

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDING
June 30, 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT
of the

SIOUX CITY COMMUNITY SCHOOL DISTRICT
Sioux City, Iowa

For the Fiscal Year Ended June 30, 2022

OFFICIAL ISSUING REPORT

Patty Blankenship, CFO

OFFICE ISSUING REPORT

Business Office

SIOUX CITY COMMUNITY SCHOOL DISTRICT

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February 15, 2023

President Dan Greenwell, Members of the Board of
Education and Residents of the Sioux City
Community School District
Sioux City, Iowa

I am pleased to submit the Annual Comprehensive Financial Report of the Sioux City Community School District (District) for the fiscal year ended June 30, 2022. The report has been prepared to conform to guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada. The responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with management of the District. I believe that the data is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position and results of operations of the District, as measured by the financial activity of the various funds; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

Williams & Company P.C. has issued unmodified opinions on the District's basic financial statements for the year ended June 30, 2022. The independent auditors' report is located at the front of the financial section of the report.

The Annual Comprehensive Financial Report is divided into four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a list of principal officers, a Certificate of Excellence in Financial Reporting from the Association of School Business Officials International and a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. The financial section includes the independent auditors' report, the Management's Discussion and Analysis, the basic financial statements, and required supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The District was required to have a single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the Uniform Guidance. Information related to the single audit, including a schedule of expenditures of federal awards, schedule of findings and questioned costs, independent auditors' report on compliance for each major program and on internal control over

compliance required by the Uniform Guidance, and independent auditors' 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 are included in this section.

Reporting Entity and its Services

The Sioux City Community School District was organized in March of 1869. The District's geographic boundary includes most of the city limits of Sioux City and a small portion of residential and agriculture land to the north in Plymouth County, a population of approximately 86,000. The District is supported financially by legislatively appropriated state aid, property taxes, statewide sales, service and use tax, income surtaxes, state and federal grants for special projects and local revenue in the form of tuition and other miscellaneous income items. The District is governed by a seven-member board of education whose members serve four-year terms and are elected on a nonpartisan basis.

The District provides a full range of educational services to students in early childhood and grades kindergarten through twelve. These services include basic, regular and enriched academic education, special education for identified children with qualifying special needs, vocational education and many individualized programs such as specialized instruction for students at risk and students whose primary language is not English. The certified enrollment of the District as of October 2021 (the official count date) was 14,869 students.

The financial statements include all funds, agencies, boards and commissions. The District has also considered all potential component units for which it is financially accountable and all other organizations where the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading. The criteria considered in determining financial accountability of any entity to the District 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; and/or (2) the potential for the organization to provide specific benefits to, or impose specific burdens on the District. The Sioux City Community School District has no component units that meet the Governmental Accounting Standards Board criteria.

Accounting System

In developing and evaluating the accounting system of the District, much consideration is given to the adequacy of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

Budgeting

The District's Board of Education annually adopts and certifies a budget following a public hearing and approves the related appropriations for the General, Special Revenue, Debt Service, Capital Projects, and Proprietary Funds in accordance with provisions outlined in the statutes of the State

of Iowa. The budgets and financial statements for the governmental funds are prepared on a modified accrual basis and the budget and financial statements for the proprietary funds are prepared on the accrual basis. A statement comparing the budget to actual revenues and expenditures/expenses is included as required supplementary information.

Iowa law requires the formal and legal budgetary control for the certified budget to be based upon four major classes of expenditures known as functional areas, not by fund or fund types. These four functions are instruction, support services, non-instructional programs and other expenditures.

Major Initiatives and Achievements

In 1994, the District began a systematic assessment of facilities. No major upgrades had occurred since 1972. In 1998, local voters approved a one-cent local option sales and service tax for school infrastructure. This tax was renewed in August of 2005 for an additional ten years beyond the original expiration date of 2008; subsequently, the State of Iowa has enacted legislation extending this tax statewide expiring in 2029. With this sales tax funding the District was able to develop a plan for the future. West Middle School was completed in December 2001, East Middle School opened in August 2002 and North Middle School opened in August 2004. Irving Elementary School opened in August of 2006, which replaced the old Irving Elementary School. Two other elementary schools, Leeds and Unity, were opened in the fall of 2008. Liberty Elementary School, replacing Smith and Everett elementary schools, opened in August of 2010. Spalding Park Elementary School, which replaced Joy and Longfellow elementary schools, opened in August of 2012. Loess Hills Elementary School, which replaced Emerson and Roosevelt elementary schools opened in August of 2014. Morningside Elementary, which replaced Washington and Whittier elementary schools, opened in August of 2015. Perry Creek Elementary, which replaced Clark, Crescent Park and Lincoln elementary schools opened in August of 2016. The Clark Early Childhood Center also opened in August 2016. Bryant Elementary School opened in August of 2019, which replaced the old Bryant building. Hunt Elementary School opened in August of 2022, which replaced the old Hunt building. The District purchased a building in 2018 for a new career academy facility. The Career Academy opened in August of 2018. The District issued revenue bonds to finance construction of these schools with sales tax revenues paying the bonds.

The 2019 Secure an Advanced Vision for Education (SAVE) legislation extended the one-cent sales tax to January 1, 2051. The District is in the early stages of developing a long-term capital plan for the future sales tax revenue.

The District has thirteen elementary schools, one that opened in August of 2022, nine of which are between three and seventeen years old and three are between fifty-three and sixty-five years old. The District's three middle schools are between seventeen and twenty-one years old. The District's three high schools are fifty years old.

Economic Condition and Outlook

The City of Sioux City's location in the tristate area of Iowa, Nebraska and South Dakota provides the area with a regional economic importance. Several recent initiatives and business expansions have positively affected the local economy, creating new jobs, economic growth and increased assessed property tax values. However, the District's property tax base is substantially below the state average. The state average net taxable valuation per pupil for fiscal year 2022 was \$484,504 compared to the District's \$199,972. This ranks 326 out of 327 districts.

The State of Iowa's school funding formula is based on student enrollment multiplied by cost per student. The Iowa Legislature sets the cost per student. The growth in the per student cost is called supplemental state aid. Supplemental state aid was 1.11 percent in 2017-2018, 1.00 percent in 2018-2019, 2.06 percent in 2019-2020, 2.30 percent in 2020-2021, and 2.40 percent in 2021-2022. Supplemental state aid for 2022-2023 was 2.50 percent and is 3.00 percent for 2023-2024. The District's October 2022 certified enrollment was 14,839 a decrease of 30 from October 2021. It is anticipated the District's enrollment will remain steady for the next several years. Due to the minimal increases in supplemental state aid, the District must operate in the most efficient manner as possible during fiscal year 2022-2023.

Awards

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sioux City Community School District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Sioux City Community School District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This Certificate is a national award, recognizing compliance with the highest standards for preparation of government financial reports.

I believe that our current annual comprehensive financial report also meets the requirements for the Certificate of Excellence in Financial Reporting and it will be submitted to the ASBO to determine its eligibility for another certificate.

Acknowledgments

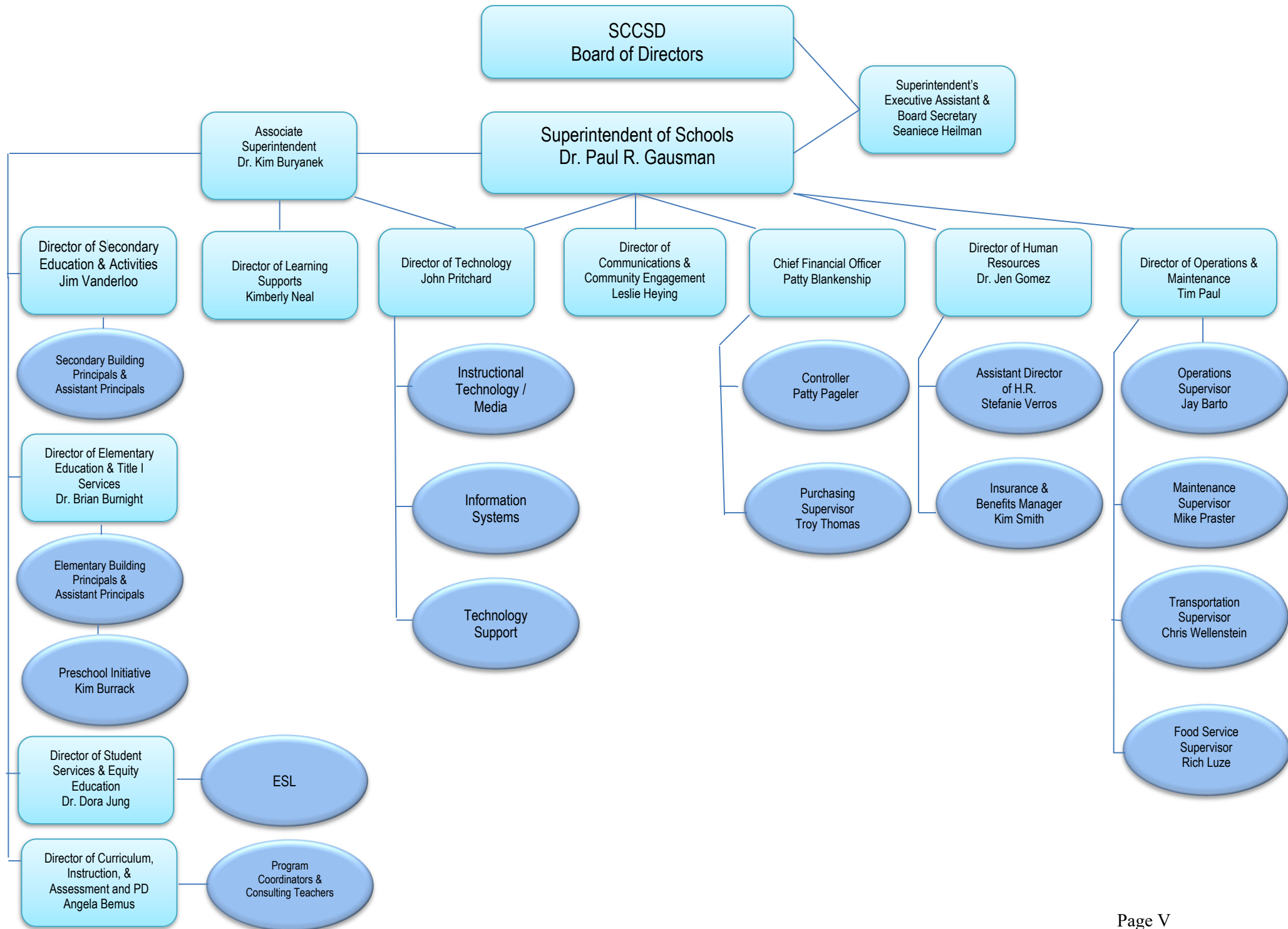
I would like to express my appreciation to all staff members who assisted with the preparation of this report. Appreciation is also expressed for the interest and support of the Board of Education in conducting the financial operations of the District in a most responsible manner.

Sincerely,



Patty Blankenship
Chief Financial Officer

Sioux City Community School District - Leadership Organizational Chart 2021-2022



SIOUX CITY COMMUNITY SCHOOL DISTRICT

BOARD OF EDUCATION

AS OF JUNE 30, 2022

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Dan Greenwell	President	2023
Taylor Goodvin	Vice-President	2023
Dr. Juline Albert	Board Member	2023
Monique Scarlett	Board Member	2023
Perla Alarcon-Flory	Board Member	2025
Jan George	Board Member	2025
Bob Michaelson	Board Member	2025

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHOOL DISTRICT ADMINISTRATION

AS OF JUNE 30, 2022

Dr. Paul R. Gausman	Superintendent
Dr. Kimberly Buryanek	Associate Superintendent
Patty Blankenship	Chief Financial Officer
Dr. Jennifer Gomez	Director of Human Resources

DIRECTORS

Dr. Dora Jung	Director of Student Services and Equity Education
John Pritchard	Director of Technology
Dr. Brian Burnight	Director of Elementary Education and Title I Services
Jim Vanderloo	Director of Secondary Education and Activities
Tim Paul	Director of Operations and Maintenance
Kimberly Neal	Director of Learning Supports
Angela Bemus	Director of Curriculum, Instruction, and Assessment and PD
Leslie Heying	Director of Communications and Community Engagement



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Sioux City Community School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Sioux City Community School District
Iowa**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



21 1st Avenue Northwest
P.O. Box 1010
Le Mars, Iowa 51031
Phone (712) 546-7801
www.williamscpas.com

INDEPENDENT AUDITORS' REPORT

To the Board of Education of
Sioux City Community School District
Sioux City, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Sioux City Community School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 16 to the financial statements, the District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and

for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of the District's Proportionate Share of Net Pension Liability, Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liabilities, Related Notes and Ratios on pages 5 through 17 and 68 through 75 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sioux City Community School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purpose of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be

materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023, 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 the District's internal control over financial reporting and compliance.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
February 15, 2023

SIoux CITY COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Sioux City Community School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2022. The analysis focuses on the District's financial performance as a whole. Please read this analysis in conjunction with the transmittal letter at the front of the report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial total net position increased by \$35.5 million or by 27.4 percent.
- Total revenues increased from \$221.1 million to \$227.8 million, an increase of 3.0 percent. Program revenues increased by \$7.1 million. Program revenues for governmental activities increased by \$4.7 million, due to increases in federal grants. Program revenues for business-type activities increased by \$2.4 million largely due to an increase in federal reimbursements. General revenues decreased by \$0.5 million.
- Total expenses decreased from \$204.7 million to \$192.3 million, a decrease of 6.1 percent. Expenses for governmental activities decreased by \$13.3 million. Instruction expenses decreased by \$13.2 million, due to decreases in pension expense. Expenses for support services increased by \$0.9 million, largely attributable to increases in support services to students and professional development. Expenses for business-type activities increased by \$0.9 million, due to increases in the number of meals served and the cost of food.
- In the Fund Financial Statements, the General Fund had an increase in fund balance of \$6.7 million from \$56.5 million to \$63.1 million. The solvency ratio (unassigned fund balance divided by general fund revenues less AEA flow through) increased from 29.1 percent to 31.9 percent from fiscal year 2021 to fiscal year 2022. The District continues to maintain a responsible financial position in the General Fund.
- The one cent sales tax for school infrastructure continues to modernize the District's school building infrastructure. The state-wide one cent sales tax was set to expire in 2029. The 2019 SAVE (Secure an Advanced Vision for Education) legislation extended the one cent sales tax to January 1, 2051.

Using This Annual Report

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The Government-Wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the District as a whole and present an overall view of the District's finances.
- The Fund Financial Statements tell how governmental activities 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 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 includes the Schedule of Expenditures of Federal Awards, which provides details of various federal programs benefiting the District.

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 is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating. To assess the District's overall health, additional 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 taxes and state aid finance most of these activities.
- *Business-Type Activities* – The District charges fees to help cover the costs of certain services it provides. The District's school nutrition 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 it is properly using certain revenues, such as federal grants.

The District has two 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.

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

The required financial statements for governmental funds include a Balance Sheet and a Statement of 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* are used to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund – the dental self-insurance fund.

The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Table A-1 below provides a summary of the District's net position at June 30, 2022 compared to 2021.

Table A-1
Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Total Percentage Change</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2021-2022</u>
Current and other assets	\$171,891,083	\$164,999,753	\$ 5,845,539	\$ 3,757,808	\$177,736,622	\$168,757,561	5.3%
Capital assets	<u>226,349,826</u>	<u>221,527,066</u>	<u>1,182,088</u>	<u>1,376,588</u>	<u>227,531,914</u>	<u>222,903,654</u>	<u>2.1%</u>
Total assets	\$398,240,909	\$386,526,819	\$ 7,027,627	\$ 5,134,396	\$405,268,536	\$391,661,215	3.5%
Deferred outflows of resources	<u>\$ 14,702,495</u>	<u>\$ 20,792,640</u>	<u>\$ 400,793</u>	<u>\$ 512,664</u>	<u>\$ 15,103,288</u>	<u>\$ 21,305,304</u>	<u>-29.1%</u>
Long-term liabilities	\$ 95,404,727	\$197,505,605	\$ 52,103	\$ -	\$ 95,456,830	\$197,505,605	-51.7%
Other liabilities	<u>39,483,161</u>	<u>35,081,648</u>	<u>366,702</u>	<u>2,528,957</u>	<u>39,849,863</u>	<u>37,610,605</u>	<u>6.0%</u>
Total liabilities	\$134,887,888	\$232,587,253	\$ 418,805	\$ 2,528,957	\$135,306,693	\$235,116,210	-42.5%
Deferred inflows of resources	<u>\$118,062,578</u>	<u>\$ 48,153,151</u>	<u>\$ 1,997,718</u>	<u>\$ 160,828</u>	<u>\$120,060,296</u>	<u>\$ 48,313,979</u>	<u>148.5%</u>
Net position:							
Net investment in capital assets	\$134,490,830	\$127,766,333	\$ 1,182,088	\$ 1,376,588	\$135,672,918	\$129,142,921	5.1%
Restricted	37,804,835	35,583,957	-	-	37,804,835	35,583,957	6.2%
Unrestricted	<u>(12,302,727)</u>	<u>(36,771,235)</u>	<u>3,829,809</u>	<u>1,580,687</u>	<u>(8,472,918)</u>	<u>(35,190,548)</u>	<u>75.9%</u>
Total net position	<u>\$159,992,938</u>	<u>\$126,579,055</u>	<u>\$ 5,011,897</u>	<u>\$ 2,957,275</u>	<u>\$165,004,835</u>	<u>\$129,536,330</u>	<u>27.4%</u>

The District's total net position increased by 27.4 percent from \$129.5 million to \$165.0 million, an increase of \$35.5 million. The largest portion of the District's net position is net investment in capital assets, which reported an increase of \$6.5 million. The District's restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$2.2 million. The remaining net position is unrestricted and increased \$26.7 million from 2021 to 2022.

Cash and investments total \$121.5 million for fiscal year 2022 compared to \$114.2 million for fiscal year 2021. \$28.2 million of these cash balances are needed to fund the District's operations in July, August, and September before the first state aid and property tax payments are received by the District in the next fiscal year. \$14.1 million is restricted for current and future capital projects and \$12.3 million is restricted for debt service requirements.

U.S. Generally Accepted Accounting Principles (GAAP) requires that the property taxes which are certified in April (the lien date) for the upcoming fiscal year be accrued as a receivable and also be shown as deferred inflows of resources. The succeeding year property tax receivable and corresponding deferred inflows of resources amount was \$39.3 million and \$37.2 million for fiscal years 2022 and 2021.

Table A-2 shows the changes in net position for the year ended June 30, 2022 compared to the year ended June 30, 2021.

Table A-2
Change in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Total Percentage Change</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022-2021</u>
Revenues:							
Program revenues:							
Charges for services	\$ 4,682,420	\$ 3,879,858	\$ 875,511	\$ 893,885	\$ 5,557,931	\$ 4,773,743	16.4%
Operating grants and contributions	49,162,655	46,124,130	10,831,768	8,320,987	59,994,423	54,445,117	10.2%
Capital grants, contributions	877,488	-	-	68,457	877,488	68,457	1181.8%
General revenues:							
Property taxes	37,216,052	39,751,396	-	-	37,216,052	39,751,396	-6.4%
Statewide sales, services and use tax	18,202,089	16,692,714	-	-	18,202,089	16,692,714	9.0%
Other taxes	1,900,193	1,542,495	-	-	1,900,193	1,542,495	23.2%
State aid	101,767,641	99,399,284	-	-	101,767,641	99,399,284	2.4%
Other	2,228,381	4,416,524	9,943	22,909	2,238,324	4,439,433	-49.6%
Total revenues	\$ 216,036,919	\$ 211,806,401	\$ 11,717,222	\$ 9,306,238	\$ 227,754,141	\$ 221,112,639	3.0%
Expenses:							
Instruction	\$ 121,562,533	\$ 134,782,934	\$ -	\$ -	\$ 121,562,533	\$ 134,782,934	-9.8%
Pupil and instructional support services	22,442,017	20,784,231	-	-	22,442,017	20,784,231	8.0%
Administrative and business	15,730,967	16,746,720	-	-	15,730,967	16,746,720	-6.1%
Maintenance and operations	15,774,193	15,955,666	-	-	15,774,193	15,955,666	-1.1%
Transportation	5,257,894	4,857,195	-	-	5,257,894	4,857,195	8.2%
Other	1,855,432	2,752,705	9,662,600	8,802,211	11,518,032	11,554,916	-0.3%
Total expenses	\$ 182,623,036	\$ 195,879,451	\$ 9,662,600	\$ 8,802,211	\$ 192,285,636	\$ 204,681,662	-6.1%
Increase in net position before transfers	33,413,883	15,926,950	2,054,622	504,027	35,468,505	16,430,977	115.9%
Transfer	-	(798,038)	-	798,038	-	-	N/A
Increase in net position	\$ 33,413,883	\$ 15,128,912	\$ 2,054,622	\$ 1,302,065	\$ 35,468,505	\$ 16,430,977	<u>115.9%</u>
Beginning net position	<u>126,579,055</u>	<u>111,450,143</u>	<u>2,957,275</u>	<u>1,655,210</u>	<u>129,536,330</u>	<u>113,105,353</u>	
Ending net position	<u>\$ 159,992,938</u>	<u>\$ 126,579,055</u>	<u>\$ 5,011,897</u>	<u>\$ 2,957,275</u>	<u>\$ 165,004,835</u>	<u>\$ 129,536,330</u>	

In fiscal year 2022, state aid accounted for 47.1 percent of revenues from governmental activities as compared to 46.9 percent for fiscal year 2021. Property taxes in fiscal year 2022 accounted for 17.2 percent of revenues from governmental activities as compared to 18.8 percent for fiscal year 2021. State aid and property taxes provide 64.3 percent and 65.7 percent of the funding for governmental activities in fiscal year 2022 and 2021, respectively. Charges for services account for 7.5 percent of the total revenues for business-type activities in fiscal year 2022 compared to 9.6 percent in fiscal year 2021. Operating grants and contributions account for 92.4 percent of the total business-type activities revenue for fiscal year 2022 and 89.4 percent for fiscal year 2021. Figure A-1 graphically depicts the revenue for fiscal year 2022 and fiscal year 2021.

