. At this time the District chooses not to use any internal service funds.

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

- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust and Custodial Funds.

Private-Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.

Custodial Funds - These are funds for which the District administers and accounts for certain federal and/or state grants on behalf of other Districts or Agencies and certain revenue collected for District employee purchases of pop and related expenditures. The District currently maintains a custodial fund for the Community Partnership for the Protection of Children.

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

The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

## Financial Analysis of the District as a Whole

Figure A-3 provides a summary of the District's net position for the year ended June 30, 2021 compared to June 30, 2020.

Figure A-3							
Condensed Statement of Net Position							
	Governmental Activities June 30,		Business-type Activities June 30,		Total School District June 30,		Total Change June 30,
	2020	2021	2020	2021	2020	2021	2020 - 2021
Current and other assets	\$ 9,267,991	\$ 9,529,048	\$ 163,861	\$ 234,442	\$ 9,431,852	\$ 9,763,490	3.5%
Capital assets	8,412,098	8,239,032	32,339	31,070	8,444,437	8,270,102	-2.1%
<b>Total Assets</b>	<b>\$ 17,680,089</b>	<b>\$ 17,768,080</b>	<b>\$ 196,200</b>	<b>\$ 265,512</b>	<b>\$ 17,876,289</b>	<b>\$ 18,033,592</b>	<b>0.9%</b>
Deferred outflows of resources	\$ 756,251	\$ 872,409	\$ 21,026	\$ 22,794	\$ 777,277	\$ 895,203	15.2%
Long-term liabilities	\$ 6,922,198	\$ 7,034,883	\$ 119,881	\$ 137,927	\$ 7,042,079	\$ 7,172,810	1.9%
Other liabilities	745,642	695,506	15,943	18,625	761,585	714,131	-6.2%
<b>Total liabilities</b>	<b>\$ 7,667,840</b>	<b>\$ 7,730,389</b>	<b>\$ 135,824</b>	<b>\$ 156,552</b>	<b>\$ 7,803,664</b>	<b>\$ 7,886,941</b>	<b>1.1%</b>
Deferred inflows of resources	\$ 3,624,226	\$ 3,344,241	\$ 12,673	\$ 2,183	\$ 3,636,899	\$ 3,346,424	-8.0%
<b>Net Position:</b>							
Net investment in capital assets	\$ 5,392,098	\$ 5,812,032	\$ 32,339	\$ 31,070	\$ 5,424,437	\$ 5,843,102	7.7%
Restricted	3,102,510	3,055,297	-	-	3,102,510	3,055,297	-1.5%
Unrestricted	(1,350,334)	(1,301,470)	36,390	98,501	(1,313,944)	(1,202,969)	-8.4%
<b>Total Net Position</b>	<b>\$ 7,144,274</b>	<b>\$ 7,565,859</b>	<b>\$ 68,729</b>	<b>\$ 129,571</b>	<b>\$ 7,213,003</b>	<b>\$ 7,695,430</b>	<b>6.7%</b>

An increase of 6.7% or just over \$482,000 in the District's net position is evidenced in Figure A-3. The largest portion of the District's net position is invested in capital assets (e.g. land, buildings and equipment), less the related debt.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position decreased \$47,213 from the prior year mainly due decreases in the ending fund balances of "restricted" funds (Management and Capital Projects).

Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. The unrestricted net position increased by \$110,975. The unrestricted net position is negative due to unfunded liabilities recorded for IPERS and OPEB as required by GASB rules.

Figure A-4 shows the changes in net position for the year ended June 30, 2021 compared to the year ended June 30, 2020.

	Governmental Activities		Business-type Activities		Total School District		Percentage Change
	2020	2021	2020	2021	2020	2021	
<b>Revenues:</b>							
<b>Program revenues:</b>							
Charges for services	\$ 1,010,170	\$ 901,107	\$ 171,516	\$ 74,935	\$ 1,181,686	\$ 976,042	-17.4%
Operating grants and contributions	1,031,713	1,424,719	152,165	416,696	1,183,878	1,841,415	55.5%
Capital grants and contributions	22,497	9,325	-	-	22,497	9,325	-58.6%
<b>General revenues:</b>							
Property taxes and other taxes	4,197,613	3,959,235	-	-	4,197,613	3,959,235	-5.7%
Unrestricted state grants	2,884,347	2,998,264	-	-	2,884,347	2,998,264	3.9%
Other	149,975	98,794	661	342	150,636	99,136	-34.2%
<b>Total Revenues</b>	<b>\$ 9,296,315</b>	<b>\$ 9,391,444</b>	<b>\$ 324,342</b>	<b>\$ 491,973</b>	<b>\$ 9,620,657</b>	<b>\$ 9,883,417</b>	<b>2.7%</b>
<b>Program Expenses:</b>							
Instruction	\$ 5,426,693	\$ 5,668,909	\$ -	\$ -	\$ 5,426,693	\$ 5,668,909	4.5%
Support services	2,781,922	2,748,537	-	-	2,781,922	2,748,537	-1.2%
Non-instructional programs	5,815	6,350	341,181	391,049	346,996	397,399	14.5%
Other expenses	641,953	586,145	-	-	641,953	586,145	-8.7%
<b>Total Expenses</b>	<b>\$ 8,856,383</b>	<b>\$ 9,009,941</b>	<b>\$ 341,181</b>	<b>\$ 391,049</b>	<b>\$ 9,197,564</b>	<b>\$ 9,400,990</b>	<b>2.2%</b>
<b>Excess before transfers</b>	<b>\$ 439,932</b>	<b>\$ 381,503</b>	<b>\$ (16,839)</b>	<b>\$ 100,924</b>	<b>\$ 423,093</b>	<b>\$ 482,427</b>	<b>14.0%</b>
Transfers in	\$ 8,473	\$ 40,082	\$ -	\$ -	\$ 8,473	\$ 40,082	373.1%
Transfers out	-	-	(8,473)	(40,082)	(8,473)	(40,082)	-373.1%
<b>Total Transfers</b>	<b>\$ 8,473</b>	<b>\$ 40,082</b>	<b>\$ (8,473)</b>	<b>\$ (40,082)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Change in Net Position</b>	<b>\$ 448,405</b>	<b>\$ 421,585</b>	<b>\$ (25,312)</b>	<b>\$ 60,842</b>	<b>\$ 423,093</b>	<b>\$ 482,427</b>	<b>14.0%</b>
<b>Net Position Beginning of Year</b>	<b>6,695,869</b>	<b>7,144,274</b>	<b>94,041</b>	<b>68,729</b>	<b>6,789,910</b>	<b>7,213,003</b>	<b>6.2%</b>
<b>Net Position End of Year</b>	<b>\$ 7,144,274</b>	<b>\$ 7,565,859</b>	<b>\$ 68,729</b>	<b>\$ 129,571</b>	<b>\$ 7,213,003</b>	<b>\$ 7,695,430</b>	<b>6.7%</b>

As shown in figure A-4, net position increased by \$482,427 in 2020-2021. Property, other taxes, and unrestricted state aid account for 74% of the total revenue in governmental activities. While charges for services and operating grants accounted for almost 100% of the revenue in the business type activities.

The District's expenses primarily relate to instruction and support services, which account for over 93% of the total expenses in the governmental funds.

The District's total revenues increased by 2.7% with the biggest percentage increase coming from grants and contributions mostly due to COVID-19. The District's expenses increased 2.2%.

**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.

Figure A-5						
Total and Net Cost of Governmental Activities						
	Total Cost		Percentage	Net Cost		Percentage
	of Services		Change	of Services		Change
	2020	2021	2020-2021	2020	2021	2020-2021
Instruction	5,426,693	5,668,909	4.5%	3,797,121	3,829,108	0.8%
Support services	2,781,922	2,748,537	-1.2%	2,648,016	2,558,231	-3.4%
Non-instructional programs	5,815	6,350	9.2%	5,815	6,350	9.2%
Other expenses	641,953	586,145	-8.7%	341,051	281,101	-17.6%
<b>Total</b>	<b>8,856,383</b>	<b>9,009,941</b>	<b>1.7%</b>	<b>6,792,003</b>	<b>6,674,790</b>	<b>-1.7%</b>

For the year ended June 30, 2021:

- The cost financed by users of the District’s programs was \$901,107.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,424,719.
- The net cost of governmental activities was financed with \$3,959,235 in various taxes, \$2,998,264 in state foundation aid and \$98,794 in miscellaneous income.

**Business Type Activities**

Revenues of the District’s business type activities were \$491,973 and expenses were \$391,049. The District’s business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

**Financial Analysis of the District’s Funds**

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$5,154,636.

**Governmental Fund Highlights**

- In the District’s General Fund, revenues and expenditures increased which resulted in a \$235,303 or 10% increase in fund balance. The property tax rate between the two years for the General Fund decreased \$1.04.
- The Physical Plant and Equipment Levy (PPEL) fund balance increased from \$944,133 to \$1,211,234. This fund is used to buy vehicles, buses, technology and equipment.

- The Statewide Sales, Services and Use Tax Fund balance decreased from \$1,021,732 to \$850,459. This decrease is due to the refunding of the 2009 MS/HS Addition bonds.

### **Proprietary Fund Highlights**

- The School Nutrition Fund net position increased from \$68,729 at June 30, 2020 to \$129,571 at June 30, 2021. This is also due to COVID-19. All meals were free for all students because of federal subsidies and usage increased significantly.

## **Budgetary Highlights**

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

### **Legal Budgetary Highlights**

The District's total actual revenues were within \$272,000 of the total budgeted revenues, a variance of 2.8%.

