

**Clinton Community School District
Clinton, Iowa**

Financial and Compliance Report
Year Ended June 30, 2024

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Clinton Community School District

**Board of Education and School District Administration
Year Ended June 30, 2024**

Board of Education

	Title	Term Expires
Mike House	President	2027
Andy Ferguson	Vice President	2025
Matt Lorenzen	Board Member	2027
Ann Reed	Board Member	2025
James McDonnell	Board Member	2027
Tarron Borgeson	Board Member	2025
Jennifer Austin	Board Member	2025

School Officials

Gary DeLacy	Superintendent
Cindy McAleer	District Secretary/Treasurer and CFO

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Independent Auditor's Report

To the Board of Education
Clinton Community School District
Clinton, Iowa

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Clinton Community School District, Iowa (the District) as of and for the year ended June 30, 2024, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Clinton Community School District, Iowa, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Clinton Community School District, Iowa 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.

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 Clinton Community School District, Iowa's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Clinton Community School District, Iowa'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 Clinton Community School District, Iowa'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, schedule of the district's proportionate share of the net pension liability and schedules of contributions for the Iowa Public Employee's Retirement System and schedule of changes in the District's total OPEB liability and related ratios, and budgetary comparison information, on pages 4–15 and 58-67 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 Clinton Community School District's basic financial statements. The supplementary information, as listed in the table of contents and the Schedule of Expenditures of Federal Awards as required by Title 2, *U.S Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes 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 supplementary information and Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The District's basic financial statements for the years ended June 30, 2019 through 2021, which are not presented herein, were audited by other auditors whose report thereon dated March 18, 2022 expressed unmodified opinions on the basic financial statements. Their report on the Schedule of Revenues by Source and Expenditures by Function for the years ended June 30, 2019 through 2021 stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements as a whole for the years ended June 30, 2019 through 2021 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, on our consideration of the Clinton Community School District, Iowa'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 Clinton Community School District, Iowa'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 Clinton Community School District, Iowa's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
February 24, 2025

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Clinton Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

Clinton Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2024. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2024 FINANCIAL HIGHLIGHTS

- The District's overall financial position has increased from the prior year. The District showed an increase in net position of \$5,654,267 during the year ended June 30, 2024.
- Total revenues for the fiscal year ended June 30, 2024 and 2023 of \$66,841,067 and \$66,112,146 were comprised of general revenues in the amount of \$48,446,140 and \$46,581,306 and program revenues totaling \$18,394,927 and \$19,530,840, respectively.
- The District's General Fund balance decreased by \$1,171,163, the unassigned fund balance decreased by \$1,397,424 and the nonspendable/restricted/assigned fund balance increased by \$226,261.
- In fiscal year 2024 the District issued \$10,000,000 in revenue bonds which was offset by paying \$4,293,602 in principal and paid interest on long term debt of \$2,124,316.

USING THIS ANNUAL REPORT

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

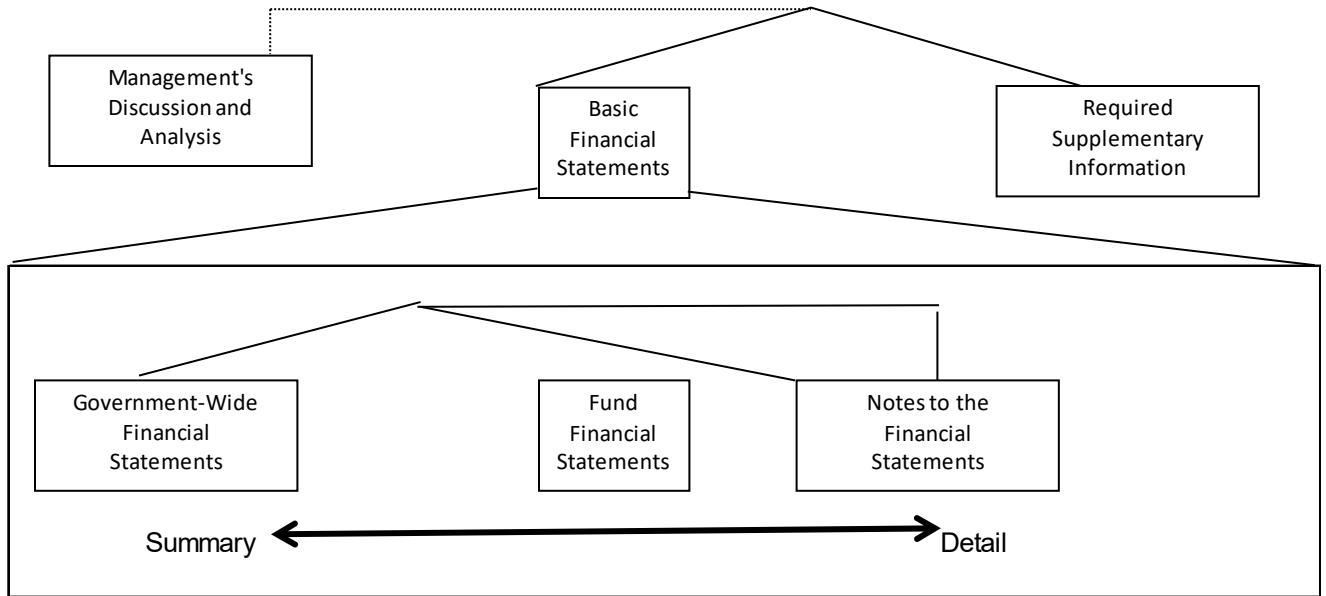
- Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a statement of net position and a statement of activities. These provide information about the activities of Clinton Community School District as a whole and present an overall view of the District's finances.
- The fund financial statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Clinton Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Clinton Community School District acts solely as an agent or custodian for the benefit of those outside of the School District.
- Notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year, as well as presenting the schedule of the District's total OPEB liability and related ratios, and the District's proportionate share of net pension liability and related pension contributions.
- Other supplementary information provides detailed information about the nonmajor funds.