District revenues for fiscal year 2022 totaled \$227.8 million compared to \$221.1 million in fiscal year 2021. Unrestricted state aid was \$101.8 million in 2022 and \$99.4 million in 2021. The District's income surtax rate was 3.0 percent in 2022 and 2.0 percent in 2021. 94.9 percent of total District revenue was from governmental activities in fiscal year 2022 and 95.8 percent in fiscal year 2021. District expenses for fiscal year 2022 totaled \$192.3 million as compared to \$204.7 million in fiscal year 2021. The decrease is due to a decrease in pension expense in fiscal year 2022.

The District's predominant expenses are related to instruction (63.2 percent in fiscal year 2022 and 65.9 percent in fiscal year 2021). Instruction and pupil and instructional support services total 74.9 percent of total District expenses in fiscal year 2022 and 76.0 percent in fiscal year 2021. Administrative and business expenses account for 8.2 percent in fiscal year 2022 and 2021. Administrative and business includes building administration and District support. Building maintenance and operation account for 8.2 percent of total expense in fiscal year 2022 and 7.8 percent in fiscal year 2021. Building maintenance and operation are an important element in the functioning of a school district. Figure A-2 graphically depicts the expense for fiscal year 2022 and fiscal year 2021.

Figure A-1

TOTAL DISTRICT REVENUE - FY2022 AND FY2021 (In millions)

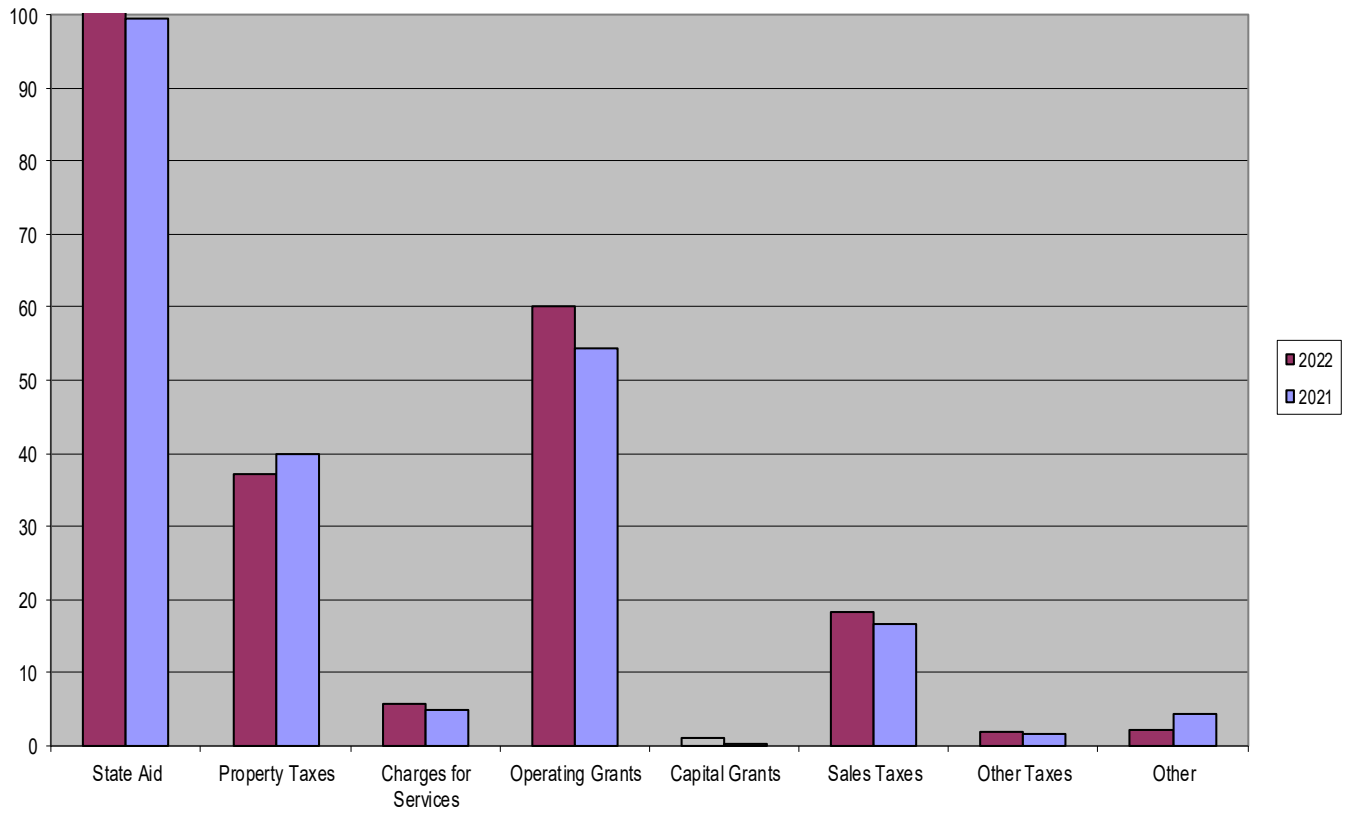
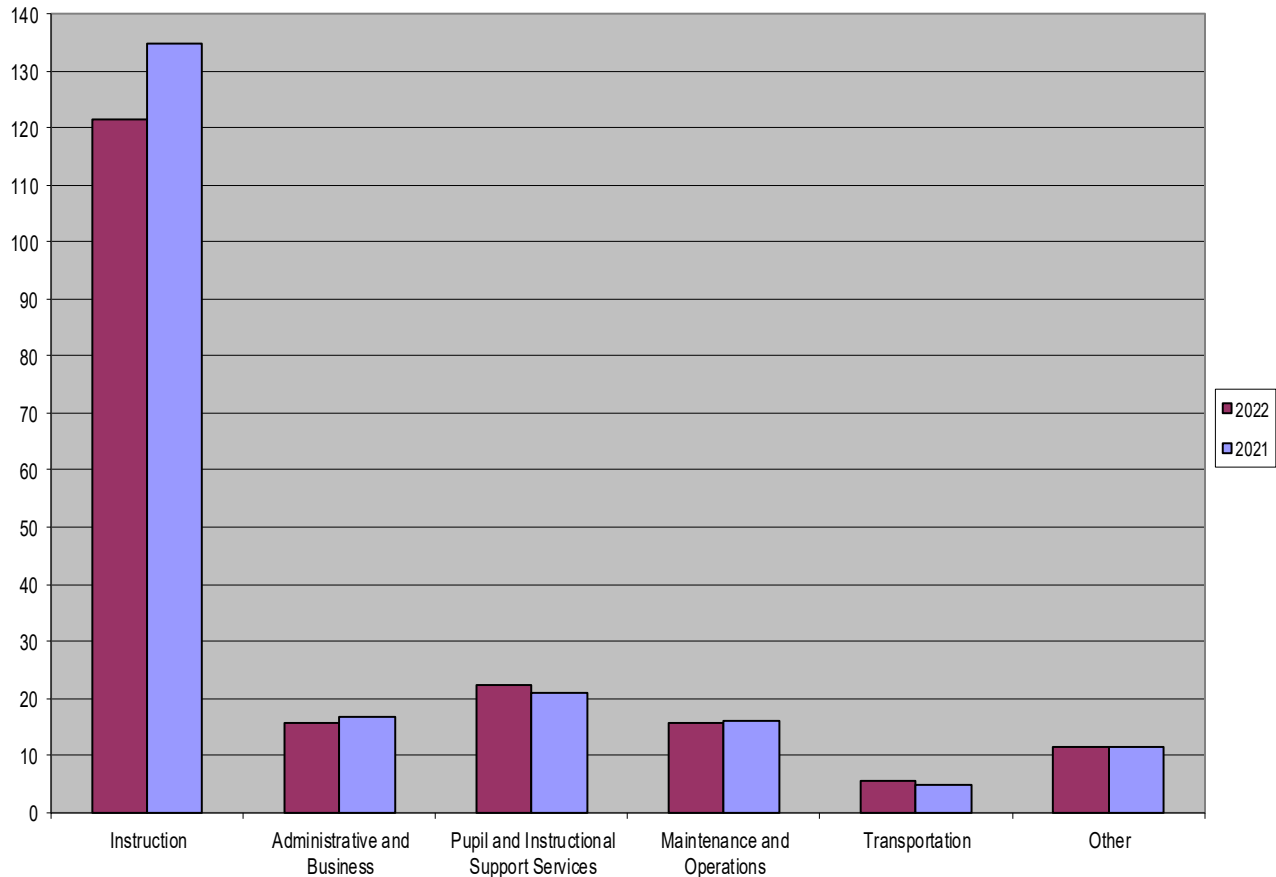


Figure A-2

TOTAL DISTRICT EXPENSES - FY2022 AND FY2021 (In millions)



GOVERNMENTAL ACTIVITIES

Revenues for governmental activities were \$216.0 million and expenses were \$182.6 million. The change in net position was \$33.4 million. Federal funding from the Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act significantly contributed to the increase.

Table A-3 represents the cost of the six major District activities for both fiscal year 2022 and fiscal year 2021. These six activities, or functions, are instruction, pupil and instructional support services, administration and business, maintenance and operations, transportation, and other. The table also shows each activities net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost is useful because it shows the financial burden placed on the District's taxpayers by each of these activities.

- The cost of all governmental activities for fiscal year 2022 was \$182.6 million as compared to \$195.9 million for fiscal year 2021.

- \$4.7 million in fiscal year 2022 and \$3.9 million in fiscal year 2021 was financed by users of the District.
- In fiscal year 2022, the federal and state government and others subsidized certain programs with grants and contributions of \$49.2 million as compared to \$46.1 million in fiscal year 2021.
- Most of the District's net cost of governmental activities (\$127.9 million in fiscal year 2022 and \$145.9 million in fiscal year 2021) was financed by District and state taxpayers, i.e., \$37.2 million of property taxes, \$101.8 million of unrestricted state aid, \$18.2 million of statewide sales, services and use tax, \$1.9 million of income surtaxes, and \$2.2 million of other.

Table A-3
Net Cost of Governmental Activities

	<u>Total Cost of Services</u>		2022 Percent	Percent Change	<u>Net Cost of Services</u>		2022 Percent	Percent Change
	<u>2022</u>	<u>2021</u>	<u>to Total</u>	<u>2022-2021</u>	<u>2022</u>	<u>2021</u>	<u>to Total</u>	<u>2022-2021</u>
Expenses:								
Instruction	\$ 121,562,533	\$ 134,782,934	66.56%	-9.8%	\$ 81,956,895	\$ 98,206,862	64.08%	-16.5%
Pupil and instructional support services	22,442,017	20,784,231	12.29%	8.0%	9,486,974	9,049,453	7.42%	4.8%
Administrative and business	15,730,967	16,746,720	8.61%	-6.1%	14,754,057	16,319,152	11.54%	-9.6%
Maintenance and operations	15,774,193	15,955,666	8.64%	-1.1%	15,199,206	15,274,960	11.88%	-0.5%
Transportation	5,257,894	4,857,195	2.88%	8.3%	4,647,909	4,272,331	3.63%	8.8%
Other	<u>1,855,432</u>	<u>2,752,705</u>	<u>1.02%</u>	<u>-32.6%</u>	<u>1,855,432</u>	<u>2,752,705</u>	<u>1.45%</u>	<u>-32.6%</u>
Total expenses	<u>\$ 182,623,036</u>	<u>\$ 195,879,451</u>	<u>100.00%</u>	<u>-6.8%</u>	<u>\$ 127,900,473</u>	<u>\$ 145,875,463</u>	<u>100.00%</u>	<u>-12.3%</u>

BUSINESS-TYPE ACTIVITIES

Revenues of the District's business-type activities (School Nutrition) were comprised of charges for services, federal and state contributions, and miscellaneous contributions.

- Business-type activities had an increase in net position of \$2.1 million in fiscal year 2022 compared to an increase in net position of \$1.3 million in fiscal year 2021.
- Charges for services represent \$0.9 million or 7.47 percent of total business-type activity revenues. This is predominantly the amount paid by students and staff for daily breakfasts and lunches.
- Federal and state reimbursement for meals was \$10.8 million or 92.4 percent of total business-type activity revenues.
- Federal and state reimbursement increased by approximately \$2.5 million or 30.2 percent from the previous fiscal year.

INDIVIDUAL FUND ANALYSIS

The District uses fund accounting, as required by the Governmental Accounting Standards Board and the Iowa code, 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 government wide financial statements. The District's governmental funds reported combined fund balances of \$97.5 million, an increase of \$11.3 million over the previous years combined fund balances.

GOVERNMENTAL FUND HIGHLIGHTS

- The General Fund had an increase in fund balance of \$6.7 million from \$56.5 million to \$63.1 million. General Fund revenue increased by \$3.4 million mainly due to increases in federal grants and state aid. General Fund expenditures increased by \$8.7 million from \$174.6 million in fiscal year 2021 to \$183.3 million in fiscal year 2022. Salary and benefits increased and teaching positions were added and/or filled in 2022.
- The Sales Tax Fund had a fund balance decrease of \$5.9 million from \$24.4 million in fiscal year 2021 to \$18.5 million in fiscal year 2022. Revenue increased to \$17.9 million in fiscal year 2022 from \$16.7 million in fiscal year 2021. Expenditures were \$12.0 million in fiscal year 2022 and \$8.1 million in fiscal year 2021. Expenditures are capital in nature and fluctuate based on current projects. Transfers out in fiscal year 2022 were \$11.8 million and \$11.1 million in fiscal year 2021. The transfers are for debt service payments.

PROPRIETARY FUND HIGHLIGHTS

- School Nutrition Fund's net position increased by \$2.1 million in fiscal year 2022 and increased by \$1.3 million in fiscal year 2021. This was primarily due to increases in federal reimbursements.

BUDGETARY HIGHLIGHTS

The District certifies the budget in April for the following fiscal year, which begins on July 1 and ends on June 30 of that following year. The state allows districts to amend their budget by May 31 of the budget year. The District's 2021-2022 budget was amended.

The District's total revenues were more than the total budgeted revenues by \$6.4 million, a variance of 2.9 percent.

Total expenditures were \$224.6 million, \$9.1 million less than total budgeted expenditures. A significant portion of the budget variance is due to a difference in statutory budgeting and GAAP. For statutory purposes, the \$14.2 million payment to refunded bond escrow agent is included in

other expenditures whereas GAAP requires the payment to refunded bond escrow agent to be reported as an other financing use.

A schedule showing the original and amended budget amounts compared to actual results is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2022, the District had invested over \$357.2 million in capital assets (\$227.5 million net of depreciation/amortization). During fiscal year 2022, \$13.3 million of new capital assets were added and annual depreciation/amortization totaled \$8.8 million. (More detailed information can be found in Note 4 to the Financial Statements.)

Construction of a new elementary school on the Hunt Elementary School site began in fiscal year 2017 and will open in August of 2022.

Table A-4 summarizes the capital assets of the District at fiscal year-end 2022 and 2021.

Table A-4
Capital Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Percent</u>	<u>2022</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Percent</u>
							<u>2021-2022</u>	<u>to Total</u>
Land and improvements	\$ 28,143,171	\$ 28,140,852	\$ -	\$ -	\$ 28,143,171	\$ 28,140,852	0.0%	7.86%
Buildings	259,123,617	259,187,529	-	-	259,123,617	259,187,529	0.0%	72.54%
Equipment and furniture	43,534,930	42,785,106	4,252,691	4,163,661	47,787,621	46,948,767	1.8%	13.38%
Construction in progress	21,099,870	10,974,974	-	-	21,099,870	10,974,974	92.3%	5.91%
Intangibles	666,525	675,564	-	-	666,525	675,564	-1.3%	0.19%
Right-to-use leased assets	412,826	-	-	-	412,826	-	0.00%	0.12%
Total	\$ 352,980,939	\$ 341,764,025	\$ 4,252,691	\$ 4,163,661	\$ 357,233,630	\$ 345,927,686	3.1%	<u>100.00%</u>
Accumulated depreciation/amortization	<u>(126,631,113)</u>	<u>(120,236,959)</u>	<u>(3,070,603)</u>	<u>(2,787,073)</u>	<u>(129,701,716)</u>	<u>(123,024,032)</u>	5.4%	
Total capital assets	<u>\$ 226,349,826</u>	<u>\$ 221,527,066</u>	<u>\$ 1,182,088</u>	<u>\$ 1,376,588</u>	<u>\$ 227,531,914</u>	<u>\$ 222,903,654</u>	<u>1.9%</u>	

Long-Term Debt

As of fiscal year-end 2022, the District had \$94.7 million in capital notes and revenue bonds. This represents a net decrease of \$9.7 million from fiscal year 2021. Table A-5 summarizes the District's long-term debt for fiscal years 2022 and 2021. (More detailed information about the District's long-term debt is presented in Note 5 to the Financial Statements.)

Table A-5
District's Outstanding Long-Term Debt

	<u>Total School District</u>		Percentage
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Capital loan notes	\$ 1,206,984	\$ 1,383,572	-12.8%
Revenue Bonds	<u>93,464,180</u>	<u>102,981,549</u>	<u>-9.2%</u>
Total	<u>\$ 94,671,164</u>	<u>\$ 104,365,121</u>	<u>-9.3%</u>

Bond Ratings

S&P Global Ratings assigned the District's School Infrastructure Sales, Services, and Use Tax Revenue Refunding Bonds Series 2020 a rating of A+.

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Each year the Iowa Legislature determines the growth in the per student cost referred to as supplemental state aid. In recent years the supplemental state aid has been relatively low. Supplemental state aid was 1.11 percent in 2018, 1.0 percent in 2019, 2.06 percent in 2020, 2.30 percent in 2021, and 2.40 percent in 2022. The supplemental state aid is 2.5 percent for 2023 and 3.0 percent for 2024. This is significant because the ability of the District to make future budget decisions is dependent on determining the funding levels for future years.
- The District's October 2020 certified enrollment decreased by 1.34 percent affecting 2022 funding. The District's October 2021 certified enrollment increased by 0.36 percent affecting 2023 funding. The October 2022 certified enrollment decreased by 0.20 percent which will affect 2024 funding. Enrollment is a major factor in school foundation formula funding, along with the supplemental state aid. The District will continue to monitor enrollment.
- The District will negotiate a new agreement with the Sioux City Education Association during fiscal year 2023. Settlements in excess of "new money" or supplemental state aid will have an adverse effect on the District's General Fund budget and related fund balance.

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 Patty Blankenship, Chief Financial Officer, Sioux City Community School District, 627 4th Street, Sioux City, Iowa 51101.

SIoux CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2022

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets:			
Cash and pooled investments	\$ 106,920,011	\$ 4,905,945	\$ 111,825,956
Receivables:			
Property taxes	832,382	-	832,382
Succeeding year property taxes	39,299,253	-	39,299,253
Accounts	261,805	554,234	816,039
Internal balances	(47,614)	47,614	-
Due from other governmental agencies	14,913,132	-	14,913,132
Inventories	6,254	337,746	344,000
Total current assets	<u>\$ 162,185,223</u>	<u>\$ 5,845,539</u>	<u>\$ 168,030,762</u>
Noncurrent assets:			
Restricted cash and investments	\$ 9,705,860	\$ -	\$ 9,705,860
Land and construction in progress	34,242,534	-	34,242,534
Property and equipment, net	192,107,292	1,182,088	193,289,380
Total noncurrent assets	<u>\$ 236,055,686</u>	<u>\$ 1,182,088</u>	<u>\$ 237,237,774</u>
Total assets	<u>\$ 398,240,909</u>	<u>\$ 7,027,627</u>	<u>\$ 405,268,536</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
OPEB related deferred outflows	\$ 850,425	\$ -	\$ 850,425
Pension related deferred outflows	13,852,070	400,793	14,252,863
Total deferred outflows of resources	<u>\$ 14,702,495</u>	<u>\$ 400,793</u>	<u>\$ 15,103,288</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 8,391,218	\$ 110,407	\$ 8,501,625
Accrued wages and benefits	19,506,989	170,918	19,677,907
Unearned revenue	162,490	85,377	247,867
Self-insurance claim	38,000	-	38,000
Accrued interest payable	534,663	-	534,663
Compensated absences, due within one year	784,018	-	784,018
Early retirement, due within one year	58,131	-	58,131
Lease agreements, due within one year	165,850	-	165,850
Long-term debt, due within one year	9,841,802	-	9,841,802
Total current liabilities	<u>\$ 39,483,161</u>	<u>\$ 366,702</u>	<u>\$ 39,849,863</u>
Noncurrent liabilities:			
Net pension liability	\$ 1,802,083	\$ 52,103	\$ 1,854,186
Total OPEB liability	8,423,343	-	8,423,343
Compensated absences, due after one year	249,277	-	249,277
Early retirement, due after one year	16,722	-	16,722
Lease agreements, due after one year	83,940	-	83,940
Long-term debt, due after one year	84,829,362	-	84,829,362
Total noncurrent liabilities	<u>\$ 95,404,727</u>	<u>\$ 52,103</u>	<u>\$ 95,456,830</u>
Total liabilities	<u>\$ 134,887,888</u>	<u>\$ 418,805</u>	<u>\$ 135,306,693</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Property taxes levied for subsequent years	\$ 39,299,253	\$ -	\$ 39,299,253
Deferred amount on refunding	204,836	-	204,836
OPEB related deferred inflows	9,463,030	-	9,463,030
Pension related deferred inflows	69,095,459	1,997,718	71,093,177
Total deferred inflows of resources	<u>\$ 118,062,578</u>	<u>\$ 1,997,718</u>	<u>\$ 120,060,296</u>
<u>NET POSITION</u>			
Net investment in capital assets	\$ 134,490,830	\$ 1,182,088	\$ 135,672,918
Restricted for:			
Scholarships	411,573	-	411,573
Categorical funding	4,675,838	-	4,675,838
Management levy purposes	7,804,832	-	7,804,832
Physical plant and equipment	707,443	-	707,443
School infrastructure	11,517,738	-	11,517,738
Debt service and reserve	11,837,571	-	11,837,571
Student activities	849,840	-	849,840
Unrestricted	(12,302,727)	3,829,809	(8,472,918)
Total net position	<u>\$ 159,992,938</u>	<u>\$ 5,011,897</u>	<u>\$ 165,004,835</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Instruction:				
Regular	\$ 71,441,590	\$ 1,583,150	\$ 14,954,316	\$ 877,488
Special programs	27,970,438	2,024,183	8,086,812	-
Other	22,150,505	679,725	11,399,964	-
Total instruction	<u>\$ 121,562,533</u>	<u>\$ 4,287,058</u>	<u>\$ 34,441,092</u>	<u>\$ 877,488</u>
Support services:				
Students	\$ 7,567,093	\$ 184,033	\$ 1,695,289	\$ -
Instructional	14,874,924	-	11,075,721	-
Administration	15,730,967	-	976,910	-
Operations and maintenance	15,774,193	-	574,987	-
Student transportation	5,257,894	211,329	398,656	-
Total support services	<u>\$ 59,205,071</u>	<u>\$ 395,362</u>	<u>\$ 14,721,563</u>	<u>\$ -</u>
Debt service:				
Interest and other charges	<u>\$ 1,855,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total governmental activities	<u>\$ 182,623,036</u>	<u>\$ 4,682,420</u>	<u>\$ 49,162,655</u>	<u>\$ 877,488</u>
Business-type activities:				
School nutrition	<u>\$ 9,662,600</u>	<u>\$ 875,511</u>	<u>\$ 10,831,768</u>	<u>\$ -</u>
Total business-type activities	<u>\$ 9,662,600</u>	<u>\$ 875,511</u>	<u>\$ 10,831,768</u>	<u>\$ -</u>
Total school district	<u><u>\$ 192,285,636</u></u>	<u><u>\$ 5,557,931</u></u>	<u><u>\$ 59,994,423</u></u>	<u><u>\$ 877,488</u></u>
General revenues:				
Tax levied by district:				
Property taxes				
Income surtaxes				
Statewide sales, services and use tax				
Interest				
State aid not restricted to specific programs				
Miscellaneous				
Total general revenues				
Change in net position				
Net position - beginning of year				
Net position - end of year				