Total expenditures were \$4.6 million less than budgeted due primarily to the District's practice to budget expenditures at the maximum authorized spending authority for each fund to avoid the time and expense of amending the budget. The District then manages or controls spending through its line-item budget. As a result, the District's certified budget should always exceed the actual expenditures during the year as it did in 2020-2021.

## **Capital Asset and Debt Administration**

### **Capital Assets**

At June 30, 2021, the District had invested \$8.3 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, technology and transportation equipment. (See Figure A-6) This amount represents a net decrease of 2.06% from last year. Depreciation expense for the year exceeded \$432,000.

The original cost of the District's capital assets was over \$15 million. Governmental funds account for over 99% of these assets with less than 1% in the Proprietary, School Nutrition Fund.

Capital assets added to the district's inventory during the year included computer equipment, a bus, new lighting, internet/intercom upgrades, and storage cabinets. Capital asset retirements included obsolete computer equipment and welders.



**Figure A-6**

	<b>Capital Assets, Net of Depreciation</b>							
	Governmental		Business-type		Total		Total	
	Activities		Activities		School District			Change
	2020	2021	2020	2021	2020	2021	2020-2021	
Land	\$ 831,197	\$ 831,197	\$ -	\$ -	\$ 831,197	\$ 831,197	0.00%	
Buildings	6,499,394	6,377,027	-	-	6,499,394	6,377,027	-1.88%	
Improvements other than buildings	372,883	345,302	-	-	372,883	345,302	-7.40%	
Equipment & furniture	708,624	685,506	32,339	31,070	740,963	716,576	-3.29%	
Total	<u>\$ 8,412,098</u>	<u>\$ 8,239,032</u>	<u>\$ 32,339</u>	<u>\$ 31,070</u>	<u>\$ 8,444,437</u>	<u>\$ 8,270,102</u>	<u>-2.06%</u>	

### Long-Term Debt

At June 30, 2021, the District had \$2,427,000 in revenue bonds outstanding. This represents a decrease of approximately 20% from last year. (See Figure A-7) During the year, the District refunded \$2.5 million of its 2009 Series bonds by issuing \$2,172,000 of Series 2021 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds. The refunding reduced the District's total debt service payments by almost \$784,000 and resulted in an economic gain of \$328,122.

**Figure A-7**

	<b>Outstanding Long-Term Obligations</b>		
	Total District		Total Change
	June 30,		
	2020	2021	2020-2021
Revenue bonds	<u>\$3,020,000</u>	<u>\$2,427,000</u>	<u>-19.6%</u>
Total	<u>\$3,020,000</u>	<u>\$2,427,000</u>	<u>-19.6%</u>

### 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 that could significantly affect its financial health in the future:

- Funding levels for Iowa K-12 school districts depend principally on two factors: first, changes in enrollment and second, changes in per pupil district cost. Per pupil district cost is an amount annually set by state government. This amount has historically been determined by applying a percentage increase to the prior year's amount. The percentage increase was 2.4% for FY22, 2.3% for FY21, and 2.06% for FY20. This percentage amount has a substantial impact on district-funding levels. At this time the legislature has yet to set the funding percentage change for FY23 which makes it difficult to make long-term budget plans.
- The certified enrollment count taken in September of 2021 was 623.1 which was an increase of 32 students from the prior year's count. This was the District's highest enrollment since 2007. Future enrollment increases or at least stability is a critical element in maintaining a sound financial foundation.
- The Board's goal is to maintain a 10-15% solvency ratio in the General Fund. The solvency ratio measures the amount of readily available unspent resources relative to the district's total

general fund revenue. The District has met or exceeded that goal in the last several years. FY21 ending solvency ratio was 29%..

- Bellevue, along with Maquoketa, entered into a whole-grade sharing agreement with Andrew CSD for grades 9-12. In FY23, two additional grades (7<sup>th</sup> and 8<sup>th</sup>) will be added. In FY22, Bellevue gained a total of 8 students (a decrease of 7 students from the prior year) from Andrew. Bellevue receives 92% of the State District Cost per pupil for each of those students for FY22.
- The state requires public schools to bus nonpublic students in their district, but has failed to allocate enough money since 2001-2002 to cover the entire cost of nonpublic transportation. Unless legislation increases the nonpublic allotment in the future, the shortages will continue. Over the last 20 years, the District has been shorted over \$240,000 in nonpublic transportation reimbursements. The District has no other options to recoup those dollars.
- The federal COVID-19 funds have helped the District to continue to operate at increased staffing levels. Once these federal funds have been depleted, the District will struggle to maintain operations at current levels. During FY 2022-23, the District must begin to look at how it can gain operational efficiencies to decrease annual spending.
- The District refinanced its 2009 Bond issue in FY22 to save interest expense over the remaining life of the bonds.
- With increased enrollment, class sections at the elementary level have increased from 2 sections to 3 sections in grades K-3. The elementary building has no more space for additional classrooms. If the 3 section classes continue onto 4<sup>th</sup> and 5<sup>th</sup> grades, additional classroom space must be obtained.

### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Penny Medinger, District Secretary/Treasurer and Business Manager, Bellevue Community School District, 1601 State Street, Bellevue, Iowa, 52031-9766.

**BASIC  
FINANCIAL  
STATEMENTS**

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Governmental Activities	Business Type Activities	Total
	-----	-----	-----
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 5,791,166	\$ 228,289	\$ 6,019,455
Receivables:			
Property tax:			
Delinquent	20,411	---	20,411
Succeeding year	3,256,689	---	3,256,689
Income surtax	171,499	---	171,499
Accounts	7,730	1,145	8,875
Due from other governments	258,809	---	258,809
Prepaid expenses	14,322	1,316	15,638
Inventories	8,422	3,692	12,114
Capital assets, net of accumulated depreciation	8,239,032	31,070	8,270,102
	-----	-----	-----
Total Assets	\$ 17,768,080	\$ 265,512	\$ 18,033,592
	-----	-----	-----
<b>Deferred Outflows of Resources</b>			
Pension related amounts	\$ 872,409	\$ 22,794	\$ 895,203
	-----	-----	-----
<b>Liabilities</b>			
Accounts payable	\$ 5,077	\$ ---	\$ 5,077
Salaries and benefits payable	616,555	---	616,555
Accrued interest payable	64,828	---	64,828
Due to other governments	9,046	---	9,046
Deferred revenue	---	18,625	18,625
Long-term liabilities:			
Portion due within one year:			
Revenue bonds payable	255,000	---	255,000
Portion due after one year:			
Revenue bonds payable	2,172,000	---	2,172,000
Net pension liability	3,856,888	114,086	3,970,974
Total OPEB liability	750,995	23,841	774,836
	-----	-----	-----
Total Liabilities	\$ 7,730,389	\$ 156,552	\$ 7,886,941
	-----	-----	-----

See notes to financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Governmental Activities	Business Type Activities	Total
	-----	-----	-----
<b>Deferred Inflows of Resources</b>			
Unavailable property tax revenue	\$ 3,256,689	\$ ---	\$ 3,256,689
Pension related amounts	87,552	2,183	89,735
	-----	-----	-----
Total Deferred Inflows of Resources	\$ 3,344,241	\$ 2,183	\$ 3,346,424
	-----	-----	-----
<b>Net Position</b>			
Net investment in capital assets	\$ 5,812,032	\$ 31,070	\$ 5,843,102
Restricted for:			
Categorical funding	437,519	---	437,519
Debt service	35,877	---	35,877
Management levy purposes	288,462	---	288,462
School infrastructure	850,459	---	850,459
Physical plant and equipment	1,382,733	---	1,382,733
Student activities	60,247	---	60,247
Unrestricted	(1,301,470)	98,501	(1,202,969)
	-----	-----	-----
Total Net Position	\$ 7,565,859	\$ 129,571	\$ 7,695,430
	=====	=====	=====

See notes to financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Functions/Programs</b>							
Governmental Activities:							
Instruction:							
Regular instruction	\$ 3,455,717	\$ 649,194	\$ 701,132	\$ ---	\$ (2,105,391)	\$ ---	\$ (2,105,391)
Special instruction	902,043	107,194	250,548	---	(544,301)	---	(544,301)
Other instruction	1,311,149	103,721	28,012	---	(1,179,416)	---	(1,179,416)
<b>Total Instruction</b>	<b>\$ 5,668,909</b>	<b>\$ 860,109</b>	<b>\$ 979,692</b>	<b>\$ ---</b>	<b>\$ (3,829,108)</b>	<b>\$ ---</b>	<b>\$ (3,829,108)</b>
Support Services:							
Student	\$ 254,552	\$ 8,419	\$ 22,716	\$ ---	\$ (223,417)	\$ ---	\$ (223,417)
Instructional staff	381,540	---	54,139	---	(327,401)	---	(327,401)
Administration	843,981	2,000	277	---	(841,704)	---	(841,704)
Operation and maintenance of plant	836,131	6,772	29,339	---	(800,020)	---	(800,020)
Transportation	432,333	4,108	53,211	9,325	(365,689)	---	(365,689)
<b>Total Support Services</b>	<b>\$ 2,748,537</b>	<b>\$ 21,299</b>	<b>\$ 159,682</b>	<b>\$ 9,235</b>	<b>\$ (2,558,231)</b>	<b>\$ ---</b>	<b>\$ (2,558,231)</b>
Non-instructional Programs	\$ 6,350	\$ ---	\$ ---	\$ ---	\$ (6,350)	\$ ---	\$ (6,350)

See notes to financial statements.