Clinton Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2024**

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

Figure A-1
Clinton Community School District Annual Financial Report



Clinton Community School District

**Management’s Discussion and Analysis
Year Ended June 30, 2024**

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
Government-Wide Statements		Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and child care	Instances in which the District administers resources on behalf of someone else, such as scholarship programs, and student activities monies
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and deferred outflows of resources/ liability and deferred inflows of resources information	All assets, deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets, deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short - term and long-term.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Clinton Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-Wide Financial Statements

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

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

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, child care, and student construction programs are included here.

Fund Financial Statements

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

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

The District has three kinds of funds:

Governmental funds. Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial position that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information in the reconciliations following each of the governmental fund statements explains the relationship or differences between the two statements.

Clinton Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

The District's governmental funds include the General Fund, Capital Projects Fund, and Debt Service Fund and nonmajor funds including the special revenue funds of the Management Fund, Student Activity Fund, STEAM & Orchestra Fund and Student Scholarship 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 District-wide statements. The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has three enterprise funds, the School Nutrition Fund, Child Care Fund and the Student Construction Fund. The District uses internal service funds, the other kind of proprietary fund, to report activities that provide supplies and services for its other programs and activities. The District currently has one internal service fund, Self-funded Insurance Fund.

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

Fiduciary funds. The District is the trustee, or fiduciary, for the assets that belong to others. These funds include the custodial fund.

Custodial fund- These are funds for which the District accounts for revenues and expenditures of other various club accounts.

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

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

Clinton Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position – Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2024 compared to June 30, 2023.

Figure A-3 Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total District		Total
							Percentage
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	Change 2023-24
Current and other assets	\$ 64,077,526	\$ 64,241,130	\$ 2,239,112	\$ 2,130,241	\$ 66,316,638	\$ 66,371,371	-0.1%
Capital assets	119,382,623	108,206,111	329,224	278,228	119,711,847	108,484,339	10.3%
Total assets	183,460,149	172,447,241	2,568,336	2,408,469	186,028,485	174,855,710	6.4%
Deferred outflows of resources	7,690,307	6,210,423	173,154	130,761	7,863,461	6,341,184	24.0%
Long-term liabilities	90,809,478	82,827,092	429,959	396,047	91,239,437	83,223,139	9.6%
Other liabilities	9,768,761	9,871,325	75,792	85,460	9,844,553	9,956,785	-1.1%
Total liabilities	100,578,239	92,698,417	505,751	481,507	101,083,990	93,179,924	8.5%
Deferred inflows of resources	17,118,151	17,938,106	56,751	100,077	17,174,902	18,038,183	-4.8%
Net position:							
Net investment in capital assets	56,007,798	54,399,705	329,224	278,228	56,337,022	54,677,933	3.0%
Restricted	13,784,739	11,587,309	-	-	13,784,739	11,587,309	19.0%
Unrestricted	3,661,529	2,034,127	1,849,764	1,679,418	5,511,293	3,713,545	48.4%
Total net position	\$ 73,454,066	\$ 68,021,141	\$ 2,178,988	\$ 1,957,646	\$ 75,633,054	\$ 69,978,787	8.1%

The District's combined net position increased by 8.1 percent or \$5,654,267 from the prior year net position. The increase is primarily due to an increase in capital assets which were partially funded by grants and a net decrease in the net liabilities from the state pension.