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (54,026,636)	\$ -	\$ (54,026,636)
(17,859,443)	-	(17,859,443)
(10,070,816)	-	(10,070,816)
<u>\$ (81,956,895)</u>	<u>\$ -</u>	<u>\$ (81,956,895)</u>
\$ (5,687,771)	\$ -	\$ (5,687,771)
(3,799,203)	-	(3,799,203)
(14,754,057)	-	(14,754,057)
(15,199,206)	-	(15,199,206)
(4,647,909)	-	(4,647,909)
<u>\$ (44,088,146)</u>	<u>\$ -</u>	<u>\$ (44,088,146)</u>
(1,855,432)	\$ -	\$ (1,855,432)
<u>\$ (127,900,473)</u>	<u>\$ -</u>	<u>\$ (127,900,473)</u>
<u>\$ -</u>	<u>\$ 2,044,679</u>	<u>\$ 2,044,679</u>
<u>\$ -</u>	<u>\$ 2,044,679</u>	<u>\$ 2,044,679</u>
\$ (127,900,473)	\$ 2,044,679	\$ (125,855,794)
\$ 37,216,052	\$ -	\$ 37,216,052
1,900,193	-	1,900,193
18,202,089	-	18,202,089
111,714	-	111,714
101,767,641	-	101,767,641
2,116,667	9,943	2,126,610
<u>\$ 161,314,356</u>	<u>\$ 9,943</u>	<u>\$ 161,324,299</u>
\$ 33,413,883	\$ 2,054,622	\$ 35,468,505
126,579,055	2,957,275	129,536,330
<u>\$ 159,992,938</u>	<u>\$ 5,011,897</u>	<u>\$ 165,004,835</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2022

				Total	
	<u>ASSETS</u>	General	Sales Tax Fund	Non-Major Funds	Governmental Funds
Cash and pooled investments		\$ 79,979,738	\$ 16,184,436	\$ 9,649,760	\$ 105,813,934
Restricted cash and investments		-	3,266,794	6,439,066	9,705,860
Receivables:					
Property taxes		744,333	-	88,049	832,382
Succeeding year property taxes		34,408,275	-	4,890,978	39,299,253
Interfund balance		16,581	-	466,209	482,790
Due from other governmental agencies		11,170,356	3,742,776	-	14,913,132
Other		154,805	-	107,000	261,805
Inventory		6,254	-	-	6,254
Total assets		<u>\$ 126,480,342</u>	<u>\$ 23,194,006</u>	<u>\$ 21,641,062</u>	<u>\$ 171,315,410</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u> <u>AND FUND BALANCES</u>					
Liabilities:					
Accounts payable and accrued liabilities		\$ 5,467,457	\$ 2,208,111	\$ 660,685	\$ 8,336,253
Interfund balance		495,620	5,000	16,275	516,895
Accrued wages and benefits		19,503,663	-	3,326	19,506,989
Unearned revenue		162,490	-	-	162,490
Total liabilities		<u>\$ 25,629,230</u>	<u>\$ 2,213,111</u>	<u>\$ 680,286</u>	<u>\$ 28,522,627</u>
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax		\$ 34,408,275	\$ -	\$ 4,890,978	\$ 39,299,253
Other		3,322,930	2,490,315	45,386	5,858,631
Total deferred inflows of resources		<u>\$ 37,731,205</u>	<u>\$ 2,490,315</u>	<u>\$ 4,936,364</u>	<u>\$ 45,157,884</u>
Fund balances:					
Nonspendable:					
Inventory		\$ 6,254	\$ -	\$ -	\$ 6,254
Restricted:					
Categorical funding		4,675,838	-	-	4,675,838
Scholarships		-	-	411,573	411,573
Management levy purposes		-	-	7,879,685	7,879,685
Physical plant and equipment		-	-	707,443	707,443
School infrastructure		-	9,030,336	-	9,030,336
Debt service and debt reserve		-	9,460,244	6,175,871	15,636,115
Student activities		-	-	849,840	849,840
Unassigned		58,437,815	-	-	58,437,815
Total fund balances		<u>\$ 63,119,907</u>	<u>\$ 18,490,580</u>	<u>\$ 16,024,412</u>	<u>\$ 97,634,899</u>
Total liabilities, deferred inflows of resources and fund balances		<u>\$ 126,480,342</u>	<u>\$ 23,194,006</u>	<u>\$ 21,641,062</u>	<u>\$ 171,315,410</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

JUNE 30, 2022

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Total Fund Balance - Governmental Funds (page 21)		\$ 97,634,899
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		226,349,826
Other long-term assets are not available to pay for current period expenditures and, therefore are reported as unavailable revenue in the funds.		5,858,631
The internal service fund is used by management to charge the costs of self-insured dental insurance to individual funds.		
Assets and liabilities of the internal service fund of \$1,047,112 are included in governmental activities in the statement of net position, net of \$47,509 allocated to business-type activities.		999,603
Debt related deferred inflows are the difference in the carrying value of refunded debt and its reacquisition price.		(204,836)
Accrued interest on long-term debt is not reported on the modified accrual basis of accounting.		(534,663)
Accrued expenses from the statement of net position that are not reported on the modified accrual basis fund balance sheet:		
Total OPEB liability	\$ (8,423,343)	
Compensated absences	(1,033,295)	
Net pension liability	(1,802,083)	
Early retirement benefits	<u>(74,853)</u>	(11,333,574)
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$ 14,702,495	
Deferred inflows of resources	<u>(78,558,489)</u>	(63,855,994)
Long-term debt is not due and payable in the current period and therefore is not reported in the funds.		<u>(94,920,954)</u>
Total Net Position - Governmental Activities (page 18)		<u><u>\$ 159,992,938</u></u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	General	Sales Tax Fund	Non-Major Funds	Total Governmental Funds
Revenues:				
Local sources	\$ 38,007,835	\$ 15,043	\$ 6,024,468	\$ 44,047,346
State sources	130,672,819	17,868,810	128,031	148,669,660
Federal sources	22,267,202	-	-	22,267,202
Total revenues	<u>\$ 190,947,856</u>	<u>\$ 17,883,853</u>	<u>\$ 6,152,499</u>	<u>\$ 214,984,208</u>
Expenditures:				
Current:				
Instruction:				
Regular	\$ 69,840,222	\$ 762,589	\$ 1,365,634	\$ 71,968,445
Special programs	25,038,688	-	-	25,038,688
Other	22,795,909	5,066	1,458,869	24,259,844
	<u>\$ 117,674,819</u>	<u>\$ 767,655</u>	<u>\$ 2,824,503</u>	<u>\$ 121,266,977</u>
Support services:				
Students	\$ 8,307,404	\$ -	\$ 50,273	\$ 8,357,677
Instruction	14,537,308	-	44,482	14,581,790
Administration	17,013,402	-	283,762	17,297,164
Operations and maintenance	13,375,595	182,803	3,132,123	16,690,521
Student transportation	4,844,523	-	670,284	5,514,807
	<u>\$ 58,078,232</u>	<u>\$ 182,803</u>	<u>\$ 4,180,924</u>	<u>\$ 62,441,959</u>
Capital outlay:				
Facilities acquisition and construction	-	11,068,423	877,488	11,945,911
Debt Service:				
Principal	-	-	9,219,588	9,219,588
Interest and other charges	-	2,250	2,547,415	2,549,665
Intergovernmental:				
AEA flow through	7,545,616	-	-	7,545,616
Total expenditures	<u>\$ 183,298,667</u>	<u>\$ 12,021,131</u>	<u>\$ 19,649,918</u>	<u>\$ 214,969,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 7,649,189</u>	<u>\$ 5,862,722</u>	<u>\$ (13,497,419)</u>	<u>\$ 14,492</u>
Other financing sources (uses):				
Bonds refunded	\$ -	\$ -	\$ 14,285,000	\$ 14,285,000
Payment to refunded bond escrow agent	-	-	(14,158,000)	(14,158,000)
Transfers in	92,092	-	12,875,510	12,967,602
Transfers out	(1,085,772)	(11,789,738)	(92,092)	(12,967,602)
Total other financing sources (uses)	<u>\$ (993,680)</u>	<u>\$ (11,789,738)</u>	<u>\$ 12,910,418</u>	<u>\$ 127,000</u>
Net change in fund balances	\$ 6,655,509	\$ (5,927,016)	\$ (587,001)	\$ 141,492
Fund balances - beginning of year	56,464,398	24,417,596	16,611,413	97,493,407
Fund balances - end of year	<u>\$ 63,119,907</u>	<u>\$ 18,490,580</u>	<u>\$ 16,024,412</u>	<u>\$ 97,634,899</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds (page 23)	\$	141,492
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation/amortization expense. The following is the amount by which capital outlay expenditures exceeded depreciation/amortization expense in the current year and the other transactions involving capital assets:

Expenditures for capital assets	\$ 13,334,511		
Depreciation/amortization	(8,776,615)		
Loss on disposal of capital assets	(147,962)		
			4,409,934

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,052,711
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when it is due. In the statement of activities interest expense is recognized as the interest accrues, regardless of when it is due.		124,378
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The current year District IPERS contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the statement of net position.		10,431,177
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The current year District OPEB contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the statement of net position.		319,178
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

OPEB expense	\$ (358,154)		
Pension expense	7,486,432		
Compensated absences	(83,563)		
Early retirement	104,394		
		\$	7,149,109

Internal service funds are used by management to charge the costs of the self-insured dental insurance program to the individual funds. Net loss of the internal service fund of \$46,840 is reported with governmental activities, net of \$1,146 allocated to business-type activities.		(45,694)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred in and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on lease	\$ 163,036		
Bonds refunded	(14,285,000)		
Payment to refunded bond escrow agent	14,158,000		
Amortization of deferred amount on refunding	(25,395)		
Bond principal retirement	9,219,588		
Amortization of bond premiums	601,369		
		\$	9,831,598

Change in net position of governmental activities (page 20)	\$	33,413,883
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SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2022

	<u>Business-Type Activities School Nutrition Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<u>ASSETS</u>		
Current assets:		
Cash and pooled investments	\$ 4,905,945	\$ 1,106,077
Accounts receivable	554,234	-
Interfund balance	105	34,000
Inventory	337,746	-
Total current assets	<u>\$ 5,798,030</u>	<u>\$ 1,140,077</u>
Non-current assets:		
Machinery and equipment net of accumulated depreciation	<u>\$ 1,182,088</u>	<u>\$ -</u>
Total assets	<u>\$ 6,980,118</u>	<u>\$ 1,140,077</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension related deferred outflows	<u>\$ 400,793</u>	<u>\$ -</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 110,407	\$ 54,965
Accrued wages and benefits	170,918	-
Unearned revenue	85,377	-
Self-insurance claims payable	-	38,000
Total current liabilities	<u>\$ 366,702</u>	<u>\$ 92,965</u>
Noncurrent liabilities:		
Net pension liability	<u>\$ 52,103</u>	<u>\$ -</u>
Total liabilities	<u>\$ 418,805</u>	<u>\$ 92,965</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension related deferred inflows	<u>\$ 1,997,718</u>	<u>\$ -</u>
<u>NET POSITION</u>		
Investment in capital assets	\$ 1,182,088	\$ -
Unrestricted	3,782,300	1,047,112
Total net position	<u>\$ 4,964,388</u>	<u>\$ 1,047,112</u>
Reconciliation to government-wide statement of net position:		
Adjustment to reflect the consolidation of applicable internal service fund activities to enterprise funds	<u>47,509</u>	
Net position of business-type activities (page 18)	<u>\$ 5,011,897</u>	

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>School Nutrition Fund</u>	<u>Internal Service Fund</u>
Operating revenues:		
Charges for services	\$ 875,511	\$ 999,717
Miscellaneous	9,943	-
Total operating revenues	\$ 885,454	\$ 999,717
Operating expenses:		
Non-instructional programs:		
Salaries	\$ 3,319,393	\$ -
Employee benefits	484,813	1,046,557
Supplies	5,211,583	-
Depreciation	283,530	-
Other	362,135	-
Total operating expenses	\$ 9,661,454	\$ 1,046,557
Operating income (loss)	\$ (8,776,000)	\$ (46,840)
Non-operating revenues:		
Federal food commodities	\$ 586,194	\$ -
State sources	56,761	-
Federal sources	10,188,813	-
Total non-operating revenues	\$ 10,831,768	\$ -
Change in net position	\$ 2,055,768	\$ (46,840)
Net position - beginning	2,908,620	1,093,952
Net position - ending	\$ 4,964,388	\$ 1,047,112
Reconciliation to government-wide statement of activities:		
Change in net position	\$ 2,055,768	
Adjustment to reflect the consolidation of applicable internal service fund activities to enterprise funds	(1,146)	
Change in net position of business-type activities (page 20)	\$ 2,054,622	

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities School Nutrition Fund</u>	<u>Governmental Activities Internal Service Fund</u>
Cash flows from operating activities:		
Cash received from customers or premiums	\$ 830,782	\$ 999,717
Cash payments for salaries and benefits	(4,007,877)	-
Cash payments for goods and services and insurance premiums	(4,807,265)	(1,029,620)
Net cash used by operating activities	<u>\$ (7,984,360)</u>	<u>\$ (29,903)</u>
Cash flows from non-capital financing activities:		
Interfund balances	\$ 757,998	\$ 2,997
Federal and state grants received	10,042,621	-
Net cash provided by non-capital financing activities	<u>\$ 10,800,619</u>	<u>\$ 2,997</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	\$ (89,030)	\$ -
Net cash used by capital and related financing activities	<u>\$ (89,030)</u>	<u>\$ -</u>
Net increase (decrease) in cash and pooled investments	\$ 2,727,229	\$ (26,906)
Cash and pooled investments - beginning of year	<u>2,178,716</u>	<u>1,132,983</u>
Cash and pooled investments - end of year	<u><u>\$ 4,905,945</u></u>	<u><u>\$ 1,106,077</u></u>
Reconciliation of operating income (loss) to net cash used by operating activities:		
Operating income (loss)	\$ (8,776,000)	\$ (46,840)
Depreciation	283,530	-
Commodities used	600,472	-
Changes in assets and deferred outflows and liabilities and deferred inflows:		
Accounts receivable	(27,862)	-
Inventory	96,891	-
Deferred outflows of resources	111,871	-
Accounts payable and accrued liabilities	69,090	24,937
Accrued wages and benefits	49,436	-
Unearned revenue	(26,810)	-
Claims payable	-	(8,000)
Net pension liability	(2,201,868)	-
Deferred inflows of resources	1,836,890	-
Net cash used by operating activities	<u><u>\$ (7,984,360)</u></u>	<u><u>\$ (29,903)</u></u>
Supplemental schedule of non-cash items; non capital financing activities:		
Federal food commodities received	<u><u>\$ 586,194</u></u>	

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The District is a political subdivision of the State of Iowa and operates public schools for children in grades pre-kindergarten through twelve. The District's geographic boundary includes most of the city limits of Sioux City and a small portion of residential and agricultural land to the north in Plymouth County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

A. Reporting Entity

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

Jointly Governed Organizations – The District participates in jointly governed organizations that provide services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Woodbury County Assessor's Conference Board and the Plymouth 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 activities of the District. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used have not been eliminated during the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets. Net investment in capital assets, excludes unspent debt proceeds.

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

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

Net position restricted through enabling legislation as of June 30, 2022 consists of \$7,804,832 for management levy, \$707,443 for physical plant and equipment levy, and \$11,517,738 for statewide sales tax.

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

Fund Financial Statements – Separate financial statements are provided for governmental and proprietary funds. 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.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund Accounting – The accounts of the District are organized on the basis of funds each of which is considered to be a separate accounting entity with a self- balancing set of accounts. The District has the following funds:

Governmental Fund Types – Governmental funds are those through which most District functions are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities, except those accounted for in proprietary funds, are accounted for through governmental funds. The measurement focus is upon determination of changes in financial resources rather than upon determination of net income. The following are the District's major governmental funds:

General Fund – The General Fund is used to account for and report all financial resources not accounted for or reported in another fund.

Sales Tax Fund – Accounts for statewide sales, services and use tax revenues that are to be recorded in a separate fund according to guidance from the Iowa Department of Education. Expenditures are to be used for capital projects as described above in accordance with the election proposition.

Proprietary Fund Types – Proprietary funds are used to account for the District's ongoing activities which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. The funds included in this category and their purposes are as follows:

Enterprise Fund – The Enterprise Fund is used to account for operations: (a) which are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The major fund included in this category and its purpose is as follows:

School Nutrition Fund – Accounts for the food service operations of the District.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Internal Service Fund – The Internal Service Fund is used to account for the financing of goods or services provided by one department to other departments of the District, on a cost reimbursement basis.

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as interfund balances on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund balances between governmental funds and proprietary funds remain as internal balances on the Government-Wide Statement of Net Position.

C. Measurement Focus and Basis of Accounting

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

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

Property tax when levied for, intergovernmental revenues when eligibility requirements have been met (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be measurable and are recorded as revenue, if available. All other revenue items are considered to be measurable and available only when cash is received by the District.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

Revenue from federal and state grants and similar programs are recognized when the District has done everything necessary to establish its right to the revenue. Usually this is at the time the expenditure has been incurred for an authorized purpose. When there are both restricted and unrestricted net position available, it is the District's policy to first apply restricted resources and then unrestricted resources.

The 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.

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

Cash and Pooled Investments – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for non-negotiable certificates of deposit and money market funds which are stated at amortized cost.

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Property Taxes Receivable – Property taxes in governmental funds are accounted for using the modified accrual basis of accounting. Property taxes receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education to the County Board of Supervisors. Property taxes receivable represents unpaid taxes for the current year and prior years. The succeeding year property taxes receivable

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year.

By statute, the Board of Education is required to certify its budget to the County Auditor by April 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property taxes receivable has been recorded, the related revenue is reported as a deferred inflow of resources 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 percent per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2021.

Due From Other Governmental Agencies – Due from other governmental agencies represents amounts due from the State of Iowa, various shared revenues, grants, and reimbursements from other governments.

Interfund Balances – During the course of its operations, the District has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2022, balances of interfund amounts payable or receivable have been recorded.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and contributed value for government commodities. Inventories are accounted for using the consumption method whereby inventory acquisitions are recorded in inventory accounts when purchased or received by other means and charged to operations when consumed or sold.

Capital Assets – Capital assets, which include land and land improvements; buildings and building improvements; machinery and equipment; construction in progress; and intangibles are reported in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial,

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

individual cost of \$5,000 or more (\$1,000 or more for the School Nutrition Fund) and an estimated useful life of more than one year. Library holdings and textbooks are capitalized annually by the District based on its aggregated costs. Such assets are recorded at historical cost or estimated 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. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives or the shorter of the lease term as applicable to leased assets:

Buildings and building improvements	20 – 50 years
Site improvements	20 years
Library holdings and textbooks	5 – 10 years
Machinery and equipment	5 – 20 years
Right-to-use leased assets	2 – 15 years
Intangibles	5 years

The District reviews capital assets for impairment whenever events or changes in circumstances indicate that the service utility of the capital asset may have significantly declined. Impairment is present when the current usable capacity of the capital asset is significantly less than the expected current usable capacity as determined at acquisition. If impairment is present, the carrying value of the capital asset is reduced to its current service utility.

Leases – The District is the lessee for noncancellable leases of a building and copier. The District has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of \$5,000 or more.

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

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

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

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

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

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

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net asset applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of the unamortized portion of the net difference between projected and actual earnings on pension plan investments, unrecognized items not yet charged to pension and OPEB expense, and contributions from the District after the measurement date but before the end of the District's reporting period. The deferred amount on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Salaries and Benefits Payable – Payroll and the related payroll taxes and benefits which are payable in July and August 2022 for teachers with annual contracts corresponding to the school year just ended have been accrued as a liability for the year ended June 30, 2022.