BELLEVUE COMMUNITY SCHOOL DISTRICT  
 BELLEVUE, IOWA

STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental Activities: (Continued)							
Other Expenditures:							
Facilities acquisition	\$ 14,251	\$ 19,699	\$ ---	\$ ---	\$ 5,448	\$ ---	\$ 5,448
Long-term debt interest	162,544	---	---	---	(162,544)	---	(162,544)
AEA flowthrough	285,345	---	285,345	---	---	---	---
Depreciation (unallocated)*	124,005	---	---	---	(124,005)	---	(124,005)
Total Other Expenditures	\$ 586,145	\$ 19,699	\$ 285,345	\$ ---	\$ (281,101)	\$ ---	\$ (281,101)
Total Governmental Activities	\$ 9,009,941	\$ 901,107	\$ 1,424,719	\$ 9,325	\$ (6,674,790)	\$ ---	\$ (6,674,790)
Non-instructional programs:							
Food service operations	\$ 391,049	\$ 74,935	\$ 416,696	\$ ---	\$ ---	\$ 100,582	\$ 100,582
Total	\$ 9,400,990	\$ 976,042	\$ 1,841,415	\$ 9,325	\$ (6,674,790)	\$ 100,582	\$ (6,574,208)

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

BELLEVUE COMMUNITY SCHOOL DISTRICT  
 BELLEVUE, IOWA

STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2021

Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>General Revenues</b>						
Property Tax Levied For:						
General purposes				\$ 2,840,284	\$ ---	\$ 2,840,284
Capital outlay				336,609	---	336,609
PPEL support surtax				183,360	---	183,360
Statewide sales, services and use tax				598,982	---	598,982
Unrestricted state grants				2,998,264	---	2,998,264
Unrestricted investment earnings				31,124	342	31,466
Other				74,379	---	74,379
Loss on disposal of capital assets				(6,709)	---	(6,709)
Transfers				40,082	(40,082)	---
<b>Total General Revenues</b>				<b>\$ 7,096,375</b>	<b>\$ (39,740)</b>	<b>\$ 7,056,635</b>
<b>Change in Net Position</b>				<b>\$ 421,585</b>	<b>\$ 60,842</b>	<b>\$ 482,427</b>
<b>Net Position Beginning of Year</b>				<b>7,144,274</b>	<b>68,729</b>	<b>7,213,003</b>
<b>Net Position End of Year</b>				<b>\$ 7,565,859</b>	<b>\$ 129,571</b>	<b>\$ 7,695,430</b>

See notes to financial statements.



**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	General	Capital Projects	Nonmajor	Total
	-----	-----	-----	-----
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 3,082,167	\$ 2,008,589	\$ 700,410	\$ 5,791,166
Receivables:				
Property tax:				
Delinquent	17,613	2,076	722	20,411
Succeeding year	2,725,444	306,246	224,999	3,256,689
Income surtax	---	171,499	---	171,499
Accounts	6,855	875	---	7,730
Due from other governments	208,656	50,153	---	258,809
Prepaid expenses	14,322	---	---	14,322
Inventories	8,422	---	---	8,422
	-----	-----	-----	-----
Total Assets	\$ 6,063,479	\$ 2,539,438	\$ 926,131	\$ 9,529,048
	=====	=====	=====	=====
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 4,077	\$ ---	\$ ---	\$ 4,077
Accrued interest and principle payable			316,546	316,546
Salaries & benefits payable	616,555	---	---	616,555
Due to other governments	9,046	---	---	9,046
	-----	-----	-----	-----
Total Liabilities	\$ 629,678	\$ ---	\$ 316,546	\$ 946,224
	-----	-----	-----	-----
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	\$ 2,725,444	\$ 306,246	\$ 224,999	\$ 3,256,689
Income surtax	---	171,499	---	171,499
	-----	-----	-----	-----
Total Deferred Inflows of Resources	\$ 2,725,444	\$ 477,745	\$ 224,999	\$ 3,428,188
	-----	-----	-----	-----
Fund Balances:				
Nonspendable:				
Inventories	\$ 8,422	\$ ---	\$ ---	\$ 8,422
Prepaid expenses	14,322	---	---	14,322
Restricted for:				
Categorical funding	437,519	---	---	437,519
Debt service	---	---	35,877	35,877
Student activities	---	---	60,247	60,247
Management levy purposes	---	---	288,462	288,462
School infrastructure	---	850,459	---	850,459
Physical plant and equipment	---	1,211,234	---	1,211,234
Unassigned	2,248,094	---	---	2,248,094
	-----	-----	-----	-----
Total Fund Balances	\$ 2,708,357	\$ 2,061,693	\$ 384,586	\$ 5,154,636
	-----	-----	-----	-----
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,063,479	\$ 2,539,438	\$ 926,131	\$ 9,529,048
	=====	=====	=====	=====

See notes to financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

<b>Total fund balances of governmental funds</b>	<b>\$ 5,154,636</b>
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	8,239,032
Income surtaxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore, are recognized as deferred inflows of resources in the funds.	171,499
Pension 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.	784,857
Long-term liabilities, including bonds payable, net pension liability, and total OPEB liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.	(6,784,165)
<b>Net position of governmental activities</b>	<b>\$ 7,565,859</b>

See notes to financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021**

	General	Capital Projects	Nonmajor	Total
	-----	-----	-----	-----
<b>Revenues</b>				
Local sources:				
Local tax	\$ 2,729,124	\$ 551,716	\$ 111,160	\$ 3,392,000
Tuition	684,396	---	---	684,396
Other	153,642	30,224	114,650	298,516
Intermediate sources	566	---	---	566
State sources	3,847,676	611,507	1,117	4,460,300
Federal sources	579,990	14,095	38	594,123
	-----	-----	-----	-----
Total Revenues	\$ 7,995,394	\$ 1,207,542	\$ 226,965	\$ 9,429,901
	-----	-----	-----	-----
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	\$ 3,154,871	\$ 40,295	\$ 144,156	\$ 3,339,322
Special	876,002	---	---	876,002
Other	1,153,011	---	121,846	1,274,857
	-----	-----	-----	-----
Total Instruction	\$ 5,183,884	\$ 40,295	\$ 266,002	\$ 5,490,181
	-----	-----	-----	-----
Support Services:				
Student	\$ 247,854	\$ ---	\$ 553	\$ 248,407
Instructional staff	349,341	23,410	209	372,960
Administration	792,882	25,641	10,972	829,495
Operation and maintenance of plant	599,817	7,182	65,203	672,202
Transportation	336,309	98,599	27,186	462,094
	-----	-----	-----	-----
Total Support Services	\$ 2,326,203	\$ 154,832	\$ 104,123	\$ 2,585,158
	-----	-----	-----	-----
Non-instructional Programs	\$ ---	\$ 6,881	\$ 3,631	\$ 10,512
	-----	-----	-----	-----
Other Expenditures:				
Facilities acquisition	\$ ---	\$ 114,282	\$ ---	\$ 114,282
Long-term debt:				
Principal	---	---	245,000	245,000
Interest and fiscal charges	---	---	168,262	168,262
AEA flowthrough	285,345	---	---	285,345
	-----	-----	-----	-----
Total Other Expenditures	\$ 285,345	\$ 114,282	\$ 413,262	\$ 812,889
	-----	-----	-----	-----

See notes to financial statements.

BELLEVUE COMMUNITY SCHOOL DISTRICT  
 BELLEVUE, IOWA

STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2021

	General	Capital Projects	Nonmajor	Total
	-----	-----	-----	-----
<b>Expenditures (Continued)</b>				
Total Expenditures	\$ 7,795,432	\$ 316,290	\$ 787,018	\$ 8,898,740
	-----	-----	-----	-----
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 199,962	\$ 891,252	\$ (560,053)	\$ 531,161
	-----	-----	-----	-----
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	\$ 40,082	\$ ---	\$ 801,333	\$ 841,415
Operating transfers out	(4,741)	(796,592)	---	(801,333)
Sale of equipment and materials	---	1,168	---	1,168
Proceeds from refunding bonds	---	---	2,172,000	2,172,000
Payment to refunded bond escrow agent	---	---	(2,520,000)	(2,520,000)
	-----	-----	-----	-----
Total Other Financing Sources (Uses)	\$ 35,341	\$ (795,424)	\$ 453,333	\$ (306,750)
	-----	-----	-----	-----
Change in Fund Balances	\$ 235,303	\$ 95,828	\$ (106,720)	\$ 224,411
	-----	-----	-----	-----
Fund Balances Beginning of Year	2,473,054	1,965,865	491,306	4,930,225
	-----	-----	-----	-----
Fund Balances End of Year	\$ 2,708,357	\$ 2,061,693	\$ 384,586	\$ 5,154,636
	=====	=====	=====	=====

See notes to financial statements.