The net investment in capital assets (e.g., land, construction in progress, infrastructure, buildings and equipment), less the related debt increased \$1,659,089 or 3.0 percent

Restricted net position represents resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$2,197,430 from the prior year. The increase is in school infrastructure for future capital projects.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased from \$3,713,545 to \$5,511,293.

Clinton Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

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

Figure A-4 Changes in Net Position From Operating Results

	Governmental Activities		Business-Type Activities		Total District		Total
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	Percentage Change
	2023-24						
Revenues:							
Program revenues:							
Charges for services	\$ 1,889,206	\$ 1,935,403	\$ 247,024	\$ 186,032	\$ 2,136,230	\$ 2,121,435	0.7%
Operating grants and contributions and restricted interest	13,499,602	14,435,639	2,500,393	2,525,046	15,999,995	16,960,685	-5.7%
Capital grants	258,702	448,720	-	-	258,702	448,720	-42.3%
General revenues:							
Property tax	12,014,854	12,556,546	-	-	12,014,854	12,556,546	-4.3%
Statewide sales, services and use tax	4,748,035	4,338,109	-	-	4,748,035	4,338,109	9.4%
Income surtax	1,612,413	1,617,335	-	-	1,612,413	1,617,335	-0.3%
Excise tax	1,139,112	901,253	-	-	1,139,112	901,253	26.4%
Revenue in lieu of taxes	434,860	5,892	-	-	434,860	5,892	7280.5%
Unrestricted state grants	26,271,574	25,233,585	-	-	26,271,574	25,233,585	4.1%
Unrestricted investment earnings	2,148,956	1,629,075	76,336	47,561	2,225,292	1,676,636	32.7%
Miscellaneous	-	251,950	-	-	-	251,950	-100.0%
Total revenues	64,017,314	63,353,507	2,823,753	2,758,639	66,841,067	66,112,146	1.1%
Program expenses:							
Governmental activities:							
Instruction	35,414,887	32,979,519	-	-	35,414,887	32,979,519	7.4%
Support services	19,644,106	18,460,464	148,651	104,665	19,792,757	18,565,129	6.6%
Noninstructional	5,419	5,153	2,301,660	2,123,950	2,307,079	2,129,103	8.4%
Other expenditures	3,672,077	4,408,247	-	-	3,672,077	4,408,247	-16.7%
Total expenses	58,736,489	55,853,383	2,450,311	2,228,615	61,186,800	58,081,998	5.3%
Excess of revenues over expenses before transfers	5,280,825	7,500,124	373,442	530,024	5,654,267	8,030,148	-29.6%
Transfers	152,100	120,404	(152,100)	(120,404)	-	-	0.0%
Change in net position	5,432,925	7,620,528	221,342	409,620	5,654,267	8,030,148	-29.6%
Beginning net position	68,021,141	60,400,613	1,957,646	1,548,026	69,978,787	61,948,639	13.0%
Ending net position	<u>\$ 73,454,066</u>	<u>\$ 68,021,141</u>	<u>\$ 2,178,988</u>	<u>\$ 1,957,646</u>	<u>\$ 75,633,054</u>	<u>\$ 69,978,787</u>	<u>8.1%</u>

Governmental activities:

Local tax, sales tax and unrestricted state grants account for 72.3 percent of the total governmental activities revenue. The District's expenses primarily relate to instructional and support services which account for 93.7 percent of the total governmental activities expenses.

The increase in total revenue is primarily due to the increase in investment earnings of \$519,881. Investment earnings increased due to higher interest rates.

Total expenses for governmental activities increased by \$2,883,106. The increase is primarily reflected in instruction due to an increase in payroll and benefits, instructional supplies, and ESSER related expenses.

Clinton Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

The following table presents the total and net cost of the District's major governmental activities: instruction, support services and other expenses:

Figure A-5 Net Cost of Governmental Activities

	Total Cost of Services		Percentage	Net Cost of Services		Percentage
			Change			Change
	June 30, 2024	June 30, 2023	2023-2024	June 30, 2024	June 30, 2023	2023-2024
Instruction	\$ 35,414,887	\$ 32,979,519	7.38%	\$ 22,650,633	\$ 19,766,824	14.6%
Support services	19,644,106	18,460,464	6.41%	18,593,147	16,672,490	11.5%
Noninstructional	5,419	5,153	5.16%	5,419	5,153	5.2%
Other expenses	3,672,077	4,408,247	-16.70%	1,839,780	2,589,154	-28.9%
Total	\$ 58,736,489	\$ 55,853,383	5.16%	\$ 43,088,979	\$ 39,033,621	10.4%

The cost financed by users of the District's programs for the year ended June 30, 2024 was \$1,889,206 compared to year ended June 30, 2023 of \$1,935,403.