Unearned Revenue – Unearned grant proceeds which have been received by the District but will be spent in a succeeding fiscal year and prepaid meal accounts.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

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

Compensated Absences – Vested or accumulated vacation leave and the related employee benefits are reported as liabilities when incurred in the Government- Wide Statement of Net Position. Vacation can only be carried over for one year and therefore leave and related benefits are recorded as short-term liabilities. Accumulated sick leave and the related employee benefits are recorded as liabilities in the Government-Wide Statement of Net Position when earned to the extent it is probable the District will compensate the employee for the benefits through cash payments conditioned on the employees' retirement. In the governmental fund statements the liability for these amounts is recorded only for employees that have resigned or retired. The accumulated vacation leave liability attributable to the governmental activities will be paid by the General Fund and the accumulated sick leave conditioned on the employees' retirement attributable to the governmental activities will be paid by the Management Fund.

Long-Term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and bond issuance costs through current year operations. The face amount of

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources and discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net asset applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collectible within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets were not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of the succeeding year's property taxes receivable and other receivables not collected within 60 days after year end.

Deferred inflows of resources in the Statement of Net Position consist of succeeding year property taxes receivable that will not be recognized as revenue until the year for which it is levied, unrecognized items not yet charged to pension and OPEB expense, and the deferred amount on refunding from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Nonspendable - Amounts that cannot be spent because they are either in a nonspendable form or 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, contributors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Unassigned - Amounts for the general fund that are not included in other classifications. The general fund is the only fund that reports a positive unassigned fund balance.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - unassigned fund balances.

Management Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2022, expenditures exceeded the amounts budgeted in the non-instructional programs function.

NOTE 2 – CASH AND POOLED INVESTMENTS:

The District's deposits in banks at June 30, 2022, were entirely covered by federal depository insurance, collateralized with securities or letters of credit held by the District or the District's agent in the District's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by 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.

Investments with Security National Wealth Management are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 2 – CASH AND POOLED INVESTMENTS (CONTINUED):

current exchange rates. The investments were rated between two and five stars by Morningstar Direct. These investments are not authorized by statute in the State of Iowa.

The District also had investments in the Wells Fargo Government Money Market Fund which is valued at amortized cost. There are no limitations or restrictions on withdrawals of the money market investments.

As of June 30, 2022, the District's cash and pooled investments were as follows:

	Cash and Pooled Investments	Restricted Cash and Investments
Cash	\$ 35,029,960	\$ 3,334,104
Certificates of Deposits	2,409,826	-
Government Money Market Fund	74,386,170	-
U.S. Treasury Notes	-	6,071,172
Corporate Securities	-	112,097
Mutual Funds - Domestic	-	102,628
Mutual Funds - International	-	76,382
U.S. Government Securities	-	9,477
	<hr/>	<hr/>
Total	\$ 111,825,956	\$ 9,705,860

Investment Type	Fair Value / Amortized Cost Level 1	Investment Maturities (in years)	
		Less than 1	1 to 5
U.S. Treasury Notes	\$ 6,071,172	\$ 6,071,172	\$ -
Corporate Securities	112,097	112,097	-
Mutual Funds - Domestic	102,628	102,628	-
Mutual Funds - International	76,382	76,382	-
U.S. Government Securities	9,477	9,477	-
	<hr/>	<hr/>	<hr/>
	\$ 6,371,756	\$ 6,371,756	\$ -

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 2 – CASH AND POOLED INVESTMENTS (CONTINUED):

District's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature with 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the District and must also conform to any loan covenant investment maturity restrictions.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy does not formally address credit risk.

Fair Value Measurements – The District uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Level 2 inputs are inputs - other than quoted prices included within Level 1 - that are observable for an asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Custodial Credit Risk – The District does not have a policy in place regarding custodial credit risk and deposits with financial institutions, however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

NOTE 3 – DUE FROM OTHER GOVERNMENTAL AGENCIES:

The detail of due from other governmental agencies for the year ended June 30, 2022 is as follows:

Due from the State of Iowa - Federal sources	\$ 7,784,259
Due from the State of Iowa - State sources	4,216,259
Due from the State of Iowa - Local sources	1,995,013
Due from other districts	270,062
Due from other sources	<u>647,539</u>
	<u><u>\$ 14,913,132</u></u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 4 – CAPITAL ASSETS:

A summary of changes in the capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021, as restated	Additions	Transfers	Retirements	Balance June 30, 2022
Governmental activities:					
Capital assets not being depreciated/amortized:					
Construction in progress	\$ 10,974,974	\$ 11,056,232	\$ (931,336)	\$ -	\$ 21,099,870
Land	13,043,540	-	99,124	-	13,142,664
Total capital assets not being depreciated/amortized	<u>\$ 24,018,514</u>	<u>\$ 11,056,232</u>	<u>\$ (832,212)</u>	<u>\$ -</u>	<u>\$ 34,242,534</u>
Capital assets being depreciated/amortized:					
Site improvements	\$ 15,097,312	\$ -	\$ 201,326	\$ (298,131)	\$ 15,000,507
Buildings and building improvements	259,187,529	-	229,781	(293,693)	259,123,617
Library holdings	4,737,814	190,646	-	(1,187,500)	3,740,960
Textbooks	11,289,819	433,577	-	(751,099)	10,972,297
Machinery and equipment	26,757,473	1,654,056	410,144	-	28,821,673
Intangible assets	675,564	-	(9,039)	-	666,525
Right-to-use leased equipment	412,826	-	-	-	412,826
Total capital assets being depreciated/amortized	<u>\$ 318,158,337</u>	<u>\$ 2,278,279</u>	<u>\$ 832,212</u>	<u>\$ (2,530,423)</u>	<u>\$ 318,738,405</u>
Less accumulated depreciation/amortization:					
Site improvements	\$ (8,206,144)	\$ (629,778)	\$ -	\$ 298,131	\$ (8,537,791)
Buildings and building improvements	(79,921,515)	(6,107,389)	70,193	145,731	(85,812,980)
Library holdings	(4,456,825)	(98,078)	-	1,187,500	(3,367,403)
Textbooks	(9,505,688)	(734,522)	-	751,099	(9,489,111)
Machinery and equipment	(17,471,223)	(1,041,701)	(79,232)	-	(18,592,156)
Intangible assets	(675,564)	-	9,039	-	(666,525)
Right-to-use leased equipment	-	(165,147)	-	-	(165,147)
Total accumulated depreciation/amortization	<u>\$ (120,236,959)</u>	<u>\$ (8,776,615)</u>	<u>\$ -</u>	<u>\$ 2,382,461</u>	<u>\$ (126,631,113)</u>
Total net capital assets being depreciated/amortized	<u>\$ 197,921,378</u>	<u>\$ (6,498,336)</u>	<u>\$ 832,212</u>	<u>\$ (147,962)</u>	<u>\$ 192,107,292</u>
Governmental activities capital assets, net	<u><u>\$ 221,939,892</u></u>	<u><u>\$ 4,557,896</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (147,962)</u></u>	<u><u>\$ 226,349,826</u></u>
Business-type activities:					
Capital assets being depreciated:					
Machinery and equipment	\$ 4,163,661	\$ 89,030	\$ -	\$ -	\$ 4,252,691
Total capital assets being depreciated	<u>\$ 4,163,661</u>	<u>\$ 89,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,252,691</u>
Less accumulated depreciation:					
Machinery and equipment	\$ (2,787,073)	\$ (283,530)	\$ -	\$ -	\$ (3,070,603)
Total accumulated depreciation	<u>\$ (2,787,073)</u>	<u>\$ (283,530)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,070,603)</u>
Business-type activities capital assets, net	<u><u>\$ 1,376,588</u></u>	<u><u>\$ (194,500)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,182,088</u></u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 4 – CAPITAL ASSETS (CONTINUED):

Depreciation/amortization expense was charged to governmental activities as follows:

Governmental activities:

Instruction:

Regular	\$ 7,375,677
Special programs	5,037
Other	449,039

Support services:

Students	161
Instruction	98,924
Administration	136,475
Operations and maintenance	252,011
Student transportation	459,291

Total	<u>\$ 8,776,615</u>
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Business-type activities, school nutrition	<u>\$ 283,530</u>
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	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	\$ 21,099,870	\$ -
Construction in Progress	13,142,664	-
Capital Assets (net of accumulated depreciation/amortization)	192,107,292	1,182,088
Unspent Bond Proceeds	3,266,794	-
Less: Lease Agreements	(249,790)	-
Sales Tax Bonds	(93,464,180)	-
Def refunding asset	(204,836)	-
Capital Loan Notes	<u>(1,206,984)</u>	<u>-</u>
Net Investment in Capital Assets	<u>\$ 134,490,830</u>	<u>\$ 1,182,088</u>

NOTE 5 – LONG-TERM LIABILITIES:

Changes in long-term liabilities for the year ended June 30, 2022 are summarized as follows:

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED):

	Balance July 1, 2021, as restated	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental activities:					
Lease agreements	\$ 412,826	\$ -	\$ 163,036	\$ 249,790	\$ 165,850
Sales tax revenue bonds	40,120,000	-	5,500,000	34,620,000	5,200,000
Sales tax revenue bonds, private placement	60,850,000	14,285,000	17,701,000	57,434,000	4,463,000
Capital loan notes, private placement	1,383,572	-	176,588	1,206,984	178,802
Unamortized premiums	2,011,549	-	601,369	1,410,180	-
Compensated absences	949,732	749,063	665,500	1,033,295	784,018
Early retirement liability	179,247	-	104,394	74,853	58,131
	<u>\$ 105,906,926</u>	<u>\$ 15,034,063</u>	<u>\$ 24,911,887</u>	<u>\$ 96,029,102</u>	<u>\$ 10,849,801</u>

All private placement offerings are considered direct borrowings in accordance with Governmental Accounting Standards Board Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.

Lease Agreements

On June 11, 2018 the District entered into a lease agreement for Marco copiers. An initial lease liability was recorded in the amount of \$177,926 per Accounting Change/Restatement Note 17. The agreement requires monthly payments of \$7,569 over 5 years with an implicit interest rate of 2.00% and final payment due June 2023. During the year ended June 30, 2022, principal and interest paid were \$88,074 and \$2,754, respectively.

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2023	2.00%	\$ 89,852	\$ 976	\$ 90,828
		<u>\$ 89,852</u>	<u>\$ 976</u>	<u>\$ 90,828</u>

On June 9, 2014 the District entered into a lease agreement for a Ho-Chunk Centre. An initial lease liability was recorded in the amount of \$234,900 per Accounting Change/Restatement Note 17. The agreement requires monthly payments of \$6,527.25 over 10 years with a final payment due in July 2024. The agreement does not include an implicit rate, so the District's

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED):

incremental borrowing rate of 1.86% was used. For the year ended June 30, 2022, principal and interest paid were \$74,962 and \$3,365, respectively.

Year Ending June 30,	Interest Rate	Principal	Interest	Total
2023	1.86%	\$ 75,998	\$ 2,329	\$ 78,327
2024	1.86%	77,424	903	78,327
2025	1.86%	6,517	10	6,527
		<u>\$ 159,939</u>	<u>\$ 3,242</u>	<u>\$ 163,181</u>

A. Sales Tax Revenue Bonds

In November 2009 the District issued \$7,500,000 Taxable School Infrastructure Sales, Services and Use Tax Revenue Bonds (Qualified School Construction Bonds), Series 2009 for the purpose of providing funds to equip, rehabilitate and repair schools. The Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the statewide sales, services and use tax revenues and by certain other amounts held under the Bond Resolution. The Bonds mature on October 1, 2025 and bear interest at the rate of 2.68 percent payable beginning April 1, 2010 and semiannually thereafter on the first day of January and July. The outstanding principal balance at June 30, 2022 is \$7,500,000.

Due to market changes, in March 2017 the District issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Refunding Bonds, Series 2017A and \$3,671,000 School Infrastructure Sales, Services and Use Tax Revenue Refunding Bonds, Series 2017B. Both issuances were used to current refund the District's \$15,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2010.

The 2017A Series Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the statewide sales, services and use tax revenues. Principal will be payable annually on each April 1 beginning April 1, 2018 and interest payable semi- annually carrying a rate of 2.75 percent beginning October 1, 2017. The bonds mature on April 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2022 is \$9,408,000.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED):

The 2017B Series Bonds are special limited revenue obligations of the District. Payment of principal and interest on the Bonds are secured solely by a pledge of the statewide sales, services and use tax revenues. Principal will be payable annually on each October 1 beginning October 1, 2017. The bonds mature on October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2022 is \$3,120,000.

In February 2019 the District issued \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2019, for the purpose of providing funds to finance various construction projects for the District facilities. The 2019 Series Bonds are special limited revenue obligations of the District. Payment of principal and interest on the bonds are secured solely by a pledge of the statewide sales, services and use tax revenues. Principal will be payable annually on each October 1 beginning October 1, 2020, and interest payable semi-annually carrying a rate of 3.02 percent beginning October 1, 2019. The bonds mature on October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2022 is \$8,300,000.

Due to market changes, in June 2019 the District issued \$9,175,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2019B to current refund the District's \$10,000,000 School Infrastructure Sales, Services and Use Tax Revenue Bonds, Series 2012.

The 2019B Series Bonds are special limited revenue obligations of the District. Payment of principal and interest on the bonds are secured solely by a pledge of the statewide sales, services and use tax revenues. Principal will be payable semi-annually on each April 1 and October 1 beginning October 1, 2019 and interest payable semi-annually carrying a rate of 2.32 percent beginning October 1, 2019. The bonds will mature April 1 and October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2022 is \$8,292,000.

In April 2020 the District issued \$15,000,000 School Infrastructure Sales, Services, and Use Tax Revenue Bonds Series 2020, for the purpose of providing funds to finance various construction projects for the District facilities. The 2020 Series Bonds are special limited revenue obligations of the District. Payment of principal and interest on the bonds are secured solely by a pledge of the statewide sales, services, and use tax revenues. Principal will be payable semi-annually on each April 1 and October 1 beginning April 1, 2022 and interest payable semi-annually carrying rate of 1.42 percent beginning October 1, 2020.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED):

The bonds mature April 1 and October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2022 is \$14,345,000.

Due to market changes, in November 2020 the District issued \$32,620,000 School Infrastructure Sales, Services, and Use Tax Revenue Bonds Series 2020 to current refund the District's \$19,765,000 School Infrastructure Sales, Services, and Use Tax Revenue Bonds, Series 2014 and \$14,600,000 School Infrastructure Sales, Services, and Use Tax Revenue Bonds Series 2015A.

The 2020 Series Bonds are special limited revenue obligations of the District. Payment of principal and interest on the bonds are secured solely by a pledge of the statewide sales, services and use tax revenues. Principal will be payable annually on each October 1 beginning October 1, 2021 and interest payable semi-annually carrying a rate of 3.00 percent beginning April 1, 2021. The bonds will mature April 1 and October 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2022 is \$27,120,000.

Due to market changes, in September 2021 the District issued \$12,139,000 School Infrastructure Sales, Services, and Use Tax Revenue Refunding Bonds Series 2021A and \$2,146,000 School Infrastructure Sales, Services, and Use Tax Revenue Refunding Bonds Series 2021B to current refund the District's \$6,423,000 School Infrastructure Sales, Services, and Use Tax Revenue Refunding Bonds, Series 2015B, \$3,215,000 School Infrastructure Sales, Services, and Use Tax Revenue Bonds Series 2018A, and \$4,520,000 School Infrastructure Sales, Services, and Use Tax Revenue Bonds Series 2019A. As a result of the refunding, the District, reduced its aggregate debt service payments to maturity by \$873,247, and obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$839,710.

The 2021A Series Bonds are special limited revenue obligations of the District. Payment of principal and interest on the bonds are secured solely by a pledge of the statewide sales, services and use tax revenues. Principal will be payable semi-annually on each October 1 and April 1 beginning April 1, 2022 and interest payable semi-annually carrying a rate ranging from 0.65 to 1.25 percent beginning April 1, 2022. The bonds will mature October 1 and April 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2022 is \$11,872,000.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED):

The 2021B Series Bonds are special limited revenue obligations of the District. Payment of principal and interest on the bonds are secured solely by a pledge of the statewide sales, services and use tax revenues. Principal will be payable semi-annually on each October 1 and April 1 beginning April 1, 2022 and interest payable semi-annually carrying a rate of 0.95 percent beginning April 1, 2022. The bonds will mature October 1 and April 1 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2022 is \$2,097,000.

Annual principal and interest payments on the bonds are expected to require nearly 100 percent of the statewide sales, services and use tax revenues and are payable through 2030. The total principal and interest remaining to be paid on the bonds is \$100,669,672. For the current year, principal payments were \$9,043,000 and total interest paid on the bonds was \$2,397,245. Total statewide sales, services and use tax revenues were \$18,202,089.

B. Capital Loan Notes

In June 2014 the District entered into a loan and disbursement agreement with Iowa Finance Authority (IFA) under which the IFA provides financial assistance for the Iowa Energy Bank Loan Program including making loans to public sector entities for the purposes of the program. The IFA agrees to purchase the general obligation capital loan notes in order to make a loan to the District and will disburse the loan proceeds upon the District completing an approved request for reimbursement. In August 2014, the District entered into a loan agreement with IFA providing for the purchase of the District's issued \$2,500,000 Energy Management Improvement Capital Loan Note, Series 2014 to provide funds to finance the implementation of energy conservation and management measures pursuant to Iowa Code Section 473.13A. The notes are general obligations of the District and payments of interest and principal will be paid from monies budgeted annually and on hand in the General Fund. Principal will be payable semi-annually on each June 1 and December 1 and interest payable semi-annually beginning June 1, 2015. The note will mature on December 1, 2028 in the years and amounts disclosed in the schedule following. The outstanding principal balance at June 30, 2022 is \$1,206,984.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED):

C. Bond and Debt Maturities

Qualified School Construction Bonds, Series 2009

<u>Year Ending</u> <u>June 30,</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	2.68%	\$ -	\$ 201,000	\$ 201,000
2024	2.68%	-	201,000	201,000
2025	2.68%	-	201,000	201,000
2026	2.68%	7,500,000	100,500	7,600,500
Total		<u>\$ 7,500,000</u>	<u>\$ 703,500</u>	<u>\$ 8,203,500</u>

Sales Tax 2017A, Private Placement

<u>Year Ending</u> <u>June 30,</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	2.75%	\$ 128,000	\$ 258,720	\$ 386,720
2024	2.75%	132,000	255,200	387,200
2025	2.75%	135,000	251,570	386,570
2026	2.75%	139,000	247,857	386,857
2027	2.75%	150,000	244,035	394,035
2028 - 2030	2.75%	8,724,000	366,919	9,090,919
Total		<u>\$ 9,408,000</u>	<u>\$ 1,624,301</u>	<u>\$ 11,032,301</u>

Sales Tax 2017B, Private Placement

<u>Year Ending</u> <u>June 30,</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	2.75%	\$ 123,000	\$ 84,109	\$ 207,109
2024	2.75%	127,000	80,671	207,671
2025	2.75%	133,000	77,096	210,096
2026	2.75%	136,000	73,398	209,398
2027	2.75%	141,000	69,589	210,589
2028 - 2030	2.75%	2,460,000	129,772	2,589,772
Total		<u>\$ 3,120,000</u>	<u>\$ 514,635</u>	<u>\$ 3,634,635</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED):

Sales Tax 2019, Private Placement				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2023	3.02%	\$ 655,000	\$ 240,769	\$ 895,769
2024	3.02%	725,000	219,931	944,931
2025	3.02%	1,265,000	189,883	1,454,883
2026	3.02%	820,000	158,399	978,399
2027	3.02%	395,000	140,053	535,053
2028 - 2030	3.02%	4,440,000	283,578	4,723,578
Total		<u>\$ 8,300,000</u>	<u>\$ 1,232,613</u>	<u>\$ 9,532,613</u>

Sales Tax 2019B, Private Placement				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2023	2.32%	\$ 131,000	\$ 191,098	\$ 322,098
2024	2.32%	32,000	189,092	221,092
2025	2.32%	43,000	188,465	231,465
2026	2.32%	1,409,000	187,224	1,596,224
2027	2.32%	4,027,000	138,933	4,165,933
2028	2.32%	2,650,000	30,740	2,680,740
Total		<u>\$ 8,292,000</u>	<u>\$ 925,552</u>	<u>\$ 9,217,552</u>

Sales Tax 2020, Private Placement				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2023	1.42%	\$ 1,328,000	\$ 199,049	\$ 1,527,049
2024	1.42%	1,346,000	180,063	1,526,063
2025	1.42%	1,596,000	160,950	1,756,950
2026	1.42%	1,714,000	136,512	1,850,512
2027	1.42%	2,203,000	113,110	2,316,110
2028 - 2030	1.42%	6,158,000	128,545	6,286,545
Total		<u>\$ 14,345,000</u>	<u>\$ 918,229</u>	<u>\$ 15,263,229</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED):

Sales Tax 2020				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2023	1.42%	\$ 5,200,000	\$ 735,600	\$ 5,935,600
2024	1.42%	5,400,000	576,600	5,976,600
2025	1.42%	5,020,000	420,300	5,440,300
2026	1.42%	5,700,000	259,500	5,959,500
2027	1.42%	3,800,000	117,000	3,917,000
2028 - 2030	1.42%	2,000,000	82,500	2,082,500
Total		<u>\$ 27,120,000</u>	<u>\$ 2,191,500</u>	<u>\$ 29,311,500</u>

Sales Tax 2021A, Private Placement				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2023	0.65-0.70%	\$ 1,773,000	\$ 106,756	\$ 1,879,756
2024	0.75-0.80%	1,853,000	94,161	1,947,161
2025	0.85-0.90%	1,900,000	79,155	1,979,155
2026	0.95-1.00%	1,850,000	62,021	1,912,021
2027	1.00-1.05%	1,649,000	44,429	1,693,429
2028 - 2030	1.05-1.25%	2,847,000	51,788	2,898,788
Total		<u>\$ 11,872,000</u>	<u>\$ 438,310</u>	<u>\$ 12,310,310</u>

Sales Tax 2021B, Private Placement				
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2023	0.95%	\$ 325,000	\$ 18,682	\$ 343,682
2024	0.95%	344,000	15,523	359,523
2025	0.95%	350,000	12,226	362,226
2026	0.95%	340,000	8,897	348,897
2027	0.95%	288,000	5,823	293,823
2028 - 2030	0.95%	450,000	5,881	455,881
Total		<u>\$ 2,097,000</u>	<u>\$ 67,032</u>	<u>\$ 2,164,032</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED):

General Obligation Capital Loan Notes, Private Placement				
Year Ending				
June 30,	Interest Rates	Principal	Interest	Total
2023	1.25%	\$ 178,802	\$ 14,481	\$ 193,283
2024	1.25%	181,044	12,239	193,283
2025	1.25%	183,314	9,969	193,283
2026	1.25%	185,613	7,670	193,283
2027	1.25%	187,941	5,343	193,284
2028 - 2029	1.25%	290,270	3,587	293,857
Total		<u>\$ 1,206,984</u>	<u>\$ 53,289</u>	<u>\$ 1,260,273</u>

Summary of debt service requirements to maturity on the outstanding bonded indebtedness and loans as of June 30, 2022 is as follows:

Summary - Debt Service Requirements to Maturity			
Fiscal Year	Principal	Interest	Total
2023	\$ 9,841,802	\$ 2,050,264	\$ 11,892,066
2024	10,140,044	1,824,480	11,964,524
2025	10,625,314	1,590,614	12,215,928
2026	19,793,613	1,241,978	21,035,591
2027	12,840,941	878,315	13,719,256
2028 - 2030	30,019,270	1,083,310	31,102,580
Totals	<u>\$ 93,260,984</u>	<u>\$ 8,668,961</u>	<u>\$ 101,929,945</u>

As of June 30, 2021, the District did not exceed its legal debt margin, computed as follows:

Total assessed valuation	<u>\$ 5,062,967,857</u>
Debt limit, 5.0 percent of total assessed valuation	\$ 253,148,393
Amount of debt applicable to debt limitation	<u>1,206,984</u>
Excess of debt limit over debt outstanding, legal debt margin	<u>\$ 251,941,409</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 6 – EARLY RETIREMENT:

In November 2016, the District approved a voluntary early retirement plan for employees. The plan was only offered to employees for one year. Full-time employees age 58 or older by the end of June 30, 2017, who have at least 20 years of service and are eligible to begin retirement through the IPERS program were eligible to participate in the plan.