BELLEVUE COMMUNITY SCHOOL DISTRICT  
 BELLEVUE, IOWA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2021

Change in fund balances - total governmental funds \$ 224,411

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$432,537 exceeded capital outlays of \$267,348 in the current period. (165,189)

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (7,877)

Income surtaxes not collected for several months after year end are not considered available revenue and are recognized as deferred inflows of resources in the governmental funds. (31,747)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which current year repayments of \$2,520,000 exceeded current year issuances of \$2,172,000. 348,000

Future long-term debt principal payments accrued and reported as expenditures in the governmental fund financial statements are not shown as reductions in long-term debt in the government-wide financial statements until payment is made to the bondholders. 255,000

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. 444,459

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include pension expense and the net decrease in other post-employment benefits. (645,472)

**Change in net position of governmental activities** \$ 421,585

See notes to financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2021**

	School Nutrition
<b>Assets</b>	
Current Assets:	
Cash and cash equivalents	\$ 228,289
Accounts receivable	1,145
Prepaid expenses	1,316
Inventories	3,692
Total Current Assets	\$ 234,442
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	31,070
Total Assets	\$ 265,512
<b>Deferred Outflows of Resources</b>	
Pension related amounts	\$ 22,794
<b>Liabilities</b>	
Current Liabilities:	
Unearned revenue	\$ 18,625
Noncurrent Liabilities:	
Net pension liability	\$ 114,086
Total OPEB liability	23,841
Total Noncurrent Liabilities	\$ 137,927
Total Liabilities	\$ 156,552
<b>Deferred Inflows of Resources</b>	
Pension related amounts	\$ 2,183
<b>Net Position</b>	
Net investment in capital assets	\$ 31,070
Unrestricted	98,501
Total Net Position	\$ 129,571

See notes to financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2021**

	School Nutrition -----
<b>Operating Revenues</b>	
Local sources:	
Charges for services	\$ 74,935
	-----
<b>Operating Expenses</b>	
Non-instructional programs:	
Food service operations:	
Salaries	\$ 126,106
Benefits	41,439
Purchased services	2,142
Supplies	215,537
Depreciation	5,825
	-----
Total Operating Expenses	\$ 391,049
	-----
Operating Loss	\$ (316,114)
	-----
<b>Non-Operating Revenues</b>	
Gifts and contributions	\$ 455
State sources	3,360
Federal sources	412,881
Interest income	342
	-----
Total Non-Operating Revenues	\$ 417,038
	-----
<b>Other Financing Sources (Uses)</b>	
Transfers out	\$ 40,082
	-----
Increase in Net Position	\$ 60,842
	-----
Net Position Beginning of Year	68,729
	-----
Net Position End of Year	\$ 129,571
	=====

See notes to financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2021**

	School Nutrition
<b>Cash Flows From Operating Activities</b>	-----
Cash received from sale of lunches and breakfasts	\$ 76,785
Cash paid to employees for services	(161,757)
Cash paid to suppliers for goods and services	(182,796)
	-----
Net Cash Used by Operating Activities	\$ (267,768)
	-----
<b>Cash Flows From Non-Capital Financing Activities</b>	
Gifts and contributions	\$ 455
State grants received	3,360
Federal grants received	378,613
Transfers to other funds	(40,082)
	-----
Net Cash Provided by Non-Capital Financing Activities	\$ 342,346
	-----
<b>Cash Flows From Capital and Related Financing Activities</b>	
Acquisition of capital assets	\$ (4,556)
	-----
<b>Cash Flows From Investing Activities</b>	
Interest on investments	\$ 342
	-----
Net Increase in Cash and Cash Equivalents	\$ 70,364
Cash and Cash Equivalents Beginning of Year	157,925
	-----
Cash and Cash Equivalents End of Year	\$ 228,289
	=====
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating loss	\$ (316,114)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Commodities used	34,268
Depreciation	5,825
Increase in inventories	494
Decrease in accounts receivable	(832)
Increase in prepaid expenses	121
Increase in unearned revenue	2,682
Increase in net pension liability	16,551
Decrease in deferred outflows of resources	(1,768)
Increase in deferred inflows of resources	(10,490)
Increase in other postemployment benefits	1,495
	-----
Net Cash Used by Operating Activities	\$ (267,768)
	=====

**Non-Cash Investing, Capital and Financing Activities**

During the year ended June 30, 2021, the District received \$34,268 of federal commodities.

See notes to financial statements.



**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2021**

	Private Purpose Trust	
	----- Scholarship -----	----- Custodial -----
<b>Assets:</b>		
Cash and cash equivalents	\$ 8,001	\$ 1,017
Intergovernmental receivable	---	7,406
	-----	-----
Total Assets	\$ 8,001	\$ 8,423
	-----	-----
<b>Net Position:</b>		
Restricted for scholarships	\$ 8,001	\$ ---
Restricted for other organizations	---	8,423
	-----	-----
Total Net Position	\$ 8,001	\$ 8,423
	=====	=====

See notes to financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED JUNE 30, 2021**

	Private Purpose Trust	
	----- Scholarship -----	----- Custodial -----
<b>Additions:</b>		
Local sources:		
Gifts and contributions	\$ 3,781	\$ 46,196
	-----	-----
<b>Deductions:</b>		
Scholarships awarded	\$ 2,500	\$ ---
Administrative	---	38,113
Merchandise	---	17,157
	-----	-----
Total Deductions	\$ 2,500	\$ 55,270
	-----	-----
Change in Net Position	\$ 1,281	\$ (9,074)
Net Position Beginning of Year	6,720	17,497
	-----	-----
Net Position End of Year	\$ 8,001	\$ 8,423
	=====	=====

See notes to financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies:**

The Bellevue Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades pre-kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the City of Bellevue, Iowa, and the predominately agricultural territory in Jackson County. The District is governed by a Board of Education whose members are elected on a nonpartisan 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, Bellevue Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the District. The Bellevue 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 Jackson 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 nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies: (Continued)**

**B. Basis of Presentation (Continued)**

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

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

*Restricted net position* results when constraints placed on net position use are either externally imposed or are 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 that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest 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 that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

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

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies: (Continued)**

**B. Basis of Presentation (Continued)**

The District reports the following major proprietary fund:

The Enterprise, School Nutrition Fund is used to account for the food service operations of the District.

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

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

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

**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.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies: (Continued)**

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

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 cost.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies: (Continued)**

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

For purposes of the Statements 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, have a maturity date no longer than three months.

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax 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 deferred in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds 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, 2019 assessed property valuations; is for the tax accrual period July 1, 2020 through June 30, 2021, and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2020.

**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 expenses 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 repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable 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.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies: (Continued)**

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

<u>Asset Class</u>	<u>Amount</u>
Land	All
Buildings	\$ 5,000
Improvements other than buildings	5,000
Furniture and Equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	500

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-7 years

**Deferred Outflows of Resources** - Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the District after the measurement date but before the end of the District's reporting period.

**Due to Other Governments** - Due to other governments represents amounts due to other governmental units for various purposes such as supplies, utilities, and special education tuition.

**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.

**Compensated Absences** - District employees accumulate sick leave and vacation for subsequent use. These accumulations are not recognized as expenditures by the District until used. The District's policy prohibits payoff of accumulated benefits at termination of employment. Consequently, no liability at June 30, 2021 has been accrued.

**Unearned Revenue** - Unearned revenue consists of unspent grant proceeds and student lunch deposits.



**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies: (Continued)**

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

**Long-term Liabilities** - In the government-wide and proprietary financial statements, long-term debt and other long-term obligations are reported as liabilities.

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

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

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

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies: (Continued)**

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

**Fund Balance** - In the governmental fund financial statements, fund balances are classified as follows:

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

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

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, 2021, expenditures did not exceed the amount budgeted and the District did not exceed its General Fund unspent authorized budget.

**F. Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 2 - Cash, Cash Equivalents and Pooled Investments:**

The District's deposits in banks at June 30, 2021 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.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 2 - Cash and Cash Equivalents: (Continued)**

At June 30, 2021, the District had investments in the Iowa Schools Joint Investment Trust Diversified Portfolio (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$146. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAm by Standard & Poor's Financial Services.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

**Note 3 - Interfund Transfers:**

The detail of interfund transfers for the year ended June 30, 2021 is as follows:

Transfer to	Transfer from	Amount
General	Nutrition	\$ 40,082
Special Revenue:		
Student Activity	General	4,741
Debt service	Capital projects	796,592
		\$ 841,415
		\$ 841,415

Transfers are used to move resources from the fund that statute or budget requires to record them to the fund that statute or budget requires to expend them, as well as to reimburse expenses.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 4 - Capital Assets:**

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
	-----	-----	-----	-----
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 831,197	\$ ---	\$ ---	\$ 831,197
	-----	-----	-----	-----
Capital assets being depreciated:				
Buildings	\$10,280,558	\$ 91,553	\$ ---	\$10,372,111
Improvements other than buildings	1,016,947	11,765	---	1,028,712
Furniture and equipment	3,337,972	164,030	131,801	3,370,201
	-----	-----	-----	-----
Total capital assets being depreciated	\$14,635,477	\$ 267,348	\$ 131,801	\$14,771,024
	-----	-----	-----	-----
Less accumulated depreciation for:				
Buildings	\$ 3,781,164	\$ 213,920	\$ ---	\$ 3,995,084
Improvements other than buildings	644,064	39,346	---	683,410
Furniture and equipment	2,629,348	179,271	123,924	2,684,695
	-----	-----	-----	-----
Total accumulated depreciation	\$ 7,054,576	\$ 432,537	\$ 123,924	\$ 7,363,189
	-----	-----	-----	-----
Total capital assets being depreciated, net	\$ 7,580,901	\$ (165,189)	\$ 7,877	\$ 7,407,835
	-----	-----	-----	-----
Governmental Activities Capital Assets, Net	\$ 8,412,098	\$ (165,189)	\$ 7,877	\$ 8,239,032
	=====	=====	=====	=====
<b>Business Type Activities:</b>				
Furniture and equipment	\$ 68,187	\$ 4,556	\$ ---	\$ 72,743
Less accumulated depreciation	35,848	5,825	---	41,673
	-----	-----	-----	-----
Business Type Activities Capital Assets, Net	\$ 32,339	\$ (1,269)	\$ ---	\$ 31,070
	=====	=====	=====	=====

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 4 - Capital Assets: (Continued)**

Depreciation expense was charged to the following functions:

Governmental activities:

Instruction:

Regular instruction	\$ 51,052
Special instruction	19,817
Other instruction	17,153

Support services:

Instructional staff support	2,581
Administration	6,638
Operation and maintenance of plant	153,085
Transportation	55,487
Non-instructional	2,719
Unallocated	124,005

Total Depreciation Expense - Governmental Activities	\$ 432,537
--	------------

Business type activities:

Food service operations	\$ 5,825
-------------------------	----------

**Note 5 - Long-Term Liabilities:**

Changes in long-term liabilities for the year ended June 30, 2021, are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
<b>Governmental Activities:</b>					
Revenue bonds	\$ 3,020,000	\$ 2,172,000	\$ 2,765,000	\$ 2,427,000	\$ 255,000
Net pension liability	3,198,328	658,560	---	3,856,888	---
Total OPEB liability	703,870	47,125	---	750,995	---
Total	\$ 6,922,198	\$ 2,877,685	\$ 2,765,000	\$ 7,034,883	\$ 255,000
<b>Business Type Activities:</b>					
Net pension liability	\$ 97,535	\$ 16,551	\$ ---	\$ 114,086	\$ ---
Total OPEB liability	22,346	1,495	---	23,841	---
Total	\$ 119,881	\$ 18,046	\$ ---	\$ 137,927	\$ ---

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 5 - Long-Term Liabilities: (Continued)**

**Revenue Bonds**

Details of the District's June 30, 2021, statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Issued November 1, 2009			Issued April 27, 2021			Total		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest	Total
2022	4.00%	\$ 255,000	\$ 60,546	0.85%	\$ ---	\$ 16,402	\$ 255,000	\$ 76,948	\$ 331,948
2023		---	---	0.85%	346,000	22,729	346,000	22,729	368,729
2024		---	---	0.95%	352,000	19,586	352,000	19,586	371,586
2025		---	---	1.05%	359,000	16,029	359,000	16,029	375,029
2026		---	---	1.15%	335,000	12,218	335,000	12,218	347,218
2027-2031		---	---	1.25-1.45%	780,000	12,663	780,000	12,663	792,663
		<u>\$ 255,000</u>	<u>\$ 60,546</u>		<u>\$2,172,000</u>	<u>\$ 99,627</u>	<u>\$2,427,000</u>	<u>\$ 160,173</u>	<u>\$ 2,587,173</u>

The District has pledged future statewide sales, services and use tax revenues to repay the above bonds. The bonds were issued for the purpose of financing a portion of the cost of school infrastructure. The bonds are payable solely from proceeds of the statewide sales, services and use tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require 47% of the statewide sales, services and use tax revenues. For the current year, the District paid \$245,000 of principal and \$125,870 of interest on the bonds.

On April 27, 2021, the District issued \$2,172,000 of School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds with an average interest rate of 1.2% to advance refund \$2,520,000 of outstanding 2009 Series bonds with an average interest rate of 4.5%. The net proceeds of \$2,136,670 (after payment of issuance costs) plus an additional \$383,330 Series 2009 reserve fund monies were placed in an irrevocable trust with an escrow agent to provide funds necessary to call the bonds maturing after July 1, 2021. As a result, the 2009 Series bonds maturing after July 1, 2021 are considered to be defeased and the liability for those bonds has been removed from the District's financial statements.

The resolution providing for the issuance of the Series 2021 statewide sales, services and use tax revenue bonds includes the following provisions:

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 5 - Long-Term Liabilities: (Continued)**

- (a) Interest on the bonds is payable on July 1 and January 1 in each year beginning January 1, 2022, to the registered owners thereof. The Bonds will mature serially on July 1. The bonds may be called for optional redemption on any date, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot, at par plus accrued interest to date of call.
- (b) The Bond Resolution also establishes the Local Option Sales and Services Tax Revenue Fund (the "Revenue Fund"), into which shall be deposited all local option sales taxes when received from the State. Moneys in the Revenue Fund shall be disbursed to the following funds and accounts in the following order of priority.
- (c) Interest and principal on the Bonds (and any Parity Obligations, as defined below) will be paid from the Sinking Fund (the "Sinking Fund"). The amount to be deposited in the Sinking Fund shall be equal to the amount of principal and interest coming due on the Bonds, and any other obligations payable from the Sales Services and Use Tax revenues on a parity with the Bonds ("Parity Obligations") during the fiscal year and shall be used solely for the purpose of paying debt service on the Bonds and any Parity Obligations.

The District did comply with all of the provisions during the year ended June 30, 2021. The amounts required for the Sinking Fund are accounted for in the Debt Service Fund.

The District advance refunded the 2009 Series bond to reduce its total debt service payments over the next eight years by almost \$784,000 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$328,122.

**Note 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.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 6 - Pension Plan: (Continued)**

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

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

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

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

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

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



**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 6 - Pension Plan: (Continued)**

In fiscal year 2021, 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, 2021 were \$455,629.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2021, the District reported a liability of \$3,970,974 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the District's proportion was 0.056528%, which was a decrease of 0.000388 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$609,404. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	-----	-----
Difference between expected and actual experience	\$ ---	\$ 89,735
Change in assumptions	203,829	---
Net difference between projected and actual earnings on pension plan investments	223,232	---
Changes in proportion and differences between District contributions and proportionate share of contributions	12,636	---
District contributions subsequent to the measurement date	455,629	---
	-----	-----
	<u>\$ 895,326</u>	<u>\$ 89,735</u>

\$455,629 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 6 - Pension Plan: (Continued)**

Year Ended June 30, -----	
2022	\$ 59,042
2023	83,679
2024	76,437
2025	129,939
2026	864
	-----
	<u>\$ 349,961</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates used in the 2020 valuation were based on the RP-2014 Employee and Health 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:

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 6 - Pension Plan: (Continued)**

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	22.0%	4.43%
International equity	17.5	5.15
Global smart beta equity	6.0	4.87
Core plus fixed income	28.0	(0.29)
Public credit	4.0	2.29
Cash	1.0	(0.78)
Private equity	11.0	6.54
Private real assets	7.5	4.48
Private credit	3.0	3.11
Total	100.0%	

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 Proportional 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% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 6,621,263	\$ 3,970,974	\$ 1,748,746

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, 2021, the District reported payables to IPERS of \$48,370 for legally required employer contributions and \$32,229 for legally required employee contributions which had been withheld from employee wages which had not yet been remitted to IPERS.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 7 - Other Postemployment Benefits (OPEB):**

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Active employees	65
	-----
Total	70
	=====

Total OPEB Liability – The District’s total OPEB liability of \$774,836 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

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

Rate of inflation (effective June 30, 2021)	2.50% per annum
Rates of salary increase (effective June 30, 2021)	3.25% per annum, including inflation
Discount rate (effective June 30, 2021)	1.92% compounded annually, including inflation
Healthcare cost trend rate (effective June 30, 2021)	6.40% initial rate decreasing to an ultimate rate of 4.00%

Discount Rate – The discount rate used to measure the total OPEB liability was 1.92% 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 RP-2014 annuity mortality table. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 7 - Other Postemployment Benefits (OPEB): (Continued)**

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

Changes in the Total OPEB Liability

Total OPEB liability beginning of year	\$	726,215
<hr style="border-top: 1px dashed black;"/>		
Changes for the year:		
Service cost		48,068
Interest		18,408
Changes in assumptions		28,025
Differences between expected and actual experience		---
Benefit payments		(45,880)
<hr style="border-top: 1px dashed black;"/>		
Net changes	\$	48,621
<hr style="border-top: 1px dashed black;"/>		
Total OPEB liability at end of year	\$	774,836
<hr style="border-top: 3px double black;"/>		

Changes in assumptions reflect a change in the discount rate from 2.45% in fiscal year 2020 to 1.92% in fiscal year 2021.

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

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB liability	\$ 830,249	\$ 774,836	\$ 722,764

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.40%) or 1% higher (7.40%) than the current healthcare cost trend rates.

	1% Decrease (5.40%)	Healthcare Cost Trend Rate (6.40%)	1% Increase (7.40%)
Total OPEB liability	\$ 687,278	\$ 774,836	\$ 878,853

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 7 - Other Postemployment Benefits (OPEB): (Continued)**

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the District recognized OPEB expense of \$94,501. Under the alternative measurement method, all deferred outflows and inflows of resources related to OPEB are fully recognized immediately.

**Note 8 - Termination Benefits:**

In November 2020, the District approved a voluntary early retirement plan for full-time teachers. The plan was only offered to teachers for one year. Eligible employees must have completed at least fifteen years of full-time contracted service to the District, or are currently on Step 15 of the salary schedule and have completed at least ten years of full-time service to the District. Eligible employees must have also reached the age of fifty-five on or before June 30, 2021. The application for early retirement was subject to approval by the Board of Education.

Employees participating in the plan shall receive the following early retirement incentive benefits:

- a) A lump sum amount of twenty-five thousand dollars (\$25,000).
- b) An amount equal to two hundred fifty dollars (\$250.00) for every year of continuous service the employee has provided to the District as a teacher.
- c) An amount equal to seventy-five dollars (\$75.00) for each accrued, unused sick leave day the employee has on June 30, 2021.

The policy requires early retirement benefits to be paid in one installment on June 30, 2021.

At June 30, 2021, the District did not have any obligations to participants. Actual early retirement expenditures for the year ended June 30, 2021 totaled \$130,900.

**Note 9 - Risk Management:**

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

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 10 - Area Education Agency:**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$285,345 for the year ended June 30, 2021, and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

**Note 11 - 28E Agreements:**

On January 10, 2012, the District entered into a 28E Agreement with the Andrew Community School District. The purpose of the agreement is to establish and implement the Facility Improvement Program for Andrew students attending Bellevue secondary schools under the parties' Sharing Agreement.

On September 14, 2015, the District entered into a 28E agreement with the City of Bellevue and Marquette Catholic School System. The purpose of the agreement is to provide terms and conditions upon which the City will share the use of the Softball and Baseball diamonds located at Cole Park in Bellevue with Bellevue Community School District and Marquette Catholic School System, and upon which the Bellevue Community School District and Marquette Catholic School System will assist in making the improvements to the Facility.