Federal and state governments subsidized certain programs with grants and contributions totaling \$13,758,304 for the year ended June 30, 2024 compared to year ended June 30, 2023 of \$14,884,359.

The net cost of governmental activities was financed respectively for the year ended June 30, 2024 with \$12,014,854 in property tax, \$4,748,035 in statewide sales services and use tax, \$1,612,413 in income surtax, \$1,139,112 in excise tax, \$434,860 revenue in lieu of taxes, \$26,271,574 unrestricted state grants, and \$2,148,956 unrestricted investment earnings.

Business-Type Activities

Revenues of the District's business-type activities were \$2,823,753 and expenses were \$2,450,311. The District's business-type activities include the nonmajor funds of the School Nutrition Fund, the Child Care Fund, and Student Construction Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, and investment income.

Business-type activities revenues increased due to improved investment earnings, increases in the charge for services in school nutrition and child care funds, and the sale of a student-built home.

Business-type activities expenses increased due to increases in payroll and benefits, and service costs.

Clinton Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$33,174,674; a decrease of \$386,287 from last year's ending fund balances of \$33,560,961. The decrease is primarily due to increased instruction costs of \$1,125,716 in the General Fund offset by an increase in General Fund revenue of \$970,671.

Governmental Fund Highlights

The District's General Fund financial position decreased by \$1,171,163 primarily due to transfers out of COVID-19 ESSER funding for capital projects. The District's General Fund revenues of \$52,922,821 reflect a \$970,671 increase from prior year revenue of \$51,952,150. The increase is primarily due to an increase in state funding and federal funding. Expenditures reflected an increase from \$50,978,977 in 2023 to \$52,839,334 in 2024. The increase in expenditures is primarily due to general wage increases and the spending down of ESSER related funds.

The General Fund fund balance decreased from \$11,898,517 to \$10,727,354. The District transferred \$1,682,121 from the General Fund primarily for capital projects expenditures.

The Capital Projects Fund fund balance increased from \$18,661,900 in fiscal year 2023 to \$19,080,523 in fiscal year 2024. The District expended \$13,521,158 for facilities purchases and improvements in 2024 compared to \$24,806,307 in 2023. The Capital Projects Fund issued \$10,000,000 in revenue bonds. In addition, the Capital Projects Fund transferred \$3,666,329 to the Debt Service Fund for payment of principal and interest on the District's revenue bonds.

The Debt Service Fund fund balance increased from \$503,976 in 2023 to \$680,740 in 2024. The increase is from tax revenues and transfers in exceeding the required principal and interest expenditures based on the approved surplus levy.

Proprietary Fund Highlights

Enterprise funds net position increased from \$1,957,646 in 2023 to \$2,178,988 in 2024. The School Nutrition Fund net position increased from \$1,615,474 in 2023 to \$1,767,812 in fiscal 2024. This is primarily due to fairly consistent federal funding of the school nutrition program and an increase in investment earnings. The Student Construction Fund net position increased from \$342,172 to \$353,829 due to a sale of a student-built home. The new Child Care Fund had a net position of \$57,347.

Clinton Community School District

Management's Discussion and Analysis Year Ended June 30, 2024

BUDGETARY HIGHLIGHTS

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

The District had one budget amendment on April 22, 2024, which increased overall expenditures by \$500,000.

The District's total actual revenues were \$250,423 less than the total budgeted revenues due to receiving less in federal sources, a variance of 0.4%.

Total expenditures were less than budgeted by \$11,252,251, primarily in the other expenditures function which related primarily to timing of capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the District had invested \$119,711,847 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. See Figure A-6. This amount represents a net increase of \$11,227,508 from last year. More detailed information about capital assets is available in Note 5 for the financial statements. Depreciation expense for the year was \$3,645,023.

The original cost of the District's capital assets was \$156,387,087. Governmental funds account for \$155,247,293 with the remainder of \$1,139,794 the proprietary school nutrition fund.