The employee must have been in a full-time certified 6th - 8th grade reading or language arts position, 9th - 12th grade business or language arts position, 6th - 12th grade social studies position, 9th - 12th grade industrial arts position, K - 12th grade administrator position, transitional kindergarten - 5th grade general classroom position, or K - 5th grade Title I position. The plan was offered to this group from November 30, 2016 to December 21, 2016.

The employee must have been in a full-time certified teaching position or K - 12th grade administrator position. The plan was offered to this group from December 22, 2016 to January 12, 2017.

The plan was limited to a total of 45 participants.

The early retirees will receive a stipend based on the sick day balance on their retirement date per the following schedule:

<u>Number of Sick Days</u>	<u>Stipend Paid by the District</u>
0 – 80 days	\$500 per quarter
81 – 100 days	\$1,000 per quarter
101 – 120 days	\$1,500 per quarter
121 – 145 days	\$2,000 per quarter

The benefit payments began July 31, 2017. The benefit will be provided until the retiree is Medicare eligible.

At June 30, 2022 the District has obligations to 10 participants with a total liability of \$74,853. The early retirement obligation is a governmental activities liability that will be liquidated by the Management Fund.

NOTE 7 – 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

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7 – PENSION PLAN (CONTINUED):

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.

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

Pension Benefits – A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits.

Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

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

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7 – PENSION PLAN (CONTINUED):

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.

In fiscal year 2022, pursuant to the required rate, Regular members contributed 6.29 percent of covered payroll and the District contributed 9.44 percent of covered payroll, for a total rate of 15.73 percent.

The District's contributions to IPERS for the year ended June 30, 2022 totaled \$10,733,063.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the District reported a liability of \$1,854,186 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 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, 2021, the District's proportion was 0.5370919 percent, which was a decrease of 0.7589036 percent from its proportion measured as of June 30, 2020.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7 – PENSION PLAN (CONTINUED):

For the year ended June 30, 2022, the District recognized pension expense (revenue) of (\$7,333,227). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,410,777	\$ 1,416,502
Changes of assumptions	1,212,797	-
Net difference between projected and actual earnings on IPERS' investments	-	67,180,193
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	896,226	2,496,482
District contributions subsequent to the measurement date	<u>10,733,063</u>	<u>-</u>
Total	<u>\$ 14,252,863</u>	<u>\$ 71,093,177</u>

\$10,733,063 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (revenue) as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (17,111,700)
2024	(16,913,554)
2025	(15,533,770)
2026	(18,212,463)
2027	<u>198,110</u>
Total	<u>\$ (67,573,377)</u>

There were no non-employer contributing entities to IPERS.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7 – PENSION PLAN (CONTINUED):

Actuarial Assumptions – The total pension liability (asset) in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

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

The actuarial assumptions used in the June 30, 2021 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 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7 – PENSION PLAN (CONTINUED):

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0%	4.43%
International equity	17.5%	6.01%
Global smart beta equity	6.0%	5.10%
Core plus fixed income	26.0%	0.29%
Public credit	4.0%	2.08%
Cash	1.0%	-0.25%
Private equity	13.0%	9.51%
Private real assets	7.5%	4.63%
Private credit	3.0%	2.87%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability (asset) was 7.00 percent. 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 (asset).

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

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
District's proportionate share of the net pension liability (asset)	<u>\$ 65,625,735</u>	<u>\$ 1,854,186</u>	<u>\$ (51,590,423)</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 7 – PENSION PLAN (CONTINUED):

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.

Payables to IPERS – At June 30, 2022, the District reported payables to IPERS of \$891,524 for legally required employer contributions and \$594,035 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS:

Plan Description – The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their eligible dependents. 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. As of the June 30, 2021 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	37
Active employees	<u>1,895</u>
Total	<u>1,932</u>

Total OPEB Liability – The District's total OPEB liability of \$8,423,343 was measured as of June 30, 2021, and was determined by the June 30, 2021 actuarial valuation.

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

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Rate of inflation (effective June 30, 2021)	2.25 percent per annum
Rates of salary increase (effective June 30, 2017)	3.25 percent per annum
Discount rate (effective June 30, 2021)	1.92 percent compounded annually
Healthcare cost trend rate (effective June 30, 2021)	6.70 percent, gradually decreasing over several decades to an ultimate rate of 3.70 percent

Discount Rate – The discount rate used to measure the total OPEB liability was 1.92 percent which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA as of the measurement date.

Mortality rates are from the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

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

Changes in the Total OPEB Liability

Total OPEB liability beginning of year	\$ 13,236,927
Changes for the year:	
Service cost	1,189,035
Interest	346,761
Differences between expected and actual experience	(1,502,555)
Changes in assumptions	(4,301,960)
Benefit payments	(544,865)
Net changes	<u>\$ (4,813,584)</u>
Total OPEB liability end of year	<u>\$ 8,423,343</u>

Changes of assumptions reflect a change in the discount rate from 2.45 percent in 2020 to 1.92 percent in 2021.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

Differences between expected and actual experience is due to the increase in premiums and assumed claims costs and decrease in retiree participation.

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 percentage-point lower (0.92 percent) or 1 percentage-point higher (2.92 percent) than the current discount rate.

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB liability	<u>\$ 9,054,076</u>	<u>\$ 8,423,343</u>	<u>\$ 7,820,497</u>

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 percentage-point lower (5.7 percent) or 1 percentage-point higher (7.7 percent) than the current healthcare cost trend rates.

	1% Decrease (5.70%)	Healthcare Cost Trend Rate (6.70%)	1% Increase (7.70%)
Total OPEB liability	<u>\$ 7,409,529</u>	<u>\$ 8,423,343</u>	<u>\$ 9,633,827</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB – For the year ended June 30, 2022, the District recognized OPEB expense of \$358,154. At June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following resources:

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	\$ 2,910	\$ 2,062,432
Changes of assumptions	528,337	7,400,598
District contributions between measurement date and reporting date	319,178	-
	<u>319,178</u>	<u>-</u>
Total	<u>\$ 850,425</u>	<u>\$ 9,463,030</u>

\$319,178 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2023	\$ (1,177,643)
2024	(1,177,643)
2025	(1,177,643)
2026	(1,177,643)
2027	(1,101,172)
Thereafter	<u>(3,120,039)</u>
Total	<u>\$ (8,931,783)</u>

NOTE 9 – INTERFUND TRANSFERS AND BALANCES:

The detail of interfund transfers for the year ended June 30, 2022 is as follows:

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 9 – INTERFUND TRANSFERS AND BALANCES (CONTINUED):

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General Fund	Management Fund	\$ 92,092
Debt Service	General	\$ 193,284
	Sales Tax	<u>11,789,738</u>
		\$ 11,983,022
Activity	General	15,000
Capital Projects Fund	General	<u>877,488</u>
		<u>\$ 12,967,602</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. Transfers to the Debt Service Fund are for principal and interest payments, transfers to the General Fund are for insurance claims less than the insurance deductibles, and transfers to the Student Activity Fund are for safety equipment.

The detail of interfund balances at June 30, 2022 is as follows:

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 9 – INTERFUND TRANSFERS AND BALANCES (CONTINUED):

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
Student Activity	\$ 16,581	\$ 1,786
Capital Projects	-	459,729
School Nutrition	-	105
Internal Service	-	34,000
	<u>\$ 16,581</u>	<u>\$ 495,620</u>
 Sales Tax Fund:		
Debt Service	\$ -	\$ 5,000
 Capital Projects Fund; General	 \$ 459,729	 \$ -
 Debt Service Fund: Sales Tax	 \$ 5,000	 \$ -
 Student Activity Fund: General	 <u>\$ 1,480</u>	 <u>\$ 16,275</u>
 Total Governmental Funds	 <u><u>\$ 482,790</u></u>	 <u><u>\$ 516,895</u></u>
 School Nutrition Fund: General	 \$ 105	 \$ -
 Internal Service Fund: General	 <u>\$ 34,000</u>	 <u>\$ -</u>
 Total Proprietary Funds	 <u><u>\$ 34,105</u></u>	 <u><u>\$ -</u></u>

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur; (2) transactions are recorded in the accounting system; and, (3) payments between funds are made.

NOTE 10 – 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

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 10 – CATEGORICAL FUNDING (CONTINUED):

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, 2022:

<u>Program</u>	<u>Amount</u>
Gifted and talented	\$ 815,856
Limited English proficiency	204,066
Home school assistance program	66,263
Four year old preschool project	543,241
Successful progression for early readers project	191,005
Returning dropouts and dropout prevention program	270,774
At-risk supplementary weighting	366,640
Nonpublic textbook services	47,397
Professional development	727,326
Teacher development academies	12,267
Teacher leadership grants project	1,126,032
STEM CSE	2,745
Teacher salary supplement project	121,075
Shared visions	52,802
Flexibility account	128,349
	<u>\$ 4,675,838</u>

NOTE 11 – 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 educational agency. The District's actual amount for this purpose totaled \$7,545,616 for the year ended June 30, 2022. This amount is recorded in the General Fund by making an adjusting entry to the state revenue appropriations and to other expenditures, since the amount is deducted from the state foundation aid due to the District and is remitted directly to the area education agency.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 12 – 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. The District has had no significant reductions in insurance coverage from prior years. Settled claims for these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District maintains a self-insured dental care coverage program for its employees. Claims in excess of a self-insured retention amount are covered through third party specific stop-loss insurance. The liability for claims incurred but unpaid as of June 30, 2022 was estimated using actual covered employees and a historically developed percentage of claims completed by month. A reconciliation of changes in the aggregate liability for claims during the years ended June 30, 2022 is as follows:

	<u>Year Ended June 30,</u> <u>2022</u>
Unpaid claims, beginning of year	\$ 46,000
Incurred claims	1,046,557
Claims paid	<u>(1,054,557)</u>
Unpaid claims, end of year	<u>\$ 38,000</u>

The District accounts for the self-insurance plan through an Internal Service Fund.

NOTE 13 – CONSTRUCTION AND OTHER COMMITMENTS:

The District entered into various contracts totaling approximately \$20.3 million for the construction of the new Hunt Elementary and various other projects. The new Hunt Elementary is scheduled to open in August of 2022. As of June 30, 2022, costs of approximately \$15.4 million had been incurred against the contracts. The balance of \$4.9 million remaining at June 30, 2022 will be paid as construction progresses.

NOTE 14 – CONTINGENCIES AND UNCERTAINTIES:

At June 30, 2022 the District is involved in various litigation concerning employment and work place issues, contract performance, and other matters arising in the normal course of the District's operations. The probability and amount of loss, if any, is indeterminable; however,

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 14 – CONTINGENCIES AND UNCERTAINTIES (CONTINUED):

in the opinion of the District, the outcome of these matters will not have a material impact on the District's financial position.

NOTE 15 – TAX ABATEMENTS:

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

Tax Abatements of Other Entities – Property tax revenues of the District were reduced by the following amount for the year ended June 30, 2022 under agreements entered into by the following entity:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Sioux City	Urban renewal and economic development projects	<u>\$ 314,696</u>

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, 2022, this reimbursement amounted to \$140,212.

NOTE 16 – ACCOUNTING CHANGE/RESTATEMENT:

Governmental Accounting Standards Board Statement No. 87, Leases, was implemented during fiscal year 2022. The new requirements require the reporting of certain lease liabilities which were previously not reported. The result of these changes had no effect on the beginning net position.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 16 – ACCOUNTING CHANGE/RESTATEMENT (CONTINUED):

	<u>Capital Assets</u>	<u>Long-term Liabilities Lease Agreements</u>
Balances June 30, 2021, as previously reported	\$ 197,508,552	\$ -
Change to implement GASBS No. 87	<u>412,826</u>	<u>412,826</u>
Balances July, 1 2021, as restated	<u>\$ 197,921,378</u>	<u>\$ 412,826</u>

NOTE 17 – PROSPECTIVE ACCOUNTING CHANGE

The Governmental Accounting Standards Board has issued Statement No, 96, Subscription-Based Information Technology Arrangements. This statement will be implemented for the fiscal year ending June 30, 2023. The revised requirements of this statement will require reporting of certain potentially significant subscription-based information technology arrangements that are not currently reported.

SIoux CITY COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S

TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE LAST FIVE YEARS

	2022	2021	2020	2019	2018
Service cost	\$ 1,189,035	\$ 1,006,994	\$ 1,361,814	\$ 1,332,904	\$ 1,389,766
Interest cost	346,761	388,799	600,955	570,078	462,125
Differences between expected and actual experience	(1,502,555)	3,656	(1,021,530)	-	-
Changes in assumptions	(4,301,960)	663,981	(4,154,358)	(551,344)	(745,759)
Benefit payments	(544,865)	(482,411)	(740,246)	(845,794)	(878,237)
Net change in total OPEB liability	\$ (4,813,584)	\$ 1,581,019	\$ (3,953,365)	\$ 505,844	\$ 227,895
Total OPEB liability beginning of year	13,236,927	11,655,908	15,609,273	15,103,429	14,875,534
Total OPEB liability end of year	<u>\$ 8,423,343</u>	<u>\$ 13,236,927</u>	<u>\$ 11,655,908</u>	<u>\$ 15,609,273</u>	<u>\$ 15,103,429</u>
Covered-employee payroll	\$ 103,921,191	\$ 99,764,593	\$ 91,295,270	\$ 95,000,000	\$ 84,445,275
Total OPEB liability as a percentage of covered-employee payroll	8.1%	13.3%	12.8%	16.4%	17.9%

Note: GASB 75 requires the presentation of 10 years of information. However, until a full 10-year trend is compiled, the District will present information for those years which information is available.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO SCHEDULE OF CHANGES IN THE DISTRICT'S

TOTAL OPEB LIABILITY AND RELATED RATIOS

JUNE 30, 2022

CHANGES IN BENEFIT TERMS:

There were no significant changes in benefit terms.

CHANGES IN ASSUMPTIONS:

The following are the discount rates and healthcare cost trend rates used in each period.

	<u>Discount Rates</u>	<u>Healthcare Cost Trend Rate</u>
Fiscal year ended June 30, 2022	1.92%	6.70%
Fiscal year ended June 30, 2021	2.45%	6.40%
Fiscal year ended June 30, 2020	3.13%	6.40%
Fiscal year ended June 30, 2019	3.62%	6.90%
Fiscal year ended June 30, 2018	3.56%	6.80%
Fiscal year ended June 30, 2017	2.92%	N/A

The expected future participation percentages decreased 15 percent, from 50 percent to 35 percent of future retirees assumed to elect coverage, to better reflect plan experience.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE OF

REVENUES, EXPENDITURES/EXPENSES, AND CHANGES IN FUND BALANCES,

BUDGET AND ACTUAL, ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS

REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual
Revenues:			
Local sources	\$ 44,047,346	\$ 885,454	\$ 44,932,800
State sources	148,669,660	56,761	148,726,421
Federal sources	22,267,202	10,775,007	33,042,209
Total revenues	<u>\$ 214,984,208</u>	<u>\$ 11,717,222</u>	<u>\$ 226,701,430</u>
Expenditures/expenses:			
Instruction	\$ 121,266,977	\$ -	\$ 121,266,977
Support services	62,441,959	-	62,441,959
Non-instructional programs	-	9,661,454	9,661,454
Other expenditures	31,260,780	-	31,260,780
Total expenditures/expenses	<u>\$ 214,969,716</u>	<u>\$ 9,661,454</u>	<u>\$ 224,631,170</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	\$ 14,492	\$ 2,055,768	\$ 2,070,260
Other financing sources, net	<u>127,000</u>	<u>-</u>	<u>127,000</u>
Net change in fund balances	\$ 141,492	\$ 2,055,768	\$ 2,197,260
Balances - beginning of year	<u>97,493,407</u>	<u>2,908,620</u>	<u>100,402,027</u>
Balances - end of year	<u>\$ 97,634,899</u>	<u>\$ 4,964,388</u>	<u>\$ 102,599,287</u>

Budgeted Amounts		Final to
Original	Final	Actual Variance
\$ 45,901,291	\$ 45,901,291	\$ (968,491)
147,143,667	147,143,667	1,582,754
27,298,400	27,298,400	5,743,809
<u>\$ 220,343,358</u>	<u>\$ 220,343,358</u>	<u>\$ 6,358,072</u>
\$ 124,467,743	\$ 127,782,743	\$ 6,515,766
60,863,095	62,715,095	273,136
9,400,582	9,496,582	(164,872)
32,409,562	47,920,562	16,659,782
<u>\$ 227,140,982</u>	<u>\$ 247,914,982</u>	<u>\$ 23,283,812</u>
\$ (6,797,624)	\$ (27,571,624)	\$ 29,641,884
-	14,158,000	(14,031,000)
<u>\$ (6,797,624)</u>	<u>\$ (13,413,624)</u>	<u>\$ 15,610,884</u>
96,314,013	96,314,013	4,088,014
<u>\$ 89,516,389</u>	<u>\$ 82,900,389</u>	<u>\$ 19,698,898</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

FOR THE YEAR ENDED JUNE 30, 2022

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

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

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$20,774,000.

During the year ended June 30, 2022, expenditures in the non-instructional programs function exceeded the amount budgeted.