**Note 12 - Tax Abatements:**

Tax abatements are defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2021 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Bellevue	Urban renewal areas	\$ 59,083

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, 2021, this reimbursement amounted to \$36,877.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**Note 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 restricted in the General Fund at June 30, 2021.

Program	Amount
Salary improvement plan	\$ 62,870
Voluntary preschool program	110,234
Professional development	28,923
Teacher leadership	139,143
Gifted and talented	81,379
Other	14,970
	-----
	\$ 437,519
	=====

**Note 14 - Pending Accounting Pronouncement:**

Governmental Accounting Standards Board has issued Statement No. 87, Leases. The revised requirements of this statement will require reporting of certain significant lease liabilities. This guidance will be effective for the fiscal year ending June 30, 2022.

**Note 15 - COVID-19:**

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United State continues to evolve. The full impact to local, regional and national economies, including that of Bellevue Community School District, remains uncertain.

To date, the outbreak has not created a material disruption to the operations of Bellevue Community School District. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to Bellevue Community School District.



**BELLEVUE COMMUNITY SCHOOL DISTRICT**  
**BELLEVUE, IOWA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**Note 16 - Subsequent Events:**

The District's management has evaluated events and transactions for potential financial statement recognition and disclosure through January 25, 2022, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND  
CHANGES IN BALANCES - BUDGET AND ACTUAL -  
ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUND  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2021**

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
<b>Revenues</b>						
Local sources	\$ 4,374,912	\$ 75,732	\$ 4,450,644	\$ 4,751,832	\$ 4,751,832	\$ (301,188)
Intermediate sources	566	---	566	1,145	1,145	(579)
State sources	4,460,300	3,360	4,463,660	4,463,209	4,463,209	451
Federal sources	594,123	412,881	1,007,004	433,468	433,468	573,536
Total Revenues	\$ 9,429,901	\$ 491,973	\$ 9,921,874	\$ 9,649,654	\$ 9,649,654	\$ 272,220
<b>Expenditures/Expenses</b>						
Instruction	\$ 5,490,181	\$ ---	\$ 5,490,181	\$ 7,053,985	\$ 7,053,985	\$ 1,563,804
Support services	2,585,158	---	2,585,158	3,876,249	3,876,249	1,291,091
Non-instructional programs	10,512	391,049	401,561	588,926	588,926	187,365
Other expenditures	812,889	---	812,889	2,385,376	2,385,376	1,572,487
Total Expenditures/Expenses	\$ 8,898,740	\$ 391,049	\$ 9,289,789	\$ 13,904,536	\$ 13,904,536	\$ 4,614,747
Excess (Deficiency) of Revenues Over (Under) Expenditures/Expenses	\$ 531,161	\$ 100,924	\$ 632,085	\$ (4,254,882)	\$ (4,254,882)	\$ 4,886,967
Other Financing Sources, Net	(306,750)	(40,082)	(346,832)	1,700	1,700	(348,532)
Change in Fund Balance	\$ 224,411	\$ 60,842	\$ 285,253	\$ (4,253,182)	\$ (4,253,182)	\$ 4,538,435
Balances Beginning of Year	4,930,225	68,729	4,998,954	4,775,332	4,775,332	223,622
Balances End of Year	\$ 5,154,636	\$ 129,571	\$ 5,284,207	\$ 522,150	\$ 522,150	\$ 4,762,057

See accompanying independent auditor's report.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY REPORTING  
YEAR ENDED JUNE 30, 2021**

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standard 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 Custodial Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, 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 that may not exceed the amount authorized by the school finance formula.

During the year ended June 30, 2021, expenditures did not exceed the amounts budgeted and the District did not exceed its General Fund unspent authorized budget.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY**

**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
FOR THE LAST SEVEN YEARS\*  
(IN THOUSANDS)**

**REQUIRED SUPPLEMENTARY INFORMATION**

	2021	2020	2019	2018	2017	2016	2015
	-----	-----	-----	-----	-----	-----	-----
District's proportion of the net pension liability	.056528%	.056917%	.056992%	.056158%	.055924%	.057170%	.058674%
District's proportionate share of the net pension liability	\$ 3,971	\$ 3,296	\$ 3,607	\$ 3,740	\$ 3,519	\$ 2,824	\$ 2,327
District's covered payroll	\$ 4,486	\$ 4,332	\$ 4,284	\$ 4,192	\$ 4,031	\$ 3,930	\$ 3,840
District's proportionate share of the net pension liability as a percentage of its covered payroll	88.52%	76.08%	84.20%	89.22%	87.30%	71.86%	60.60%
IPERS' net position as a percentage of the total pension liability	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.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
FOR THE LAST 10 YEARS  
(IN THOUSANDS)**

**REQUIRED SUPPLEMENTARY INFORMATION**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statutorily required contributions	\$ 455	\$ 424	\$ 409	\$ 383	\$ 374	\$ 360	\$ 351	\$ 343	\$ 324	\$ 294
Contributions in relation to the statutorily required contribution	(455)	(424)	(409)	(383)	(374)	(360)	(351)	(343)	(324)	(294)
Contribution deficiency (excess)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
District's covered-payroll	\$ 4,797	\$ 4,486	\$ 4,332	\$ 4,284	\$ 4,192	\$ 4,031	\$ 3,930	\$ 3,840	\$ 3,737	\$ 3,643
Contributions as a percentage of covered payroll	9.5%	9.46%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%

See accompanying independent auditor's report.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
- PENSION LIABILITY  
YEAR ENDED JUNE 30, 2021**

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- 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 beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL  
OPEB LIABILITY, RELATED RATIOS AND NOTES**

**FOR THE LAST FOUR YEARS**

**REQUIRED SUPPLEMENTARY INFORMATION**

	2021	2020	2019	2018
	-----	-----	-----	-----
Service cost	\$ 48,068	\$ 15,240	\$ 15,240	\$ 13,728
Interest cost	18,408	6,909	7,309	7,732
Changes in assumptions	28,025	59,699	11,727	---
Difference between expected and actual experience	---	465,598	(8,690)	(7,091)
Benefit payments	(45,880)	(50,662)	(2,550)	(4,027)
Net change in total OPEB liability	\$ 48,621	\$ 496,784	\$ 23,036	\$ 10,342
Total OPEB liability beginning of year	726,215	229,431	206,395	196,053
Total OPEB liability end of year	<u>\$ 774,836</u>	<u>\$ 726,215</u>	<u>\$ 229,431</u>	<u>\$ 206,395</u>
Covered-employee payroll	\$ 4,370,445	\$ 4,576,973	\$ 4,378,125	\$ 4,341,096
Total OPEB liability as a percentage of covered-employee payroll	17.73%	15.87%	5.24%	4.75%

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

*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, 2021	1.92%
Year ended June 30, 2020	2.45%
Year ended June 30, 2019	3.15%
Year ended June 30, 2018	3.72%
Year ended June 30, 2017	2.50%

See accompanying independent auditor's report.



**SUPPLEMENTARY  
INFORMATION**

BELLEVUE COMMUNITY SCHOOL DISTRICT  
 BELLEVUE, IOWA

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2021

	Special Revenue			Total
	Student Activity	Management	Debt Service	
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 60,247	\$ 287,740	\$ 352,423	\$ 700,410
Receivables:				
Property tax:				
Delinquent	---	722	---	722
Succeeding year	---	224,999	---	224,999
Total Assets	\$ 60,247	\$ 513,461	\$ 352,423	\$ 926,131
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accrued interest and principle payable	\$ ---	\$ ---	\$ 316,546	\$ 316,546
Deferred Inflows of Resources:				
Unavailable revenues:				
Succeeding year property tax	\$ ---	\$ 224,999	\$ ---	\$ 224,999
Fund Balances:				
Restricted for:				
Student activities	\$ 60,247	\$ ---	\$ ---	\$ 60,247
Management levy purposes	---	288,462	---	288,462
Debt service	---	---	35,877	35,877
Total Fund Balances	\$ 60,247	\$ 288,462	\$ 35,877	\$ 384,586
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 60,247	\$ 513,461	\$ 352,423	\$ 926,131

See accompanying independent auditor's report.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021**

	Special Revenue			Total
	Student Activity	Management	Debt Service	
<b>Revenues</b>				
Local Sources:				
Local tax	\$ ---	\$ 111,160	\$ ---	\$ 111,160
Other	108,908	5,195	547	114,650
State sources	---	1,117	---	1,117
Federal sources	---	38	---	38
	-----	-----	-----	-----
Total Revenues	\$ 108,908	\$ 117,510	\$ 547	\$ 226,965
	-----	-----	-----	-----
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	\$ ---	\$ 144,156	\$ ---	\$ 144,156
Other	121,846	---	---	121,846
	-----	-----	-----	-----
Total Instruction	\$ 121,846	\$ 144,156	\$ ---	\$ 266,002
	-----	-----	-----	-----
Support Services:				
Student	\$ ---	\$ 553	\$ ---	\$ 553
Instructional staff	---	209	---	209
Administration	---	10,972	---	10,972
Operation and maintenance of plant	---	65,203	---	65,203
Transportation	---	27,186	---	27,186
	-----	-----	-----	-----
Total Support Services	\$ ---	\$ 104,123	\$ ---	\$ 104,123
	-----	-----	-----	-----
Non-instructional Programs	\$ ---	\$ 3,631	\$ ---	\$ 3,631
	-----	-----	-----	-----
Other Expenditures:				
Long-term debt:				
Principal	\$ ---	\$ ---	\$ 245,000	\$ 245,000
Interest and fiscal charges	---	---	168,262	168,262
	-----	-----	-----	-----
Total Other Expenditures	\$ ---	\$ ---	\$ 413,262	\$ 413,262
	-----	-----	-----	-----
Total Expenditures	\$ 121,846	\$ 251,910	\$ 413,262	\$ 787,018
	-----	-----	-----	-----

See accompanying independent auditor's report.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds			Total
	Student Activity	Management	Debt Service	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (12,938)	\$ (134,400)	\$ (412,715)	\$ (560,053)
<b>Other Financing Sources</b>				
Operating transfers in	\$ 4,741	\$ ---	\$ 796,592	\$ 801,333
Proceeds from refunding bonds	---	---	2,172,000	2,172,000
Payment to refunded bond escrow agent	---	---	(2,520,000)	(2,520,000)
Total Other Financing Sources (Uses)	\$ 4,741	\$ ---	\$ 448,592	\$ 453,333
Change in Fund Balance	\$ (8,197)	\$ (134,400)	\$ 35,877	\$ (106,720)
Fund Balances Beginning of Year	68,444	422,862	---	491,306
Fund Balances End of Year	\$ 60,247	\$ 288,462	\$ 35,877	\$ 384,586

See accompanying independent auditor's report.