Figure A-6 Capital Assets (Net of Depreciation)

	Governmental Activities						Business-Type Activities		Total District		Total		
	June 30, 2024		June 30, 2023		June 30, 2024		June 30, 2023		June 30, 2024		June 30, 2023		
											Change		
										Percentage			
										2023-24			
Land and construction in progress	\$	15,684,737	\$	4,974,941	\$	-	\$	-	\$	15,684,737	\$	4,974,941	215.3%
Land improvements		9,072,334		9,209,527		-		-		9,072,334		9,209,527	-1.5%
Buildings		91,832,456		91,615,023		-		-		91,832,456		91,615,023	0.2%
Machinery and equipment		2,418,470		2,034,725		329,224		278,228		2,747,694		2,312,953	18.8%
Intangible right to use lease equipment		75,115		60,402		-		-		75,115		60,402	24.4%
Intangible right to use lease building		-		112,108		-		-		-		112,108	-100.0%
Intangible right to use IT subscription		299,511		199,385		-		-		299,511		199,385	50.2%
Total	\$	119,382,623	\$	108,206,111	\$	329,224	\$	278,228	\$	119,711,847	\$	108,484,339	10.3%

Clinton Community School District

**Management’s Discussion and Analysis
Year Ended June 30, 2024**

Long-Term Debt

As of June 30, 2024, the District had \$74,694,226 in long-term obligations outstanding. See Figure A-7.

Figure A-7 Outstanding Long-Term Obligations

	Restated		Business-Type Activities		Total District		Total
	Governmental Activities						Percentage
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	Change 2023-24
General obligation bonds	\$ 33,496,628	\$ 35,189,230	\$ -	\$ -	\$ 33,496,628	\$ 35,189,230	-4.8%
Revenue bonds	40,837,007	32,854,651	-	-	40,837,007	32,854,651	24.3%
Lease obligation	77,214	174,128	-	-	77,214	174,128	-55.7%
IT subscription obligation	283,377	168,355	-	-	283,377	168,355	68.3%
Total	\$ 74,694,226	\$ 68,386,364	\$ -	\$ -	\$ 74,694,226	\$ 68,386,364	9.2%

The District issued \$10,000,000 in revenue bonds during the fiscal year and paid \$4,293,602 in principal on long-term debt.

More detailed information about the District’s long-term liabilities is available in Note 6 to the financial statements.

ECONOMIC FACTORS BEARING ON THE DISTRICT’S FUTURE

The economic condition and outlook of the District have remained consistent. Certified enrollment in 2024 dropped from 3604.2 to 3558.4. The District’s taxable valuation has increased by 10% over the last 5 years. The Iowa Legislature set the funding growth rate for 2024-2025 at 2.5% and funding growth rate for 2025-2026 at 2-2.25%.

A decrease in state revenue with the reduction of state income tax could have an effect statewide on future funding for public and private schools. Funding at the state level continues to be a focal point for educators. Inflation has increased since the onset of the Covid-19 Pandemic. Finding and retaining qualified certified and classified staff continue to be a challenge and trying to compete wage wise with private industry.

Clinton Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2024**

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 Cindy McAleer, District Secretary/Treasurer and Business Manager, Clinton Community School District, 1401 12th Avenue North, Clinton, Iowa 52732.

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Clinton Community School District

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 40,218,800	\$ 2,002,584	\$ 42,221,384
Restricted cash equivalents	3,666,139	-	3,666,139
Receivables:			
Property tax:			
Delinquent	129,820	-	129,820
Succeeding year	15,035,115	-	15,035,115
Income surtax	624,202	-	624,202
Accounts	790,837	4,590	795,427
Due from other governments	3,443,311	25,957	3,469,268
Inventories	17,202	46,484	63,686
Assets held for resale	-	311,597	311,597
Internal balances	152,100	(152,100)	-
Capital assets:			
Capital assets not being depreciated:			
Land and construction in progress	15,684,737	-	15,684,737
Capital assets being depreciated, net of accumulated depreciation:			
Buildings	91,832,456	-	91,832,456
Land improvements	9,072,334	-	9,072,334
Machinery and equipment	2,418,470	329,224	2,747,694
Intangible right to use lease equipment	75,115	-	75,115
Intangible right to use IT subscription	299,511	-	299,511
Total capital assets	119,382,623	329,224	119,711,847
Total assets	183,460,149	2,568,336	186,028,485
Deferred Outflows of Resources:			
Deferred outflows from advance refunding	1,204,000	-	1,204,000
OPEB related deferred outflows	1,136,539	27,808	1,164,347
Pension related deferred outflows	5,349,768	145,346	5,495,114
Total deferred outflows of resources	7,690,307	173,154	7,863,461