SIoux CITY COMMUNITY SCHOOL DISTRICT

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

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

FOR THE LAST EIGHT FISCAL YEARS*

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.5370919%	1.2959955%	1.3557387%	1.3641085%	1.3786213%	1.4085068%	1.4213943%	1.4152421%
District's proportionate share of the net pension liability	\$ 1,854,186	\$ 91,040,257	\$ 78,506,194	\$ 86,324,130	\$ 91,833,631	\$ 88,641,775	\$ 70,223,755	\$ 56,127,175
District's covered payroll	\$ 107,345,890	\$ 102,865,112	\$ 103,086,558	\$ 102,520,806	\$ 102,913,516	\$ 101,089,776	\$ 97,378,410	\$ 92,612,318
District's proportionate share of the net pension liability as a percentage of its covered payroll	1.73%	88.50%	76.16%	84.20%	89.23%	87.69%	72.11%	60.60%
IPERS' net position as a percentage of the total pension liability	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

*The amounts presented for each fiscal year were determined as of June 30 of the preceding year.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SIoux CITY COMMUNITY SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2022</u>	<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>
Statutorily required contributions	\$ 10,733,063	\$ 10,133,452	\$ 9,710,950	\$ 9,731,368	\$ 9,155,108	\$ 9,190,177	\$ 9,027,317	\$ 8,695,892	\$ 8,270,280	\$ 7,653,513
Contributions in relation to the										
statutorily required contribution	<u>(10,733,063)</u>	<u>(10,133,452)</u>	<u>(9,710,950)</u>	<u>(9,731,368)</u>	<u>(9,155,108)</u>	<u>(9,190,177)</u>	<u>(9,027,317)</u>	<u>(8,695,892)</u>	<u>(8,270,280)</u>	<u>(7,653,513)</u>
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	\$ <u>113,697,701</u>	\$ <u></u>	\$ <u></u>	\$ <u></u>	\$ <u></u>	\$ <u></u>	\$ <u></u>	\$ <u></u>	\$ <u></u>	\$ <u></u>
Contributions as a percentage of										
covered payroll	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%
	107,345,890	102,865,112	103,086,558	102,520,806	102,913,516	101,089,776	97,378,410	92,612,318	88,275,813	

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

JUNE 30, 2022

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 percent to 2.60 percent.
- Decreased the assumed rate of interest on member accounts from 3.75 percent to 3.50 percent per year.
- Decreased the discount rate from 7.50 percent to 7.00 percent.
- Decreased the wage growth assumption from 4.00 percent to 3.25 percent.
- Decreased the payroll growth assumption from 4.00 percent to 3.25 percent

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

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

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NON-MAJOR COMBINING BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2022

	Non-Fiduciary Scholarship Fund	Activity Fund	Management Fund
<u>ASSETS</u>			
Cash and pooled investments	\$ -	\$ 949,739	\$ 7,862,018
Restricted cash and investments	304,573	-	-
Receivables:			
Property taxes	-	-	65,149
Succeeding year property taxes	-	-	3,749,998
Other	107,000	-	-
Interfund balance	-	1,480	-
Total assets	<u>\$ 411,573</u>	<u>\$ 951,219</u>	<u>\$ 11,677,165</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 81,778	\$ 13,813
Interfund balance	-	16,275	-
Accrued wages and benefits	-	3,326	-
Total liabilities	<u>\$ -</u>	<u>\$ 101,379</u>	<u>\$ 13,813</u>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	\$ -	\$ -	\$ 3,749,998
Other	-	-	33,669
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,783,667</u>
Fund balances:			
Restricted:			
Scholarships	\$ 411,573	\$ -	\$ -
Management levy purposes	-	-	7,879,685.00
Physical plant and equipment	-	-	-
Debt service and debt reserve	-	-	-
Student activities	-	849,840	-
Total fund balances	<u>\$ 411,573</u>	<u>\$ 849,840</u>	<u>\$ 7,879,685</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 411,573</u>	<u>\$ 951,219</u>	<u>\$ 11,677,165</u>

Capital Projects Fund	PPEL Fund	Debt Service Fund	Total Non-Major Governmental Funds
\$ -	\$ 801,025	\$ 36,978	\$ 9,649,760
-	-	6,134,493	6,439,066
-	22,900	-	88,049
-	1,140,980	-	4,890,978
-	-	-	107,000
459,729	-	5,000	466,209
<u>\$ 459,729</u>	<u>\$ 1,964,905</u>	<u>\$ 6,176,471</u>	<u>\$ 21,641,062</u>

\$ 459,729	\$ 104,765	\$ 600	\$ 660,685
-	-	-	16,275
-	-	-	3,326
<u>\$ 459,729</u>	<u>\$ 104,765</u>	<u>\$ 600</u>	<u>\$ 680,286</u>

\$ -	\$ 1,140,980	\$ -	\$ 4,890,978
-	11,717	-	45,386
<u>\$ -</u>	<u>\$ 1,152,697</u>	<u>\$ -</u>	<u>\$ 4,936,364</u>

\$ -	\$ -	\$ -	\$ 411,573
-	-	-	7,879,685
-	707,443	-	707,443
-	-	6,175,871	6,175,871
-	-	-	849,840
<u>\$ -</u>	<u>\$ 707,443</u>	<u>\$ 6,175,871</u>	<u>\$ 16,024,412</u>

<u>\$ 459,729</u>	<u>\$ 1,964,905</u>	<u>\$ 6,176,471</u>	<u>\$ 21,641,062</u>
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SIOUX CITY COMMUNITY SCHOOL DISTRICT

NON-MAJOR COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Non-Fiduciary Scholarship Fund	Activity Fund	Management Fund
Revenues:			
Local sources	\$ 411,573	\$ 1,588,412	\$ 2,903,836
State sources	-	-	95,779
Total revenues	<u>\$ 411,573</u>	<u>\$ 1,588,412</u>	<u>\$ 2,999,615</u>
Expenditures:			
Current:			
Instruction:			
Regular	\$ -	\$ -	\$ 591,692
Other	-	1,458,869	-
	<u>\$ -</u>	<u>\$ 1,458,869</u>	<u>\$ 591,692</u>
Support services:			
Students	\$ -	\$ 28,366	\$ 21,907
Instruction	-	-	44,482
Administration	-	-	283,762
Operations and maintenance	-	49,662	2,955,472
Student transportation	-	41,184	299,100
	<u>\$ -</u>	<u>\$ 119,212</u>	<u>\$ 3,604,723</u>
Capital outlay:			
Facilities acquisition and construction	-	-	-
Debt Service:			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ 1,578,081</u>	<u>\$ 4,196,415</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 411,573</u>	<u>\$ 10,331</u>	<u>\$ (1,196,800)</u>
Other financing sources (uses):			
Bonds refunded	\$ -	\$ -	\$ -
Payment to refunded bond escrow agent	-	-	-
Transfers in	-	15,000	-
Transfers out	-	-	(92,092)
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ (92,092)</u>
Net change in fund balances	\$ 411,573	\$ 25,331	\$ (1,288,892)
Fund balances - beginning of year	-	824,509	9,168,577
Fund balances - end of year	<u>\$ 411,573</u>	<u>\$ 849,840</u>	<u>\$ 7,879,685</u>

Capital Projects Fund	PPEL Fund	Debt Service Fund	Total Non-Major Governmental Funds
\$ -	\$ 1,073,448	\$ 47,199	\$ 6,024,468
-	32,252	-	128,031
<u>\$ -</u>	<u>\$ 1,105,700</u>	<u>\$ 47,199</u>	<u>\$ 6,152,499</u>
\$ -	\$ 773,942	\$ -	\$ 1,365,634
-	-	-	1,458,869
<u>\$ -</u>	<u>\$ 773,942</u>	<u>\$ -</u>	<u>\$ 2,824,503</u>
\$ -	\$ -	\$ -	\$ 50,273
-	-	-	44,482
-	-	-	283,762
-	126,989	-	3,132,123
-	330,000	-	670,284
<u>\$ -</u>	<u>\$ 456,989</u>	<u>\$ -</u>	<u>\$ 4,180,924</u>
877,488	-	-	877,488
-	-	9,219,588	9,219,588
-	-	2,547,415	2,547,415
<u>\$ 877,488</u>	<u>\$ 1,230,931</u>	<u>\$ 11,767,003</u>	<u>\$ 19,649,918</u>
<u>\$ (877,488)</u>	<u>\$ (125,231)</u>	<u>\$ (11,719,804)</u>	<u>\$ (13,497,419)</u>
\$ -	\$ -	\$ 14,285,000	\$ 14,285,000
-	-	(14,158,000)	(14,158,000)
877,488	-	11,983,022	12,875,510
-	-	-	(92,092)
<u>\$ 877,488</u>	<u>\$ -</u>	<u>\$ 12,110,022</u>	<u>\$ 12,910,418</u>
\$ -	\$ (125,231)	\$ 390,218	\$ (587,001)
-	832,674	5,785,653	16,611,413
<u>\$ -</u>	<u>\$ 707,443</u>	<u>\$ 6,175,871</u>	<u>\$ 16,024,412</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

STATISTICAL SECTION

NARRATIVE EXPLANATIONS

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Schedules

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

1 – 4

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

5 – 8

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

9 – 13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

14 – 15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

16 – 19

Continuing Disclosure Information

These schedules are required as part of the District's ongoing general obligation bonded debt disclosures and give additional information to investors about the financial trends and tax base of the District.

20 – 23

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities:										
Net investment in capital assets	\$ 108,885,120	\$ 119,768,132	\$ 122,035,557	\$ 113,814,005	\$ 117,871,397	\$ 128,283,460	\$ 129,519,035	\$ 130,040,108	\$ 127,766,333	\$ 134,490,830
Restricted	17,227,999	10,454,296	11,389,889	21,283,559	24,309,787	19,344,021	22,117,022	26,176,159	35,583,957	37,804,835
Unrestricted	<u>7,751,855</u>	<u>7,956,672</u>	<u>(52,600,699)</u>	<u>(49,372,204)</u>	<u>(51,727,775)</u>	<u>(51,610,277)</u>	<u>(49,236,880)</u>	<u>(46,014,528)</u>	<u>(36,771,235)</u>	<u>(12,302,727)</u>
Total governmental activities net position	<u>\$ 133,864,974</u>	<u>\$ 138,179,100</u>	<u>\$ 80,824,747</u>	<u>\$ 85,725,360</u>	<u>\$ 90,453,409</u>	<u>\$ 96,017,204</u>	<u>\$ 102,399,177</u>	<u>\$ 110,201,739</u>	<u>\$ 126,579,055</u>	<u>\$ 159,992,938</u>
Business-type activities:										
Net investment in capital assets	\$ 1,723,985	\$ 1,579,642	\$ 1,449,034	\$ 1,533,959	\$ 1,558,929	\$ 1,513,271	\$ 1,567,676	\$ 1,545,365	\$ 1,376,588	\$ 1,182,088
Restricted	<u>1,190,950</u>	<u>1,578,839</u>	<u>303,912</u>	<u>777,968</u>	<u>754,311</u>	<u>1,226,176</u>	<u>1,055,064</u>	<u>351,522</u>	<u>1,580,687</u>	<u>3,829,809</u>
Unrestricted	<u>\$ 2,914,935</u>	<u>\$ 3,158,481</u>	<u>\$ 1,752,946</u>	<u>\$ 2,311,927</u>	<u>\$ 2,313,240</u>	<u>\$ 2,739,447</u>	<u>\$ 2,622,740</u>	<u>\$ 1,896,887</u>	<u>\$ 2,957,275</u>	<u>\$ 5,011,897</u>
Total business-type activities net position										
Primary government:										
Net investment in capital assets	\$ 110,609,105	\$ 121,347,774	\$ 123,484,591	\$ 115,347,964	\$ 119,430,326	\$ 129,796,731	\$ 131,086,711	\$ 131,585,473	\$ 129,142,921	\$ 135,672,918
Restricted	17,227,999	10,454,296	11,389,889	21,283,559	24,309,787	19,344,021	22,117,022	26,176,159	35,583,957	37,804,835
Unrestricted	<u>8,942,805</u>	<u>9,535,511</u>	<u>(52,296,787)</u>	<u>(48,594,236)</u>	<u>(50,973,464)</u>	<u>(50,384,101)</u>	<u>(48,181,816)</u>	<u>(45,663,006)</u>	<u>(35,190,548)</u>	<u>(8,472,918)</u>
Total primary government net position	<u>\$ 136,779,909</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Source: School District financial records.

141,337,581	82,577,693	88,037,287	92,766,649	98,756,651	105,021,917	112,098,626	129,536,330	165,004,835
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SIoux CITY COMMUNITY SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES AND NET (EXPENSE) REVENUE
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses:					
Governmental activities:					
Instruction	\$ 113,394,675	\$ 117,379,623	\$ 118,505,539	\$ 123,698,499	\$ 127,328,809
Support services:					
Students	4,231,243	4,635,780	4,618,798	4,394,341	4,456,017
Instruction	9,269,706	8,043,966	13,335,368	13,734,418	13,989,831
Administration	11,952,812	12,122,682	12,693,814	13,019,296	15,390,936
Operation and maintenance	11,203,366	11,606,051	11,589,683	12,180,549	12,509,273
Student transportation	4,528,262	4,681,343	4,870,028	4,649,797	4,992,951
Interest and other charges	2,912,552	3,079,039	3,546,964	3,061,121	3,219,400
Depreciation (unallocated)	88,014	-	-	-	-
Total governmental activities expenses	<u>\$ 157,580,630</u>	<u>\$ 161,548,484</u>	<u>\$ 169,160,194</u>	<u>\$ 174,738,021</u>	<u>\$ 181,887,217</u>
Business-type activities:					
Nutrition services	\$ 7,563,064	\$ 7,843,496	\$ 7,934,910	\$ 8,248,606	\$ 8,584,968
Total business-type activities	<u>\$ 7,563,064</u>	<u>\$ 7,843,496</u>	<u>\$ 7,934,910</u>	<u>\$ 8,248,606</u>	<u>\$ 8,584,968</u>
Total primary government expenses	<u>\$ 165,143,694</u>	<u>\$ 169,391,980</u>	<u>\$ 177,095,104</u>	<u>\$ 182,986,627</u>	<u>\$ 190,472,185</u>
Program revenues:					
Governmental activities:					
Charges for services:					
Instruction	\$ 3,201,224	\$ 3,212,490	\$ 3,190,947	\$ 3,475,373	\$ 2,776,683
Support services	-	-	27,469	18,238	17,554
Operating grants and contributions	26,514,309	28,051,320	32,503,773	32,656,526	34,997,474
Capital grants and contributions	247,442	103,874	43,666	60,091	481,593
Total governmental activities program revenues	<u>\$ 29,962,975</u>	<u>\$ 31,367,684</u>	<u>\$ 35,765,855</u>	<u>\$ 36,210,228</u>	<u>\$ 38,273,304</u>
Business-type activities:					
Charges for services:					
Nutrition	\$ 2,199,175	\$ 2,162,006	\$ 2,071,322	\$ 1,975,430	\$ 2,010,720
Operating grants and contributions	5,416,676	5,904,100	6,139,984	6,795,644	6,558,327
Capital grants and contributions	-	-	-	-	-
Total business-type program revenues	<u>\$ 7,615,851</u>	<u>\$ 8,066,106</u>	<u>\$ 8,211,306</u>	<u>\$ 8,771,074</u>	<u>\$ 8,569,047</u>
Total primary government program revenues	<u>\$ 37,578,826</u>	<u>\$ 39,433,790</u>	<u>\$ 43,977,161</u>	<u>\$ 44,981,302</u>	<u>\$ 46,842,351</u>
Net (expense) revenue:					
Governmental activities	\$ (127,617,655)	\$ (130,180,800)	\$ (133,394,339)	\$ (138,527,793)	\$ (143,613,913)
Business-type activities	52,787	222,610	276,396	522,468	(15,921)
Total primary government net expense	<u>\$ (127,564,868)</u>	<u>\$ (129,958,190)</u>	<u>\$ (133,117,943)</u>	<u>\$ (138,005,325)</u>	<u>\$ (143,629,834)</u>
General revenues and other changes in net position:					
Governmental activities:					
Property taxes	\$ 37,302,866	\$ 37,274,142	\$ 37,320,835	\$ 37,143,809	\$ 37,868,613
Income surtaxes	3,463,576	3,512,896	3,856,197	2,014,758	1,851,586
Statewide sales, services and use tax	11,969,819	12,123,178	13,490,987	13,514,182	13,734,041
Interest	172,292	242,525	194,323	255,936	179,306
State aid not restricted to specific programs	75,957,709	78,611,950	84,921,532	87,481,796	91,997,202
Miscellaneous	2,985,064	3,645,846	3,561,376	3,017,925	2,711,214
Transfer	-	-	-	-	-
Total governmental activities	<u>\$ 131,851,326</u>	<u>\$ 135,410,537</u>	<u>\$ 143,345,250</u>	<u>\$ 143,428,406</u>	<u>\$ 148,341,962</u>
Business-type activities:					
Interest	\$ 900	\$ 2,465	\$ 2,990	\$ 1,072	\$ 2,498
Miscellaneous	25,908	18,471	19,621	35,441	14,736
Transfer	-	-	-	-	-
Total business-type activities	<u>\$ 26,808</u>	<u>\$ 20,936</u>	<u>\$ 22,611</u>	<u>\$ 36,513</u>	<u>\$ 17,234</u>
Total primary government	<u>\$ 131,878,134</u>	<u>\$ 135,431,473</u>	<u>\$ 143,367,861</u>	<u>\$ 143,464,919</u>	<u>\$ 148,359,196</u>
Changes in net position:					
Governmental activities	\$ 4,233,671	\$ 5,229,737	\$ 9,950,911	\$ 4,900,613	\$ 4,728,049
Business-type activities	79,595	243,546	299,007	558,981	1,313
Total primary government	<u>\$ 4,313,266</u>	<u>\$ 5,473,283</u>	<u>\$ 10,249,918</u>	<u>\$ 5,459,594</u>	<u>\$ 4,729,362</u>

Source: School District financial records.

SCHEDULE 2

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 128,510,380	\$ 125,764,124	\$ 128,057,920	\$ 134,782,934	\$ 121,562,533
6,032,332	7,918,614	7,251,945	6,891,339	7,567,093
13,893,024	13,039,406	12,642,633	13,892,892	14,874,924
14,950,697	15,448,827	16,159,813	16,746,720	15,730,967
14,599,175	15,211,825	14,660,201	15,955,666	15,774,193
5,147,787	5,081,222	4,472,065	4,857,195	5,257,894
2,666,375	2,970,224	2,883,136	2,752,705	1,855,432
-	-	-	-	-
<u>\$ 185,799,770</u>	<u>\$ 185,434,242</u>	<u>\$ 186,127,713</u>	<u>\$ 195,879,451</u>	<u>\$ 182,623,036</u>
\$ 8,134,386	\$ 8,983,458	\$ 8,559,610	\$ 8,802,211	\$ 9,662,600
<u>\$ 8,134,386</u>	<u>\$ 8,983,458</u>	<u>\$ 8,559,610</u>	<u>\$ 8,802,211</u>	<u>\$ 9,662,600</u>
<u>\$ 193,934,156</u>	<u>\$ 194,417,700</u>	<u>\$ 194,687,323</u>	<u>\$ 204,681,662</u>	<u>\$ 192,285,636</u>
\$ 2,712,869	\$ 2,787,025	\$ 3,699,998	\$ 3,582,501	\$ 4,287,058
108,511	79,476	43,335	297,357	395,362
34,882,313	38,117,505	35,282,505	46,124,130	49,162,655
149,989	269,743	-	-	877,488
<u>\$ 37,853,682</u>	<u>\$ 41,253,749</u>	<u>\$ 39,025,838</u>	<u>\$ 50,003,988</u>	<u>\$ 54,722,563</u>
\$ 2,020,558	\$ 2,041,201	\$ 1,465,836	\$ 893,885	\$ 875,511
6,499,842	6,792,104	6,358,727	8,320,987	10,831,768
26,992	11,021	-	68,457	-
<u>\$ 8,547,392</u>	<u>\$ 8,844,326</u>	<u>\$ 7,824,563</u>	<u>\$ 9,283,329</u>	<u>\$ 11,707,279</u>
<u>\$ 46,401,074</u>	<u>\$ 50,098,075</u>	<u>\$ 46,850,401</u>	<u>\$ 59,287,317</u>	<u>\$ 66,429,842</u>
\$ (147,946,088)	\$ (144,180,493)	\$ (147,101,875)	\$ (145,875,463)	\$ (127,900,473)
413,006	(139,132)	(735,047)	481,118	2,044,679
<u>\$ (147,533,082)</u>	<u>\$ (144,319,625)</u>	<u>\$ (147,836,922)</u>	<u>\$ (145,394,345)</u>	<u>\$ (125,855,794)</u>
\$ 39,221,421	\$ 39,825,162	\$ 39,536,446	\$ 39,751,396	\$ 37,216,052
1,946,971	1,907,475	2,263,409	1,542,495	1,900,193
14,091,951	14,453,478	15,105,563	16,692,714	18,202,089
168,670	693,313	859,475	150,720	111,714
91,975,901	91,792,448	95,013,795	99,399,284	101,767,641
3,309,514	1,890,590	2,125,749	4,265,804	2,116,667
-	-	-	(798,038)	-
<u>\$ 150,714,428</u>	<u>\$ 150,562,466</u>	<u>\$ 154,904,437</u>	<u>\$ 161,004,375</u>	<u>\$ 161,314,356</u>
\$ 1,405	\$ -	\$ -	\$ -	\$ -
11,796	22,425	9,194	22,909	9,943
-	-	-	798,038	-
<u>\$ 13,201</u>	<u>\$ 22,425</u>	<u>\$ 9,194</u>	<u>\$ 820,947</u>	<u>\$ 9,943</u>
<u>\$ 150,727,629</u>	<u>\$ 150,584,891</u>	<u>\$ 154,913,631</u>	<u>\$ 161,825,322</u>	<u>\$ 161,324,299</u>
\$ 2,768,340	\$ 6,381,973	\$ 7,802,562	\$ 15,128,912	\$ 33,413,883
426,207	(116,707)	(725,853)	1,302,065	2,054,622
<u>\$ 3,194,547</u>	<u>\$ 6,265,266</u>	<u>\$ 7,076,709</u>	<u>\$ 16,430,977</u>	<u>\$ 35,468,505</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund:										
Nonspendable	\$ -	\$ -	\$ 6,811	\$ 27,857	\$ 33,267	\$ 29,828	\$ 37,962	\$ 9,944	\$ 3,395	\$ 6,254
Restricted	3,445,872	3,107,583	3,233,342	3,991,773	7,426,392	7,069,998	4,826,507	3,454,405	4,020,029	4,675,838
Unassigned	15,632,444	17,855,917	20,942,728	24,810,505	24,504,934	27,455,183	32,704,545	40,645,200	52,440,974	58,437,815
Unassigned general fund	<u>\$ 19,078,316</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
All other governmental funds:										
Restricted	\$ 20,832,343	\$ 15,703,647	\$ 29,075,471	\$ 24,212,129	\$ 23,517,064	\$ 24,937,787	\$ 38,182,525	\$ 41,666,989	\$ 41,029,009	\$ 34,514,992
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other	20,963,500	24,182,881	28,830,135	31,964,593	34,555,009	37,569,014	44,109,549	56,464,398	63,119,907	
governmental funds	<u>\$ 20,832,343</u>	<u>\$ 15,703,647</u>	<u>\$ 29,075,471</u>	<u>\$ 24,212,129</u>	<u>\$ 23,517,064</u>	<u>\$ 24,937,787</u>	<u>\$ 38,182,525</u>	<u>\$ 41,666,989</u>	<u>\$ 41,029,009</u>	<u>\$ 34,514,992</u>

Source: School District financial records.