SCHEDULE "3"

BELLEVUE COMMUNITY SCHOOL DISTRICT  
 BELLEVUE, IOWA

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND,  
 STUDENT ACTIVITY ACCOUNTS  
 YEAR ENDED JUNE 30, 2021

	Balance Beginning of Year	Revenues and Interfund Transfers	Expenditures	Intrafund Transfers	Balance End of Year
JH/SR Athletics	\$ 10,725	\$ 57,310	\$ 60,029	\$ ---	\$ 8,006
Believe in the Blue	1,349	---	931	---	418
Baseball	1,483	100	165	---	1,418
Softball	128	2,681	2,412	---	397
Strength & Conditioning	2,441	1,000	3,232	---	209
Cheerleading	(977)	958	684	---	(703)
Spanish Club	125	---	---	---	125
Musical/Play	9,034	2,403	4,537	---	6,900
Letterman's Club	4,393	4,015	4,555	---	3,853
Boys' Basketball	347	175	314	(175)	33
FFA	(5,185)	2,030	770	---	(3,925)
Volleyball	1,278	1,146	1,234	---	1,190
Dance Team	828	4,139	3,805	---	1,162
FBLA	1,196	12,762	10,401	---	3,557
Bowling	51	50	---	---	101
Girls' Basketball	1,394	587	395	---	1,586
Wrestling	9,988	1,610	1,128	---	10,470
Girl's Track	50	---	---	---	50
Boys' Track	(225)	---	175	175	(225)
Cross Country	908	175	234	---	849
National Honor Society	271	294	294	---	271
Robotics	(1,267)	---	---	---	(1,267)
Speech	(314)	---	518	---	(832)
eSports	(86)	---	---	---	(86)
Friends of Rachel	3,060	---	---	---	3,060
Elementary	3,925	2,777	1,856	---	4,846
Color Guard	(103)	279	72	---	104
Band Resale	(5,548)	462	176	---	(5,262)
Music Boosters	11,591	8,994	13,976	---	6,609
Quiz Bowl	---	90	435	---	(345)
Class of 2021	3,712	1,950	4,326	(1,336)	---
Class of 2022	38	18	29	1,336	1,363
Class of 2023	195	2,196	58	---	2,333
Class of 2024	---	100	31	---	69
HS Yearbook	3,728	1,445	978	---	4,195
JH Yearbook	422	389	165	---	646
HS Student Council	7,116	849	2,004	---	5,961
JH Student Council	978	756	973	---	761
Student Enrichment	395	1,759	954	150	1,350
Student Needs	1,000	---	---	---	1,000
Interest	---	150	---	(150)	---
Total	\$ 68,444	\$ 113,649	\$ 121,846	\$ ---	\$ 60,247

See accompanying independent auditor's report.

BELLEVUE COMMUNITY SCHOOL DISTRICT  
 BELLEVUE, IOWA

COMBINING BALANCE SHEET  
 CAPITAL PROJECTS FUND ACCOUNTS  
 JUNE 30, 2021

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
	-----	-----	-----
<b>Assets</b>			
Cash, cash equivalents and pooled investments	\$ 799,431	\$1,209,158	\$ 2,008,589
Receivables:			
Property tax:			
Delinquent	---	2,076	2,076
Succeeding year	---	306,246	306,246
Income surtax	---	171,499	171,499
Accounts	875	---	875
Due from other governments	50,153	---	50,153
	-----	-----	-----
Total Assets	\$ 850,459	\$1,688,979	\$ 2,539,438
	=====	=====	=====
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Deferred Inflows of Resources:			
Unavailable revenues:			
Succeeding year property tax	\$ ---	\$ 306,246	\$ 306,246
Income surtax	---	171,499	171,499
	-----	-----	-----
Total Deferred Inflows of Resources	\$ ---	\$ 477,745	\$ 477,745
	-----	-----	-----
Fund Balances:			
Restricted for:			
School infrastructure	\$ 850,459	\$ ---	\$ 850,459
Physical plant and equipment	---	1,211,234	1,211,234
	-----	-----	-----
Total Fund Balances	\$ 850,459	\$1,211,234	\$ 2,061,693
	-----	-----	-----
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 850,459	\$1,688,979	\$ 2,539,438
	=====	=====	=====

See accompanying independent auditor's report.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUND ACCOUNTS  
YEAR ENDED JUNE 30, 2021**

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
	-----	-----	-----
<b>Revenues</b>			
Local Sources:			
Local tax	\$ ---	\$ 551,716	\$ 551,716
Other	26,337	3,887	30,224
State sources	598,982	12,525	611,507
Federal sources	---	14,095	14,095
	-----	-----	-----
Total Revenues	\$ 625,319	\$ 582,223	\$1,207,542
	-----	-----	-----
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	\$ ---	\$ 40,295	\$ 40,295
	-----	-----	-----
Support Services:			
Instructional staff	\$ ---	\$ 23,410	\$ 23,410
Administration	---	25,641	25,641
Operation and maintenance of plant	---	7,182	7,182
Transportation	---	98,599	98,599
	-----	-----	-----
Total Support Services	\$ ---	\$ 154,832	\$ 154,832
	-----	-----	-----
Non-instructional Programs	\$ ---	\$ 6,881	\$ 6,881
	-----	-----	-----
Other Expenditures:			
Facilities acquisition	\$ ---	\$ 114,282	\$ 114,282
	-----	-----	-----
Total Expenditures	\$ ---	\$ 316,290	\$ 316,290
	-----	-----	-----
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 625,319	\$ 265,933	\$ 891,252
	-----	-----	-----
<b>Other Financing Sources (Uses)</b>			
Transfers out	\$ (796,592)	\$ ---	\$ (796,592)
Sale of equipment	---	1,168	1,168
	-----	-----	-----
Total Other Financing Sources (Uses)	\$ (796,592)	\$ 1,168	\$ (795,424)
	-----	-----	-----
Change in Fund Balances	\$ (171,273)	\$ 267,101	\$ 95,828
	-----	-----	-----
Fund Balances Beginning of Year	1,021,732	944,133	1,965,865
	-----	-----	-----
Fund Balances End of Year	\$ 850,459	\$1,211,234	\$2,061,693
	=====	=====	=====

See accompanying independent auditor's report.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION  
ALL GOVERNMENTAL FUNDS  
FOR THE LAST TEN YEARS**

Modified Accrual Basis

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Local Sources:										
Local tax	\$ 3,392,000	\$ 3,529,964	\$ 3,502,934	\$ 3,119,350	\$ 3,112,534	\$ 3,007,264	\$ 2,956,401	\$ 2,921,330	\$ 3,092,524	\$ 3,197,437
Tuition	684,396	731,248	765,307	664,847	623,049	563,710	575,239	609,658	598,286	591,609
Other	298,516	361,936	397,692	408,533	415,392	381,387	345,605	351,081	289,940	353,406
Intermediate sources	566	1,132	1,132	1,132	1,132	1,132	1,465	1,433	3,096	16,453
State sources	4,460,300	4,332,571	4,074,232	4,009,921	3,893,487	3,709,716	3,717,951	3,615,438	3,173,255	3,261,883
Federal sources	594,123	278,060	335,059	314,141	274,266	252,859	288,063	232,888	238,607	278,415
<b>Total</b>	<b>\$ 9,429,901</b>	<b>\$ 9,234,911</b>	<b>\$ 9,076,356</b>	<b>\$ 8,517,924</b>	<b>\$ 8,319,860</b>	<b>\$ 7,916,068</b>	<b>\$ 7,884,724</b>	<b>\$ 7,731,828</b>	<b>\$ 7,395,708</b>	<b>\$ 7,699,203</b>

See accompanying independent auditor's report.