See Notes to Basic Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	3,531,304	31,727	3,563,031
Salaries and benefits payable	4,924,433	16,736	4,941,169
Retainage payable	1,066,646	-	1,066,646
Accrued interest	246,378	-	246,378
Unearned revenue	-	27,329	27,329
Noncurrent liabilities:			
Portion due within one year:			
Compensated absences	251,215	5,553	256,768
General obligation bonds	1,705,000	-	1,705,000
Revenue bonds	2,160,000	-	2,160,000
Lease obligation	23,354	-	23,354
IT subscription obligation	145,103	-	145,103
Total OPEB liability	168,311	4,573	172,884
Portion due after one year:			
General obligation bonds	31,791,628	-	31,791,628
Revenue bonds	38,677,007	-	38,677,007
Lease obligation	53,860	-	53,860
IT subscription obligation	138,274	-	138,274
Total OPEB liability	1,484,839	33,743	1,518,582
Net pension liability	14,210,887	386,090	14,596,977
Total liabilities	100,578,239	505,751	101,083,990
Deferred inflows of resources, deferred revenue:			
Succeeding year property tax	15,035,115	-	15,035,115
OPEB related deferred inflows	1,410,119	38,469	1,448,588
Pension related deferred inflows	672,917	18,282	691,199
Total deferred inflows of resources	17,118,151	56,751	17,174,902
Net Position:			
Net investment in capital assets	56,007,798	329,224	56,337,022
Restricted for:			
Categorical funding	1,098,239	-	1,098,239
Debt service	930,112	-	930,112
School infrastructure	7,026,266	-	7,026,266
Management levy	1,073,262	-	1,073,262
Physical plant and equipment levy	1,689,484	-	1,689,484
Donor purposes	1,967,376	-	1,967,376
Unrestricted	3,661,529	1,849,764	5,511,293
Total net position	\$ 73,454,066	\$ 2,178,988	\$ 75,633,054

Clinton Community School District

Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses
Governmental activities:	
Instruction:	
Regular	\$ 22,185,838
Special	11,492,730
Other	1,736,319
	<u>35,414,887</u>
Support services:	
Student	2,724,066
Instructional staff	1,107,939
Administration	5,635,922
Operation of plant	8,038,547
Transportation	2,137,632
	<u>19,644,106</u>
Noninstructional programs	<u>5,419</u>
Other:	
AEA flowthrough	1,832,297
Interest	1,839,780
	<u>3,672,077</u>
Total governmental activities	<u>58,736,489</u>
Business-type activities:	
Support services:	
Administration	93,489
Operation and maintenance of plant	55,162
	<u>148,651</u>
Noninstructional programs	
Food service operations	2,301,660
Total business-type activities	<u>2,450,311</u>
Total	<u>\$ 61,186,800</u>
General revenues and transfers:	
General revenues:	
Property tax levied for:	
General purposes	
Capital outlay	
Debt service	
Other	
Income surtax	
Excise tax	
Statewide sales and services tax	
Revenue in lieu of taxes	
Unrestricted state grants	
Unrestricted investment earnings	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position, beginning of year	
Net position, end of year	

See Notes to Basic Financial Statements.

Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$ 1,133,684	\$ 10,641,245	\$ 258,702	\$ (10,152,207)	\$ -	\$ (10,152,207)
285,999	-	-	(11,206,731)	-	(11,206,731)
444,624	-	-	(1,291,695)	-	(1,291,695)
1,864,307	10,641,245	258,702	(22,650,633)	-	(22,650,633)
3,135	744,936	-	(1,975,995)	-	(1,975,995)
3,026	212,380	-	(892,533)	-	(892,533)
470	-	-	(5,635,452)	-	(5,635,452)
8,718	-	-	(8,029,829)	-	(8,029,829)
9,550	68,744	-	(2,059,338)	-	(2,059,338)
24,899	1,026,060	-	(18,593,147)	-	(18,593,147)
-	-	-	(5,419)	-	(5,419)
-	1,832,297	-	-	-	-
-	-	-	(1,839,780)	-	(1,839,780)
-	1,832,297	-	(1,839,780)	-	(1,839,780)
1,889,206	13,499,602	258,702	(43,088,979)	-	(43,088,979)
-	-	-	-	(93,489)	(93,489)
-	-	-	-	(55,162)	(55,162)
-	-	-	-	(148,651)	(148,651)
247,024	2,500,393	-	-	445,757	445,757
247,024	2,500,393	-	-	297,106	297,106
\$ 2,136,230	\$ 15,999,995	\$ 258,702	(43,088,979)	297,106	(42,791,873)
			7,915,672	-	7,915,672
			908,866	-	908,866
			2,291,265	-	2,291,265
			899,051	-	899,051
			1,612,413	-	1,612,413
			1,139,112	-	1,139,112
			4,748,035	-	4,748,035
			434,860	-	434,860
			26,271,574	-	26,271,574
			2,148,956	76,336	2,225,292
			152,100	(152,100)	-
			48,521,904	(75,764)	48,446,140
			5,432,925	221,342	5,654,267
			68,021,141	1,957,646	69,978,787
			\$ 73,454,066	\$ 2,178,988	\$ 75,633,054