	-	-	-	-	-	-	-	-	-	-
	14,608,334	29,075,471	24,212,129	23,517,064	24,937,787	38,182,525	41,666,989	41,029,009	34,514,992	

SIOUX CITY COMMUNITY SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Modified Accrual Basis of Accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Local sources	\$ 59,618,951	\$ 47,918,703	\$ 47,021,837	\$ 46,062,396	\$ 42,996,079	\$ 46,477,209	\$ 48,305,384	\$ 47,529,109	\$ 48,037,673	\$ 44,047,346
State appropriations	93,346,388	111,009,861	123,131,923	127,365,086	133,731,389	132,637,672	133,878,905	137,782,417	143,658,242	148,669,660
Federal appropriations	9,161,196	8,048,044	8,408,725	8,193,506	9,403,544	9,820,582	9,896,887	8,166,893	18,472,158	22,267,202
Total revenues	\$ 162,126,535	\$ 166,976,608	\$ 178,562,485	\$ 181,620,988	\$ 186,131,012	\$ 188,935,463	\$ 192,081,176	\$ 193,478,419	\$ 210,168,073	\$ 214,984,208
Expenditures:										
Instruction	\$ 102,750,216	\$ 107,651,507	\$ 109,779,487	\$ 111,937,521	\$ 112,555,733	\$ 113,689,677	\$ 112,259,275	\$ 110,713,490	\$ 117,576,623	\$ 121,266,977
Support services:										
Students	4,159,364	4,581,951	4,695,133	4,420,673	4,335,162	5,789,988	7,784,357	7,030,064	6,780,829	8,357,677
Instruction	7,825,714	6,153,206	11,941,845	12,203,395	12,217,617	12,309,055	11,215,611	10,500,171	11,756,146	14,581,790
Administration	11,713,850	12,021,307	12,649,413	12,949,813	15,019,737	14,333,028	14,947,693	15,380,645	16,118,193	17,297,164
Operations and maintenance	11,360,440	11,546,129	12,095,803	11,951,992	12,321,979	14,069,477	14,755,393	14,230,465	15,865,805	16,690,521
Student transportation	4,377,573	4,669,475	4,947,441	4,721,704	4,975,757	5,173,848	4,891,498	4,569,233	4,687,638	5,514,807
Capital outlay	5,532,645	5,879,378	6,246,584	6,443,784	6,656,340	6,808,310	6,870,505	7,031,728	7,437,201	7,545,616
Debt service:	10,244,452	20,642,373	20,361,844	14,780,665	7,481,960	14,919,233	14,460,267	8,966,087	7,337,310	11,945,911
Principal	4,815,000	5,245,000	3,329,051	768,311	3,470,921	3,737,002	3,905,109	7,032,633	8,225,401	9,219,588
Interest and other charges	2,896,308	3,067,771	3,717,892	3,180,397	3,390,148	2,776,145	3,054,968	2,998,904	3,338,688	2,549,665
Total expenditures	-	-	1,000,000	-	1,329,000	-	880,000	825,000	-	-
Payment to refunded bond escrow agent	\$ 165,675,562	\$ 181,458,097	\$ 190,764,493	\$ 183,358,255	\$ 183,754,354	\$ 193,605,763	\$ 195,024,676	\$ 189,278,420	\$ 199,123,834	\$ 214,969,716
Excess (deficiency) of revenues over expenditures	\$ (3,549,027)	\$ (14,481,489)	\$ (12,202,008)	\$ (1,737,267)	\$ 2,376,658	\$ (4,670,300)	\$ (2,943,500)	\$ 4,199,999	\$ 11,044,239	\$ 14,492
Other financing sources (uses):										
Bonds/notes issued	\$ -	\$ 10,000,000	\$ 29,361,125	\$ 1,223,165	\$ -	\$ 7,375,000	\$ 10,000,000	\$ 15,000,000	\$ -	\$ -
Bonds refunded	-	-	29,781,710	-	13,671,000	-	14,950,000	-	32,620,000	14,285,000
Premium on bonds issued	-	-	1,439,280	-	-	-	-	-	2,382,582	-
Refinancing of debt	-	-	(21,330,000)	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	(9,363,589)	-	(13,671,000)	-	(5,775,000)	(9,175,000)	(34,365,000)	(14,158,000)
Proceeds from sale of capital assets	173,582	142,664	-	298,014	62,735	7,650	9,500	-	21,840	-
Insurance proceeds	-	-	-	-	-	1,298,789	17,743	-	393,038	-
Transfers in	8,127,280	8,546,239	10,281,264	5,019,501	8,573,751	6,830,408	9,060,524	10,113,593	11,280,750	12,967,602
Transfers out	(8,127,280)	(8,546,239)	(10,281,264)	(5,019,501)	(8,573,751)	(6,830,408)	(9,060,524)	(10,113,593)	(12,078,788)	(12,967,602)
Total other financing sources (uses)	\$ 173,582	\$ 10,142,664	\$ 29,888,526	\$ 1,521,179	\$ 62,735	\$ 8,681,439	\$ 19,202,243	\$ 5,825,000	\$ 254,422	\$ 127,000
Net change in fund balances	\$ (3,375,445)	\$)	\$)	\$)	\$)	\$)	\$)	\$)	\$)	\$)
Debt service as a percentage of noncapital expenditures	4.99%	5.21%	4.74%	2.34%	4.69%	3.70%	4.39%	6.07%	6.06%	5.84%

Source: School District financial records.

(4,338,825

17,686,518

(216,088

2,439,393

4,011,139

16,258,743

10,024,999

11,298,661

141,492

SIOUX CITY COMMUNITY SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

Fiscal Year	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Taxable Value	Assessed Value	Total Direct Rate
2013	\$ 2,272,188,441	\$ 3,491,347,339	\$ 147,323,866	\$ 205,208,606	\$ 2,419,512,307	\$ 3,696,555,945	\$ 17.19
2014	2,311,884,813	3,484,471,027	145,543,386	211,966,613	2,457,428,199	3,696,437,640	16.68
2015	2,314,149,961	3,505,187,065	146,394,560	188,037,309	2,460,544,521	3,693,224,374	16.52
2016	2,328,154,858	3,545,216,914	144,900,828	209,972,667	2,473,055,686	3,755,189,581	15.77
2017	2,505,729,889	3,809,080,713	146,704,304	235,601,509	2,652,434,193	4,044,682,222	15.48
2018	2,561,339,817	3,819,908,898	118,165,393	242,508,962	2,679,505,210	4,062,417,860	15.39
2019	2,705,262,004	4,159,566,873	133,390,336	243,502,044	2,838,652,340	4,403,068,917	15.35
2020	2,742,468,255	4,174,792,409	127,377,521	239,496,777	2,869,845,776	4,414,289,186	15.30
2021	3,043,781,967	4,742,894,423	128,534,249	271,882,908	3,172,316,216	5,014,777,331	13.53
2022	3,142,626,419	4,798,796,806	114,368,273	264,171,051	3,256,994,692	5,062,967,857	12.48

Source: Iowa Department of Management website.**Notes:** Assessed Value was obtained from the 100% Valuations by Class by Levy Authority report.

Taxable Value was obtained from the Taxable Valuations by Class by Levy Authority report.

SIOUX CITY COMMUNITY SCHOOL DISTRICTDIRECT AND OVERLAPPING PROPERTY TAX RATESLAST TEN FISCAL YEARS

(RATE PER \$1,000 OF ASSESSED VALUATION)

Fiscal Year	District Direct Rates						Overlapping Rates							
	Operating	Management	Regular	Debt Service	Total		City of Sioux City	Plymouth County Perry Twp	Plymouth County Hancock Twp	Western Iowa Tech Comm. College	Woodbury County	State of Iowa	Ag Extension	City Assessor
	\$ Levy	\$ Levy	\$ PPEL	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$
2013	15.94	0.92	0.33	-	17.19		15.99	0.53	0.63	0.78	7.45	0.00	0.13	0.39
2014	15.51	0.84	0.33	-	16.68		16.25	0.55	0.62	0.76	7.40	0.003	0.14	0.41
2015	15.34	0.85	0.33	-	16.52		16.36	0.42	0.42	0.78	7.76	0.003	0.13	0.46
2016	14.51	0.93	0.33	-	15.77		16.11	0.46	0.41	0.77	7.52	0.003	0.13	0.52
2017	13.36	1.79	0.33	-	15.48		16.07	0.45	0.41	0.75	7.45	0.003	0.13	0.42
2018	13.46	1.60	0.33	-	15.39		15.77	0.48	0.89	0.80	7.41	0.003	0.13	0.34
2019	13.23	1.79	0.33	-	15.35		16.07	0.49	0.45	0.96	7.26	0.003	0.13	0.31
2020	13.19	1.78	0.33	-	15.30		15.68	0.48	0.20	0.90	7.23	0.003	0.13	0.43
2021	12.00	1.20	0.33	-	13.53		14.90	0.48	0.57	0.88	7.16	0.003	0.12	0.38
2022	11.17	0.98	0.33	-	12.48		14.45	0.49	0.45	0.92	7.17	0.003	0.12	0.38

Sources: Woodbury and Plymouth County auditors.**Notes:** Assessed value equals estimated actual value.

Tax rates expressed in dollars per thousand of assessed valuation.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Assessed Value	Rank	% of Total Taxable Assessed Value
MidAmerican Energy-Gas& Elec #7289	\$ 71,267,397	1	2.19%	\$ 121,751,275	1	5.59%
SCE Partners, LLC	46,181,160	2	1.42%	---	---	---
Southern Hills Mall, LLC	42,782,490	3	1.31%	61,360,600	2	2.82%
MidAmerican Energy-Gas& Elec #5289	33,175,387	4	1.02%	-	---	---
Balogh Associates VI LLC	19,484,730	5	0.60%	---	---	---
Cargill Inc	17,548,290	6	0.54%	---	---	---
Warrior Hotel Limited Partnership	16,520,768	7	0.51%	---	---	---
Terveen Manufactured Homes LLC	16,095,960	8	0.49%	---	---	---
Marketplace LLC	15,494,670	9	0.48%	13,476,900	6	0.62%
Confluentt Enterprises	13,760,010	10	0.42%	---	---	---
Wal-Mart Real Estate				13,787,300	5	0.63%
John Morrell & Company				22,596,200	4	1.04%
Handy, LC				12,132,400	7	0.56%
Qwest Corp.				11,842,619	8	0.54%
Lowe's Home Centers				11,670,600	9	0.54%
Lakeport Commons center LLC				33,912,700	3	1.56%
Target				11,539,000	10	0.53%
	<u>\$ 292,310,862</u>		<u>8.98%</u>	<u>\$ 314,069,594</u>		<u>14.43%</u>

Source: Woodbury County auditor.

SIoux CITY COMMUNITY SCHOOL DISTRICTPROPERTY TAX LEVIES AND COLLECTIONSLAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Property Tax Collections*</u>	<u>Percentage of Levy</u>
2013	\$ 37,329,023	\$ 37,267,403	99.83%
2014	37,514,450	37,253,338	99.30%
2015	36,654,999	36,511,357	99.61%
2016	35,638,420	35,625,697	99.96%
2017	37,922,828	37,868,613	99.86%
2018	37,956,328	37,723,370	99.39%
2019	40,237,743	39,825,162	98.97%
2020	40,489,113	39,536,446	97.65%
2021	39,754,026	39,751,396	99.99%
2022	37,244,229	37,216,052	99.92%

Source: District records.

*The amounts and percentages of the levies collected in subsequent years is not available.

SIoux CITY COMMUNITY SCHOOL DISTRICTRATIOS OF GENERAL BONDED DEBT OUTSTANDINGLAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Assessed Value</u>	<u>Percent of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2013	\$ -	\$ 3,696,555,945	0.00%	\$ -
2014	-	3,696,437,640	0.00%	-
2015	-	3,693,224,374	0.00%	-
2016	-	3,755,189,581	0.00%	-
2017	-	4,044,682,222	0.00%	-
2018	-	4,062,417,860	0.00%	-
2019	-	4,403,068,917	0.00%	-
2020	-	4,414,289,186	0.00%	-
2021	-	5,014,777,331	0.00%	-
2022	-	5,062,967,857	0.00%	-

Sources: District financial records and Iowa Department of Management website.

SIoux CITY COMMUNITY SCHOOL DISTRICTOUTSTANDING DEBT BY TYPELAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Sales Tax Revenue Bonds</u>	<u>Capital Equipment Notes</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2013	\$ 71,172,284	\$ 345,000	\$ 71,517,284	N/A	\$ 864.58
2014	76,065,897	175,000	76,240,897	N/A	922.37
2015	100,756,413	1,182,784	101,939,197	N/A	1,232.36
2016	100,005,069	2,232,638	102,237,707	N/A	1,234.44
2017	95,203,771	2,066,717	97,270,488	N/A	1,173.74
2018	98,848,785	1,898,715	100,747,500	N/A	1,220.97
2019	113,261,203	1,728,606	114,989,809	N/A	1,395.58
2020	111,265,688	1,557,973	112,823,661	N/A	1,365.06
2021	102,981,549	1,383,572	104,365,121	N/A	1,216.42
2022	93,464,180	1,206,984	94,671,164	N/A	1,105.75

Source: District financial records.

Notes: Details of the District's outstanding debt can be found in Note 5 in the notes to the financial statements.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Sioux City	\$ 131,065,611	91.19%	\$ 119,518,731
Woodbury County	66,037,575	2.08%	1,373,582
Plymouth County	1,646,830	60.47%	995,838
Western Iowa Tech Community College	24,355,000	30.11%	7,333,291
Subtotal overlapping debt			\$ 129,221,442
District direct debt			94,671,164
Total direct and overlapping debt			<u>\$ 223,892,606</u>

Source: Taxable value data used to estimate applicable percentages provided by the County Auditor. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

Legal Debt Margin Calculation - Fiscal Year 2022										
Actual assessed value*										\$ 5,062,967,857
Debt limit (5% of assessed value)**										\$ 253,148,393
Debt applicable to limit										1,206,984
Legal debt margin										\$ 251,941,409
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 184,827,797	\$ 184,821,882	\$ 184,661,219	\$ 187,759,479	\$ 202,234,111	\$ 203,120,893	\$ 220,153,446	\$ 220,714,459	\$ 250,738,867	\$ 253,148,393
Total net debt applicable to limit	345,000	175,000	1,182,784	2,232,638	2,066,717	1,898,715	1,728,606	1,557,973	1,383,572	1,206,984
Legal debt margin	\$ 184,482,797	\$ 184,646,882	\$ 183,478,435	\$ 185,526,841	\$ 200,167,394	\$ 201,222,178	\$ 218,424,840	\$ 219,156,486	\$ 249,355,295	\$ 251,941,409
Total net debt applicable to limit as a percentage of debt limit	0.19%	0.09%	0.64%	1.19%	1.02%	0.93%	0.79%	0.71%	0.55%	0.48%

Source: School District financial records and Iowa Department of Management website

Notes:

* Actual assessed value includes Tax Increment Financing Districts.

** Code of Iowa Section 296.1.

SIoux CITY COMMUNITY SCHOOL DISTRICTPLEDGED REVENUE COVERAGELAST TEN FISCAL YEARS

Sales Tax Revenue Bonds					
Fiscal	Debt Service				
<u>Year</u>	<u>Revenue</u>	<u>Principal*</u>	<u>Interest</u>	<u>Coverage</u>	
2013	\$ 11,969,819	\$ 4,650,000	\$ 2,862,880	1.59	
2014	12,123,178	5,075,000	2,861,711	1.53	
2015	13,490,987	3,060,000	2,919,247	2.26	
2016	13,514,182	595,000	3,154,964	3.60	
2017	13,734,041	3,305,000	3,185,310	2.12	
2018	14,091,951	3,569,000	2,647,849	2.27	
2019	14,453,478	3,735,000	2,793,612	2.21	
2020	15,105,563	6,862,000	2,763,238	1.57	
2021	16,692,714	8,051,000	2,750,049	1.55	
2022	18,202,089	9,043,000	2,397,245	1.59	

Note: Details regarding the District's outstanding debt can be found in Note 5 of the notes to the financial statements.

*Does not include debt refinancing or debt refunded.

SIoux CITY COMMUNITY SCHOOL DISTRICTDEMOGRAPHIC AND ECONOMIC STATISTICSLAST TEN CALENDAR YEARS

<u>Calendar Year</u>	<u>Population*</u>	<u>Personal Income**</u>	<u>Adjusted Gross Income Per Tax Return**</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate***</u>
2013	82,719	N/A	N/A	N/A	4.80%
2014	82,658	N/A	N/A	N/A	4.40%
2015	82,719	N/A	N/A	N/A	3.80%
2016	82,821	N/A	N/A	N/A	3.50%
2017	82,872	N/A	N/A	N/A	3.30%
2018	82,514	N/A	N/A	N/A	2.70%
2019	82,396	N/A	N/A	N/A	2.80%
2020	82,651	N/A	N/A	N/A	5.95%
2021	85,797	N/A	N/A	N/A	4.20%
2022	85,617	N/A	N/A	N/A	3.05%

Notes:

N/A = Not available

* Iowa Data Center

** Iowa Department of Revenue

*** Iowa Workforce Development

SIoux CITY COMMUNITY SCHOOL DISTRICTPRINCIPAL EMPLOYERSCURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Tyson Fresh Meats	4,500	1	10.06%	3,348	1	8.51%
Sioux City Community School District	2,377	2	5.31%	1,487	2	3.78%
Seaboard Triumph Foods	2,081	3	4.65%	---	---	---
Bomgaars	2,100	4	4.69%	---	---	---
MercyOne Siouxland	1,562	5	3.49%	1,413	3	3.59%
Unity Point Health-St. Luke's	1,450	6	3.24%	1,266	4	3.22%
185th Iowa Air National Guard	1,394	7	3.12%	---	---	---
Hy-Vee	1,023	8	2.29%	---	---	---
City of Sioux City	864	9	1.93%	750	8	1.91%
Western Iowa Tech Community College	700	10	1.56%	---	---	---
Alcora				1,100	5	2.80%
STREAM				950	6	2.42%
Ho-Chunk, Inc.				783	7	1.99%
Tur-Pak Foods				700	9	1.78%
Curly's Foods, Inc,				650	10	1.65%
Total principal employers	18,051		40.34%	12,447		31.65%
Other employers	26,698		59.66%	26,882		68.35%
Total employers	44,749		100.00%	39,329		100.00%

Source: Sioux City Economic Development website www.locatesiouxcity.com

Tools - Leading Employers

SIOUX CITY COMMUNITY SCHOOL DISTRICT

FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE

LAST TEN FISCAL YEARS

		Full Time Equivalent Employees as of Fiscal Year Ended								
		2021	2020	2019	2018	2017	2016	2015	2014	2013
Administration:										
Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Assistant Superintendent	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Principals	21.0	21.0	20.0	20.0	19.0	19.0	20.0	19.0	20.0	20.0
Assistant Principals	22.0	22.0	21.0	21.0	22.0	25.0	24.0	23.0	15.0	15.0
Finance Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	1.0	1.0
Other Officials/Admin	11.0	11.0	11.0	11.0	15.0	12.0	14.0	12.0	33.0	33.0
Subtotal	57.0	57.0	55.0	55.0	59.0	59.0	61.0	56.0	71.0	71.0
Teachers and other:										
Regular	790.0	782.1	747.3	747.5	748.6	742.2	681.2	656.9	757.5	757.1
Special	184.0	187.5	174.5	177.5	179.0	185.3	305.7	275.8	177.8	172.2
Teacher Leaders	52.0	38.0	41.0	43.0	44.0	44.0	44.0	45.0	-	-
Counselors	34.0	31.0	30.0	31.0	29.0	29.0	26.0	27.0	27.0	28.0
Nurse (RN)	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0
Media Specialists	5.0	5.0	7.0	7.0	9.0	8.0	8.0	8.0	9.0	9.0
Subtotal	1,073.0	1,051.6	1,007.8	1,014.0	1,017.6	1,016.5	1,072.9	1,020.7	979.3	975.3
Support personnel:										
Associate Professionals	27.0	24.0	26.0	25.0	23.0	21.0	21.0	26.0	-	-
Other Professionals	61.8	36.6	36.0	31.0	13.0	13.0	27.0	27.0	26.6	26.6
Permanent Substitute Teachers	4.0	-	-	-	-	-	-	-	-	-
Instructional Assistants	313.6	291.6	284.9	255.7	257.2	244.2	256.8	266.6	263.0	255.3
Office/Clerical Personnel	112.9	118.2	115.8	112.0	113.6	109.9	92.5	117.8	113.5	111.8
Crafts & Trades Personnel	22.0	18.0	22.0	21.0	25.0	21.0	28.0	25.0	23.0	22.0
Operative Personnel	41.1	43.4	45.6	41.9	41.7	38.0	36.7	38.4	36.0	37.0
Laborers	14.0	14.0	13.0	14.0	12.0	13.0	11.0	11.0	14.0	14.0
Building service technicians	79.9	76.8	76.8	75.8	71.0	77.1	78.1	73.3	75.9	77.0
Food service workers	98.7	92.6	96.0	95.2	92.3	93.2	94.4	88.5	-	-
Subtotal	775.0	715.2	716.1	671.6	648.8	630.4	645.5	673.6	552.0	543.7
Total	1,905.0	1,823.8	1,778.9	1,740.6	1,725.4	1,705.9	1,779.4	1,750.3	1,602.3	1,590.0

Source: District records

SIOUX CITY COMMUNITY SCHOOL DISTRICTOPERATING STATISTICSLAST TEN FISCAL YEARS

<u>Fiscal</u> <u>Year</u>	<u>Certified</u> <u>Enrollment*</u>	<u>Operating</u> <u>Expenditures**</u>	<u>Cost Per</u> <u>Pupil</u>	<u>Percentage</u> <u>Change</u>	<u>Expenses***</u>	<u>Cost Per</u> <u>Pupil</u>	<u>Percentage</u> <u>Change</u>	<u>Teaching</u> <u>Staff</u>	<u>Pupil-Teacher</u> <u>Ratio</u>	<u>% of</u> <u>Students</u> <u>Receiving</u> <u>Free or</u> <u>Reduced</u> <u>Price Meals</u>
2013	13,929	\$ 147,719,802	10,605	0.00%	\$ 165,143,694	11,856	0.55%	929	14.99	62.57%
2014	14,132	152,502,953	10,791	1.77%	169,391,980	11,986	1.10%	935	15.11	60.09%
2015	14,332	162,355,706	11,328	4.98%	177,095,104	12,357	3.09%	933	15.36	60.37%
2016	14,615	164,628,882	11,264	-0.56%	182,986,627	12,520	1.33%	987	14.81	60.70%
2017	14,504	168,082,325	11,589	2.88%	190,472,185	13,132	4.89%	928	15.63	65.00%
2018	14,523	172,173,383	11,855	2.30%	193,934,156	13,354	1.68%	928	15.65	63.80%
2019	14,570	172,724,332	11,855	0.00%	194,417,700	13,344	-0.07%	925	15.75	69.70%
2020	15,017	169,455,796	11,284	-4.81%	194,687,323	12,964	-2.84%	922	16.29	73.45%
2021	14,815	180,222,435	12,165	2.62%	204,681,662	13,816	3.54%	970	15.27	****65.86%
2022	14,869	191,254,552	12,863	13.99%	192,285,636	12,932	-0.25%	974	15.27	****67.36%

Source: District financial records.