**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION  
ALL GOVERNMENTAL FUNDS  
FOR THE LAST TEN YEARS**

Modified Accrual Basis

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenditures</b>										
Instruction:										
Regular instruction	\$ 3,339,322	\$ 2,789,258	\$ 2,859,117	\$ 3,210,053	\$ 2,728,390	\$ 2,635,401	\$ 2,555,641	\$ 2,988,119	\$ 2,693,245	\$ 2,347,288
Special instruction	876,002	893,298	873,542	785,606	814,349	796,750	788,022	803,358	871,677	800,581
Other instruction	1,274,857	1,264,797	1,207,606	1,037,693	1,093,786	1,084,541	1,002,128	1,019,607	950,696	988,451
Support Services:										
Student	248,407	250,107	242,759	208,337	157,066	168,251	157,765	139,294	168,854	217,575
Instructional staff	372,960	325,190	371,324	401,380	476,161	303,018	319,089	293,358	254,482	250,465
Administration	829,495	836,340	829,624	846,548	753,058	746,292	695,226	705,404	662,720	598,150
Operation and maintenance of plant	672,202	679,079	644,998	622,968	621,574	566,997	580,628	592,393	593,565	551,781
Transportation	462,094	440,012	368,349	369,758	356,038	387,578	621,812	458,975	379,440	376,552
Non-instructional programs	10,512	3,294	5,002	4,900	4,977	5,978	7,998	7,689	6,975	7,645
Other Expenditures:										
Facilities acquisition	114,282	180,954	1,024,528	107,066	218,004	310,664	244,304	430,452	249,447	189,539
Long-term debt:										
Principal	245,000	235,000	230,000	220,000	210,000	200,000	200,000	200,000	202,140	195,086
Interest and other charges	168,262	142,648	146,460	159,510	166,660	172,960	167,960	172,960	219,618	189,872
AEA flowthrough	285,345	276,500	263,904	254,879	240,765	245,454	245,752	240,626	231,447	232,928
<b>Total</b>	<b>\$ 8,898,740</b>	<b>\$ 8,316,477</b>	<b>\$ 9,067,213</b>	<b>\$ 8,228,698</b>	<b>\$ 7,840,828</b>	<b>\$ 7,623,884</b>	<b>\$ 7,586,325</b>	<b>\$ 8,052,235</b>	<b>\$ 7,484,306</b>	<b>\$ 6,945,913</b>

See accompanying independent auditor's report.

**SCHEDULE "7"**

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

Grantor/Program	Assistance Listing Number	Pass-Through Identifying Number	Expenditures
Indirect:			
U.S. Department of Agriculture (USDA):			
Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY21	\$ 556
National School Lunch Program	10.555	FY21	\$ 37,072*
COVID-19 – National School Lunch Program	10.555	FY21	27,962
			\$ 65,034
Summer Food Service Program for Children	10.559	FY21	\$ 350,651
Total USDA/Child Nutrition Cluster			\$ 416,241
U.S. Department of Education:			
Iowa Department of Education:			
Coronavirus Relief Fund	21.019	FY21	\$ 7,415
Title I Grants to Local Educational Agencies	84.010	FY21	\$ 52,241
Career/Technical Education - Basic Grants to States	84.048	FY21	\$ 5,988
Supporting Effective Instruction State Grant	84.367	FY21	\$ 13,545
Special Education Grants to States	84.027	FY21	\$ 32,266
Title IV Student Support and Academic Enrichment	84.424	FY21	\$ 11,611
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act (CARES) Cluster:			
COVID-19 Governor's Emergency Education			
Relief (GEER) Fund	84.425C	FY21	\$ 25,407
COVID-19 Elementary and Secondary School Relief (ESSER) Funds	84.425D	FY21	222,845
COVID-19 Elementary and Secondary School Relief (ESSER III) Funds	84.425U	FY21	18,421
Total Education Stabilization Fund Under CARES Cluster			\$ 266,673
Total U.S. Department of Education			\$ 389,739

See accompanying independent auditor's report.

**SCHEDULE "7" (Continued)**

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

Grantor/Program	Assistance Listing Number	Pass-Through Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Iowa Department of Health and Human Services:			
Promoting Safe and Stable Families	14.056	FY21	\$ 14,056
Total Expenditures of Federal Awards			\$ 820,036

\* - Includes \$34,268 of non-cash awards.

**Basis of Presentation** – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Bellevue Community School District under programs of the federal government for the year ended June 30, 2021. 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 Bellevue Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Bellevue Community School District.

**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.

**Indirect Cost Rate** – The District has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

See accompanying independent auditor's report.

**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 Bellevue Community School District

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

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 Bellevue Community School District as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2022. In addition, we have disclaimed an opinion on the required supplementary information.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bellevue Community School District's internal control over financial reporting as a basis for designing audit procedures 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 Bellevue Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bellevue Community School District's internal control.

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 were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified deficiencies in internal control we consider to be material weaknesses.

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 combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-21 and II-B-21 to be material weaknesses. Item II-A-21 was noted in the prior year audit.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bellevue Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2021, 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.

## **Bellevue Community School District's Responses to Findings**

Bellevue Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Bellevue Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **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 Bellevue 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.

O'CONNOR, BROOKS & CO., P.C.

*O' Connor, Brooks + Co., P.C.*

Dubuque, Iowa  
January 25, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Education of the Bellevue Community School District

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

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

We have audited Bellevue Community School District's compliance with the types of compliance requirements described in the 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, 2021. Bellevue Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal programs. However, our audit does not provide a legal determination of Bellevue Community School District's compliance.

## **Opinion on Each Major Federal Program**

In our opinion, Bellevue Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **Report on Internal Control Over Compliance**

The management of Bellevue Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. 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 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not identified. We identified a deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-21 we consider to be a material weakness.

Bellevue Community School District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Bellevue Community School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

O'CONNOR, BROOKS & CO., P.C.

*O'Connor, Brooks + Co., P.C.*  
Dubuque, Iowa  
January 25, 2022

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**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) 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) A material weakness in internal control over the major programs was 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 disclosed an audit finding which is required to be reported in accordance with the Uniform Guidance, Section 200.516.
- g) Major programs were as follows:
  - Child Nutrition Cluster
- h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i) Bellevue Community School District did not qualify as a low-risk auditee.



**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

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

**INTERNAL CONTROL DEFICIENCIES:**

**II-A-21 Segregation of Duties**

Criteria - Management is responsible for establishing and maintaining internal control. A good system of internal control provides for adequate segregation of duties so no one individual handles a transaction from its inception to completion. In order to maintain proper internal control, duties should be segregated so the authorization, custody and recording of transactions are not under the control of the same employee. This segregation of duties helps prevent losses from employee error or dishonesty and maximizes the accuracy of the District's financial statements.

Condition - The Board Secretary performs substantially all of the significant accounting functions.

Cause - The District has a limited number of employees and procedures have not been designed to adequately segregate duties or provide compensating controls through additional oversight of transactions and processes.

Effect - Inadequate segregation of duties could adversely affect the District's ability to prevent or detect and correct misstatements, errors or misappropriation on a timely basis by employees in the normal course of performing their assigned functions.

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. We recommend that the bank statements continue to be delivered directly to the Superintendent for review before being given to the secretary for reconciliation. The District should also continue to review its operating procedures to obtain the maximum internal accounting control possible under the circumstances.

Response - We will investigate available alternatives and implement as soon as possible.

Conclusion - Response accepted.

**II-B-21 Financial Reporting**

Criteria - A deficiency in internal control over financial reporting 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 of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the District's financial statements.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**Part II: Findings Related to the Financial Statements: (Continued)**

Condition – Material amounts of long term debt and other financing sources and uses were not recorded in the District’s financial statements. Adjustments were subsequently made by the District to properly includes these amounts in the financial statements.

Cause – District policies do not require, and procedures have not been established to require independent review of long-term debt transactions to ensure the District’s financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in District employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the District’s financial statements were necessary.

Recommendation – The District should implement procedures to ensure all long term debt and other financing sources and uses are identified and included in the District’s financial statements.

Response - We will double check these in the future to avoid missing any long term debt or other financing sources and uses transactions.

Conclusion - Response accepted.

**INSTANCES OF NONCOMPLIANCE:**

No matters were noted.

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**INTERNAL CONTROL DEFICIENCY:**

AL Number 10.553: School Breakfast Program  
AL Number 10.555: National School Lunch Program  
AL Number 10.559 Summer Food Service Program for Children  
Pass-Through Entity Identifying Number: N/A  
Federal Award Year: 2021  
Prior Year Finding Number: N/A  
U.S. Department of Agriculture  
Passed through the Iowa Department of Education

III-A-21 Segregation of Duties - The District did not properly segregate custody, record-keeping and reconciling functions for revenues and expenditures, including those related to federal programs. See II-A-21.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

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

- IV-A-21 Certified Budget - Expenditures for the year ended June 30, 2021, did not exceed the amount budgeted.
- IV-B-21 Questionable Expenditures - No expenditures we believe may not meet the requirement of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-21 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-21 Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-21 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-21 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.
- IV-G-21 Board Minutes - No transactions requiring Board approval which had not been approved by the Board were noted.
- IV-H-21 Certified Enrollment - No variances in the basic enrollment data certified to the Department of Education were noted.
- IV-I-21 Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-J-21 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- IV-K-21 Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education. However, some of the amounts related to the refunding bond issue were incorrectly reported.

Recommendation - The District should record entries to its general ledger to correct the account balances.

Response - Adjusting entries have been recorded on the District's general ledger to correct the account balances.

Conclusion - Response accepted.

**BELLEVUE COMMUNITY SCHOOL DISTRICT  
BELLEVUE, IOWA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**Part IV: Other Findings Related to Statutory Reporting: (Continued)**

IV-L-21 Categorical Funding - No instances of categorical funding being used to supplant rather than supplement other funds were noted.

IV-M-21 Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses 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, 2021, the District reported the following information for the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 1,021,732
Revenues/Transfers in:		
Statewide sales and services tax revenue	\$ 598,982	
Other	26,337	625,319
	-----	-----
		\$ 1,647,051
Expenditures/transfers out:		
Transfer to debt service fund		796,592
		-----
Ending balance		\$ 850,459
		=====

For the year ended June 30, 2021, the District did not reduce any levies as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

IV-N-21 Student Activity Fund - The Student Activity Fund had eight accounts with deficit balances at June 30, 2021.

Recommendation - The District should continue to monitor these accounts and investigate alternatives to eliminate any deficits.

Response - As a result of COVID-19 and the related school closure, several groups were not able to finish/continue their fundraising plans. The Board determined that the safety of our students and sponsors needed to be emphasized, therefore resulting in no fundraising at the end of the fiscal year. The District administrators will talk to the sponsors of those funds to develop a plan to eliminate those deficit balances.

Conclusion - Response accepted.