Clinton Community School District

Balance Sheet
Governmental Funds
June 30, 2024

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Assets					
Cash and pooled investments	\$ 14,279,212	\$ 17,867,227	\$ 190,106	\$ 3,089,831	\$ 35,426,376
Restricted cash and investments	-	3,196,139	470,000	-	3,666,139
Receivables:					
Property tax:					
Delinquent	89,069	9,069	22,634	9,048	129,820
Succeeding year	10,034,734	1,071,675	2,678,706	1,250,000	15,035,115
Income surtax	624,202	-	-	-	624,202
Accounts	29,698	-	-	-	29,698
Due from other funds	919,179	-	-	-	919,179
Due from other governments	2,998,928	439,853	-	4,530	3,443,311
Inventories	17,202	-	-	-	17,202
Total assets	\$ 28,992,224	\$ 22,583,963	\$ 3,361,446	\$ 4,353,409	\$ 59,291,042
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable	\$ 2,448,619	\$ 959,025	\$ 2,000	\$ 56,367	\$ 3,466,011
Salaries and benefits payable	4,924,433	-	-	-	4,924,433
Retainage payable	-	1,066,646	-	-	1,066,646
Due to other funds	-	406,094	-	360,985	767,079
Total liabilities	7,373,052	2,431,765	2,000	417,352	10,224,169
Deferred inflows of resources, unavailable revenue:					
Succeeding year property tax	10,034,734	1,071,675	2,678,706	1,250,000	15,035,115
Income surtax	624,202	-	-	-	624,202
Grants	232,882	-	-	-	232,882
Total deferred inflows of resources	10,891,818	1,071,675	2,678,706	1,250,000	15,892,199
Fund balances:					
Nonspendable:					
Inventories	17,202	-	-	-	17,202
Corpus	-	-	-	33,500	33,500
Restricted for:					
Categorical funding	1,098,239	-	-	-	1,098,239
Debt service	-	3,196,139	680,740	-	3,876,879
Management levy purposes	-	-	-	1,073,262	1,073,262
School infrastructure	-	14,399,562	-	-	14,399,562
Physical plant and equipment	-	1,484,822	-	-	1,484,822
Donor purposes	-	-	-	1,933,876	1,933,876
Unassigned	9,611,913	-	-	(354,581)	9,257,332
Total fund balances	10,727,354	19,080,523	680,740	2,686,057	33,174,674
Total liabilities, deferred inflows of resources, and fund balances	\$ 28,992,224	\$ 22,583,963	\$ 3,361,446	\$ 4,353,409	\$ 59,291,042

See Notes to Basic Financial Statements.

Clinton Community School District

Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities June 30, 2024

Total fund balances of governmental funds	\$ 33,174,674
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	119,382,623
The Internal Service Fund is used to charge costs of the District's self-funded insurance plan to the governmental funds. The net position of the Internal Service Fund is therefore included under governmental activities.	5,488,270
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	857,084
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:	
OPEB related deferred outflows of resources	1,136,539
OPEB related deferred inflows of resources	(1,410,119)
Pension related deferred outflows of resources	5,349,768
Pension related deferred inflows of resources	(672,917)
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
General obligation bonds, current	(1,705,000)
General obligation bonds, noncurrent	(30,710,000)
Premium on general obligation bonds	(1,081,628)
Revenue bonds, current	(2,160,000)
Revenue bonds, noncurrent	(38,190,000)
Premium on revenue bonds	(487,007)
Accrued interest	(246,378)
Deferral on refunding	1,204,000
Lease obligation, current	(23,354)
Lease obligation, noncurrent	(53,860)
IT subscription obligation, current	(145,103)
IT subscription obligation, noncurrent	(138,274)
Compensated absences	(251,215)
Total OPEB liability	(1,653,150)
Net pension liability	(14,210,887)
Net position of governmental activities	\$ 73,454,066

See Notes to Basic Financial Statements.