Notes:

* Count from October of the fiscal year.

** Operating expenditures are total governmental expenditures less debt service and capital outlays.

*** Expenses are total school district expenses from the Statement of Activities.

**** All students received free lunch in FY22 and FY21. The percentage is based on approved free and reduced applications, free and reduced buildings, and directly certified. In FY22 and FY21 there were less free and reduced applications submitted.

N/A: Information not available.

SIoux CITY COMMUNITY SCHOOL DISTRICTCERTIFIED TEACHING STAFF SALARIESLAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
2013	\$ 31,434	\$ 71,312	\$ 57,836
2014	32,434	72,452	59,200
2015	38,439	74,009	59,348
2016	39,338	75,535	60,930
2017	40,329	77,281	62,515
2018	41,313	79,213	63,637
2019	41,546	79,946	64,079
2020	42,036	80,920	64,765
2021	42,640	82,059	64,982
2022	43,191	83,161	65,843

Source: District financial records.

SIOUX CITY COMMUNITY SCHOOL DISTRICTSCHOOL BUILDING INFORMATIONLAST TEN FISCAL YEARS

<u>School</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Elementary:										
Bryant (1890)										
Square Feet	38,275	38,275	38,611	38,611						
Enrollment	461	444	470	438	Closed					
Bryant (2019)										
Square Feet								106,950	106,950	106,950
Enrollment								469	482	543
Clark (1957)										
Square Feet	23,980	23,980	24,959	24,959	23,519	23,519	23,519	23,519	23,519	23,519
Enrollment	284	298	312	311	150	152	153	143	7	6
Crescent Park (1920)										
Square Feet	39,205	39,205	32,563	32,563	32,563	32,563	32,563	32,563	32,563	32,563
Enrollment	231	266	215	200	324	319	298	278	265	264
Emerson (1921)										
Square Feet	25,622	25,622								
Enrollment	216	200	Closed							
Hunt (1906)										
Square Feet	33,618	33,618	31,512	31,512	31,512	31,512	31,512			
Enrollment	292	291	327	315	326	308	292	Closed		
Irving (2006)										
Square Feet	92,567	92,567	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
Enrollment	653	746	754	736	751	747	738	779	730	690
Joy (1912)										
Square Feet										
Enrollment	Closed									
Leeds (2008)										
Square Feet	96,677	96,677	90,800	90,800	90,800	90,800	90,800	90,800	90,800	90,800
Enrollment	596	610	642	627	703	683	652	654	648	622
Liberty (2011)										
Square Feet	114,696	114,696	113,716	113,716	113,716	113,716	113,716	113,716	113,716	113,716
Enrollment	766	807	776	786	777	753	732	727	649	596

Source: District records.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(CONTINUED)

<u>School</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Elementary:										
Lincoln (1953)										
Square Feet	27,254	27,254	28,458	28,458						
Enrollment	277	296	281	255	Closed					
Loess Hills (2014)										
Square Feet			89,172	89,172	89,172	89,172	89,172	89,172	89,172	89,172
Enrollment			549	607	637	630	638	625	604	557
Longfellow (1893)										
Square Feet										
Enrollment	Closed									
Morningside (2015)										
Square Feet				97,842	97,842	97,842	97,842	97,842	97,842	97,842
Enrollment				680	673	634	651	651	636	604
Nodland (1969)										
Square Feet	30,080	30,080	29,391	29,391	29,391	29,391	29,391	2,939	2,939	2,939
Enrollment	229	239	240	234	219	217	227	237	238	245
Perry Creek (2016)										
Square Feet					118,410	118,410	118,410	118,410	118,410	118,410
Enrollment					623	633	573	543	632	640
Riverside (1958)										
Square Feet	61,314	61,314	56,198	56,198	56,198	56,198	56,198	56,198	56,198	56,198
Enrollment	325	321	272	269	284	292	269	276	250	239
Roosevelt (1920)										
Square Feet	25,270	25,270								
Enrollment	249	219	Closed							
Smith (1899)										
Square Feet										
Enrollment	Closed									

Source: District records.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(CONTINUED)

<u>School</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Elementary:										
Spalding (2012)										
Square Feet	107,066	107,066	107,066	107,066	107,066	107,066	107,066	107,066	107,066	107,066
Enrollment	592	616	619	625	601	611	660	638	596	627
Sunnyside (1957)										
Square Feet	22,765	22,765	22,771	22,771	22,771	22,771	22,771	22,771	22,771	22,771
Enrollment	216	217	232	219	220	232	238	229	226	239
Unity (2008)										
Square Feet	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Enrollment	488	506	530	559	535	514	525	483	484	456
Washington (1921)										
Square Feet	34,154	34,154	34,154							
Enrollment	375	339	327	Closed						
Whittier (1902)										
Square Feet	41,606	41,606	41,606							
Enrollment	346	376	334	Closed						
Middle Schools:										
East Middle School (2002)										
Square Feet	198,000	198,000	200,808	200,808	200,808	200,808	200,808	200,808	200,808	200,808
Enrollment	1,027	988	981	1,015	1,033	1,046	1,080	1,098	1,079	1,065
North Middle School (2005)										
Square Feet	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000	198,000
Enrollment	1,022	1,023	1,018	1,075	1,108	1,171	1,183	1,291	1,323	1,202
West Middle School (2001)										
Square Feet	177,000	177,000	192,050	192,050	192,050	192,050	192,050	192,050	192,050	192,050
Enrollment	914	894	921	965	933	946	957	977	946	879

Source: District records.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS

(CONTINUED)

<u>School</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
High Schools:										
East High School (1972)										
Square Feet	239,876	239,876	244,752	244,752	245,552	245,552	245,552	245,552	245,552	245,552
Enrollment	1,262	1,298	1,319	1,361	1,336	1,326	1,342	1,398	1,416	1,407
North High School (1972)										
Square Feet	240,954	240,954	247,482	247,482	247,482	247,482	247,482	247,482	247,482	247,482
Enrollment	1,338	1,326	1,392	1,451	1,470	1,474	1,520	1,585	1,619	1,567
West High School (1972)										
Square Feet	143,966	143,966	258,929	258,929	258,929	258,929	258,929	258,929	258,929	258,929
Enrollment	1,160	1,168	1,176	1,161	1,187	1,226	1,240	1,286	1,282	1,276
V.I.B.E Academy (2021)										
Enrollment										475

Source: District records.

SIoux CITY COMMUNITY SCHOOL DISTRICTSALES TAX REVENUELAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Revenue</u>
2013	\$ 11,969,819
2014	12,123,178
2015	13,490,987
2016	13,514,182
2017	13,734,041
2018	14,091,951
2019	14,453,478
2020	15,105,563
2021	16,692,714
2022	18,202,089

SIoux CITY COMMUNITY SCHOOL DISTRICTOUTSTANDING GENERAL OBLIGATION DEBT (PRINCIPAL AND INTEREST)

<u>Capital Loan Notes</u>			
<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 178,802	\$ 14,481	\$ 193,283
2024	181,044	12,239	193,283
2025	183,314	9,969	193,283
2026	185,613	7,670	193,283
2027	187,941	5,343	193,284
2028-2029	290,270	3,587	293,857
Totals	<u>\$ 1,206,984</u>	<u>\$ 53,289</u>	<u>\$ 1,260,273</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

DEBT ANNUAL MATURITY SCHEDULE

Qualified School Construction Bonds, Series 2009

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 201,000	\$ 201,000
2024	-	201,000	201,000
2025	-	201,000	201,000
2026	<u>7,500,000</u>	<u>100,500</u>	<u>7,600,500</u>
Totals	<u>\$ 7,500,000</u>	<u>\$ 703,500</u>	<u>\$ 8,203,500</u>

Sales Tax 2017A

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 128,000	\$ 258,720	\$ 386,720
2024	132,000	255,200	387,200
2025	135,000	251,570	386,570
2026	139,000	247,857	386,857
2027	150,000	244,035	394,035
2028-2030	<u>8,724,000</u>	<u>366,919</u>	<u>9,090,919</u>
Totals	<u>\$ 9,408,000</u>	<u>\$ 1,624,301</u>	<u>\$ 11,032,301</u>

Sales Tax 2017B

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 123,000	\$ 84,109	\$ 207,109
2024	127,000	80,671	207,671
2025	133,000	77,096	210,096
2026	136,000	73,398	209,398
2027	141,000	69,589	210,589
2028-2030	<u>2,460,000</u>	<u>129,772</u>	<u>2,589,772</u>
Totals	<u>\$ 3,120,000</u>	<u>\$ 514,635</u>	<u>\$ 3,634,635</u>

Sales Tax 2019

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 655,000	\$ 240,769	\$ 895,769
2024	725,000	219,931	944,931
2025	1,265,000	189,883	1,454,883
2026	820,000	158,399	978,399
2027	395,000	140,053	535,053
2028-2030	<u>4,440,000</u>	<u>283,578</u>	<u>4,723,578</u>
Totals	<u>\$ 8,300,000</u>	<u>\$ 1,232,613</u>	<u>\$ 9,532,613</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

DEBT ANNUAL MATURITY SCHEDULE

(CONTINUED)

Sales Tax 2019B

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 131,000	\$ 191,098	\$ 322,098
2024	32,000	189,092	221,092
2025	43,000	188,465	231,465
2026	1,409,000	187,224	1,596,224
2027	4,027,000	138,933	4,165,933
2028	2,650,000	30,740	2,680,740
Totals	<u>\$ 8,292,000</u>	<u>\$ 925,552</u>	<u>\$ 9,217,552</u>

Sales Tax 2020

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,328,000	\$ 199,049	\$ 1,527,049
2024	1,346,000	180,063	1,526,063
2025	1,596,000	160,950	1,756,950
2026	1,714,000	136,512	1,850,512
2027	2,203,000	113,110	2,316,110
2028-2030	6,158,000	128,545	6,286,545
Totals	<u>\$ 14,345,000</u>	<u>\$ 918,229</u>	<u>\$ 15,263,229</u>

Sales Tax 2020

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 5,200,000	\$ 735,600	\$ 5,935,600
2024	5,400,000	576,600	5,976,600
2025	5,020,000	420,300	5,440,300
2026	5,700,000	259,500	5,959,500
2027	3,800,000	117,000	3,917,000
2028-2030	2,000,000	82,500	2,082,500
Totals	<u>\$ 27,120,000</u>	<u>\$ 2,191,500</u>	<u>\$ 29,311,500</u>

Sales Tax 2021A

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,773,000	\$ 106,756	\$ 1,879,756
2024	1,853,000	94,161	1,947,161
2025	1,900,000	79,155	1,979,155
2026	1,850,000	62,021	1,912,021
2027	1,649,000	44,429	1,693,429
2028-2030	2,847,000	51,788	2,898,788
Totals	<u>\$ 11,872,000</u>	<u>\$ 438,310</u>	<u>\$ 12,310,310</u>

SIoux CITY COMMUNITY SCHOOL DISTRICTDEBT ANNUAL MATURITY SCHEDULE(CONTINUED)Sales Tax 2021B

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 325,000	\$ 18,682	\$ 343,682
2024	344,000	15,523	359,523
2025	350,000	12,226	362,226
2026	340,000	8,897	348,897
2027	288,000	5,823	293,823
2028-2030	450,000	5,881	455,881
Totals	<u>\$ 2,097,000</u>	<u>\$ 67,032</u>	<u>\$ 2,164,032</u>

General Obligation Capital Loan Notes

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 178,802	\$ 14,481	\$ 193,283
2024	181,044	12,239	193,283
2025	183,314	9,969	193,283
2026	185,613	7,670	193,283
2027	187,941	5,343	193,284
2028-2029	290,270	3,587	293,857
Totals	<u>\$ 1,206,984</u>	<u>\$ 53,289</u>	<u>\$ 1,260,273</u>

Summary - Debt Service Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 9,841,802	\$ 2,050,264	\$ 11,892,066
2024	10,140,044	1,824,480	11,964,524
2025	10,625,314	1,590,614	12,215,928
2026	19,793,613	1,241,978	21,035,591
2027	12,840,941	878,315	13,719,256
2028-2030	30,019,270	1,083,311	31,102,581
Totals	<u>\$ 93,260,984</u>	<u>\$ 8,668,961</u>	<u>\$ 101,929,945</u>

SIOUX CITY COMMUNITY SCHOOL DISTRICT

ESTIMATED DEBT SERVICE AND COVERAGE ON THE BONDS

Without Revenue Growth					
Fiscal Year	Sales Tax Revenue Bonds				
	Debt Service			Coverage	
	Revenue	Principal	Interest		
2023	\$ 16,131,664	\$ 9,663,000	\$ 2,035,783	1.38	
2024	16,131,664	9,959,000	1,812,242	1.37	
2025	16,131,664	10,442,000	1,580,645	1.34	
2026	16,131,664	19,608,000	1,234,308	0.77	
2027	16,131,664	12,653,000	872,972	1.19	
2028	16,131,664	11,312,000	624,672	1.35	
2029	16,131,664	10,412,000	359,808	1.50	
2030	8,065,832	8,005,000	95,243	1.00	

With 2 Percent Revenue Growth					
Fiscal Year	Sales Tax Revenue Bonds				
	Debt Service			Coverage	
	Revenue	Principal	Interest		
2023	\$ 16,131,664	\$ 9,663,000	\$ 2,035,783	1.38	
2024	16,454,297	9,959,000	1,812,242	1.40	
2025	16,783,383	10,442,000	1,580,645	1.40	
2026	17,119,051	19,608,000	1,234,308	0.82	
2027	17,461,432	12,653,000	872,972	1.29	
2028	17,810,661	11,312,000	624,672	1.49	
2029	18,166,874	10,412,000	359,808	1.69	
2030	9,265,106	8,005,000	95,243	1.14	

Notes: Details regarding the District's outstanding debt can be found in Note 5 of the notes to the financial statements.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
Direct:			
U.S. Department of the Interior			
Indian Education - Assistance to Schools	15.130		\$ 136,284
Federal Communications Commission (FCC)			
Emergency Connectivity Fund Program	32.009		1,105,846
Total Direct			1,242,130
Indirect:			
U.S. Department of Agriculture			
Passed through Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY22	1,730,081
COVID-19, National School Lunch Program	10.555	FY22	8,473,524 *
Summer Food Service Program for Children	10.559	FY22	571,403
Total Child Nutrition Cluster			10,775,008
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	FY22	5,814
Total U.S. Department of Agriculture			10,780,822
U.S. Department of Education:			
Passed through Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY22	5,646,789
Migrant Education State Grant Program	84.011	FY22	30,381
Career and Technical Education - Basic Grants to States	84.048	FY22	225,562
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	FY22	133,673
Education of Homeless Children and Youth	84.196	FY22	39,023
Supporting Effective Instruction State Grants	84.367	FY22	1,099,360
Grants for State Assessments and Related Activities	84.369	FY22	39,896
Student Support and Academic Enrichment Program	84.424	FY22	110,066
Passed through Iowa Department of Education:			
Education Stabilization Fund	84.425 B	FY22	63,063
Education Stabilization Fund	84.425 C	FY22	99,349
Education Stabilization Fund (Elementary and Secondary School Emergency Relief Fund)	84.425 D	FY22	5,374,097
American Rescue Plan Elementary and Secondary School Emergency Relief	84.425U	FY22	4,925,203
Total Education Stabilization Fund			10,461,712

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
Passed through Iowa Department of Education:			
English Language Acquisition State Grants	84.365	FY22	295,304
			<u>295,304</u>
Special Education Cluster (IDEA):			
Passed through Iowa Department of Education:			
Special Education - Grants to States	84.027	FY22	209,353
Passed through Northwest Area Education Agency:			
Special Education - Grants to States	84.027	FY22	770,280
ARP Special Education - Grants to States	84.027	FY22	118,835
Total Special Education Cluster (IDEA)			<u>1,098,468</u>
Total U.S. Department of Education			<u>19,180,234</u>
U.S. Department of Health and Human Services:			
Passed through Iowa Department of Education:			
Foster Care Title IV-E	93.658	10-4623-4623	1,643
Total U.S. Department of Health and Human Services			<u>1,643</u>
Total Indirect			<u>29,962,699</u>
Total Federal Expenditures			<u>\$ 31,204,829</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Sioux City Community School District under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Sioux City Community School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Sioux City Community School District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 - INDIRECT COST RATE:

Sioux City Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

*Includes \$586,194 of non-cash awards



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**INDEPENDENT AUDITORS' 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 the
Sioux City Community School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the Sioux City Community School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 15, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
February 15, 2023



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
UNIFORM GUIDANCE**

To the Board of Education of the
Sioux City Community School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Sioux City Community School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
February 15, 2023

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

I. Summary of Auditors' Results

- a. An unmodified opinion was issued on the financial statements.
- b. No significant deficiencies or material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- c. No noncompliance which is material to the financial statements was disclosed.
- d. No significant deficiencies in internal control over major programs were disclosed.
- e. An unmodified opinion was issued on compliance with requirements applicable to each major program.
- f. The Audit disclosed no audit findings which were required to be reported in accordance with Uniform Guidance Section 200.516(a).
- g. Programs tested as major programs were:

Emergency Connectivity Fund Program	Assistance Listing Number #32.009
Education Stabilization Fund	Assistance Listing Number #84.425B,C,D,U
Title I Grants to Local Educational Agencies	Assistance Listing Number #84.010
Supporting Effective Instruction State Grants	Assistance Listing Number #84.367
- h. Dollar threshold used to distinguish between Type A and Type B programs: \$936,145.
- i. The Auditee did not qualify as a low-risk auditee under 2 CFR Section 200.520.

II. Findings Related to the Financial Statements Reported in Accordance with *Government Auditing Standards*

Instances of Non-Compliance:

No matters were reported.

Material Weakness:

No matters were noted.

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

III. Findings and Questioned Costs Relating to Federal Awards

Instances of Non-Compliance:

No matters were noted.

Material Weaknesses:

No matters were noted.

IV. Other Findings Related to Required Statutory Reporting

IV-A-22 - Certified Budget – Expenditures for the year ended June 30, 2022 exceeded the amended certified budget amounts in the non-instruction programs function.

Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

IV-B-22 - Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-22 - 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-22 - Business Transactions – No business transactions between the District and District officials or employees were noted.

IV-E-22 - 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-22 - Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. However, we recommend that the amount of coverage be reviewed annually to insure that the coverage is adequate for current operations

SIOUX CITY COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2022

IV. Other Findings Related to Required Statutory Reporting (Continued)

- IV-G-22 - Deposits and Investments – Instance of noncompliance with deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policies were noted.

Recommendation – The mutual funds and other non-compliant investments of the Scholarship Fund should be reinvested.

Response – The District is in the process of reinvesting the Scholarship Fund dollars in compliance with state code requirements.

- IV-H-22 - Board Minutes – We noted no transactions requiring approval, which had not been approved by the Board.

- IV-I-22 - Certified Enrollment – Variances were identified in the basic enrollment data certified to the Iowa Department of Education in October 2021. The variance was discovered by the Department of Education and the District agrees with the variance.

- IV-J-22 - Supplementary Weighting – No violations regarding the supplementary weighting certified to the Iowa Department of Education were noted.

- IV-K-22 - Certified Annual Report – The Certified Annual Report was certified timely to the Iowa Department of Education.

- IV-L-22 - Categorical Funding – No instances of categorical funding being used to supplant rather than supplement other funds were noted.

- IV-M-22 - Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax. 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, 2022, the District reported the following information regarding the statewide sales, services, and use tax revenue in the District's CAR:

SIOUX CITY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

IV. Other Findings Related to Required Statutory Reporting (Continued)

Beginning Balance		\$	24,417,596
Revenues:			
Sales tax revenues	\$	17,868,810	
Other local revenues		15,043	17,883,853
Expenditures:			
School infrastructure construction		(11,068,423)	
Other		(952,708)	
Transfers to debt service fund		(11,789,738)	(23,810,869)
Ending Balance			<u>\$ 18,490,580</u>

For the year ended June 30, 2022, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

**SIOUX CITY COMMUNITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

PRIOR AUDIT FINDINGS:

The following significant deficiency regarding Internal Control Over Financial Reporting was considered to be a material weakness for the year ended June 30, 2021.

FINANCIAL STATEMENT FINDINGS:

2021-001 – Financial Reporting

Condition and Criteria – The auditors were required to propose and have management post adjusting journal entries to the fund financial statements in order for the financial statements to conform with U.S. generally accepted accounting principles. Management is responsible for the preparation of financial statements in accordance with U.S. generally accepted accounting principles. (GAAP).

Effect – The financial statements provided by management are not presented entirely in accordance with U.S. generally accepted accounting principles.

Cause – The District did not have year-end procedures in place to ensure that delinquent property taxes and unearned revenues (prepaid student and staff meal accounts) were recorded at year-end.

Recommendation – The District should establish year-end procedures to record delinquent property tax receivable and unearned revenues (prepaid student and staff meal accounts).

Views of Responsible Officials – Historically, delinquent property taxes and unearned revenues (prepaid student and staff meal accounts) were immaterial, both quantitatively and qualitatively to the financial statements. During fiscal year June 30, 2020, the State of Iowa extended the due date for property taxes, causing a significant increase in the outstanding balance at June 30, 2020. Prepaid student and staff meal accounts significantly increased at June 30, 2020 because of the school closure in March of 2020 due to COVID-19.

Current Status – This finding no longer exists at June 30, 2022.

**SIOUX CITY COMMUNITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

MATERIAL WEAKNESSES:

No matters were noted.