Clinton Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2024

	General	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total
Revenues:					
Local sources:					
Property tax	\$ 7,915,672	\$ 908,866	\$ 2,291,265	\$ 899,051	\$ 12,014,854
Income surtax	1,586,137	-	-	-	1,586,137
Excise tax	796,941	81,196	179,729	81,246	1,139,112
Tuition	747,057	-	-	-	747,057
Other	1,527,676	1,145,690	80,861	554,310	3,308,537
State appropriations	33,553,052	4,778,424	-	30,403	38,361,879
Federal appropriations	6,796,286	-	-	-	6,796,286
Total revenues	52,922,821	6,914,176	2,551,855	1,565,010	63,953,862
Expenditures:					
Current:					
Instruction:					
Regular	21,709,931	464,636	-	267,717	22,442,284
Special	11,492,730	-	-	-	11,492,730
Other	1,328,694	-	-	407,625	1,736,319
	34,531,355	464,636	-	675,342	35,671,333
Support services:					
Student	2,804,651	3,800	-	2,989	2,811,440
Instructional staff	1,144,276	-	-	-	1,144,276
Administration	5,502,022	160,838	-	127,639	5,790,499
Operation and maintenance of plant	5,432,674	102,925	-	499,239	6,034,838
Transportation	1,589,629	288,605	-	93,457	1,971,691
	16,473,252	556,168	-	723,324	17,752,744
Noninstructional programs	2,430	-	-	2,989	5,419
Other expenditures:					
Capital outlay facilities acquisition	-	13,521,158	-	-	13,521,158
Current, AEA flowthrough	1,832,297	-	-	-	1,832,297
Debt service:					
Principal	-	-	4,293,602	-	4,293,602
Interest and fiscal fees	-	186,650	1,937,666	-	2,124,316
	1,832,297	13,707,808	6,231,268	-	21,771,373
Total expenditures	52,839,334	14,728,612	6,231,268	1,401,655	75,200,869
Excess (deficiency) of revenues over (under) expenditures	83,487	(7,814,436)	(3,679,413)	163,355	(11,247,007)
Other financing sources (uses):					
Proceeds from sale of capital assets	8,726	-	-	-	8,726
Issuance of long term debt	-	10,000,000	-	-	10,000,000
Premium on issuance of long term debt	-	383,184	-	-	383,184
Issuance of IT subscription	266,645	-	-	-	266,645
Issuance of lease	-	50,065	-	-	50,065
Transfers in	152,100	1,466,139	3,856,177	26,134	5,500,550
Transfers (out)	(1,682,121)	(3,666,329)	-	-	(5,348,450)
Total other financing sources (uses)	(1,254,650)	8,233,059	3,856,177	26,134	10,860,720
Net change in fund balances	(1,171,163)	418,623	176,764	189,489	(386,287)
Fund balances, beginning of year	11,898,517	18,661,900	503,976	2,496,568	33,560,961
Fund balances, end of year	\$ 10,727,354	\$ 19,080,523	\$ 680,740	\$ 2,686,057	\$ 33,174,674

See Notes to Basic Financial Statements.

Clinton Community School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities
Year Ended June 30, 2024**

Net change in fund balances - total governmental funds \$ (386,287)

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, those costs are reported in the statement of net position and are allocated over their estimated useful lives as depreciation expense in the statement of activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlay	\$ 14,884,837	
Depreciation expense	<u>(3,590,040)</u>	11,294,797
Proceeds from sale of capital assets	(8,726)	
Loss on sale of capital assets	<u>(109,559)</u>	(118,285)

The decrease in net position of the Internal Service Fund represents an undercharge to the governmental funds and is incorporated into the change in net position of governmental activities. (569,862)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, change in unavailable revenues:

Income surtax	26,276	
Grants	<u>(204,094)</u>	(177,818)

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. The issuance of long-term debt increases liabilities in the statement of net position, while the repayment of long-term debt reduces long-term liabilities. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

Payment of principal on debt	4,293,602	
Amortization of premium on issuance	98,430	
Amortization of deferred outflows from advanced refunding	(200,667)	
Interest expense	386,773	
Issuance of long term debt	(10,000,000)	
Premium on issuance of long term debt	(383,184)	
Issuance of lease obligation	(50,065)	
Issuance of IT subscription obligations	<u>(266,645)</u>	(6,121,756)

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

Compensated absences		(33,514)
Total OPEB liability		(84,222)
Pension expense		<u>1,629,872</u>

Change in net position of governmental activities \$ 5,432,925

See Notes to Basic Financial Statements.

Clinton Community School District

Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities, Enterprise Funds <u>Nonmajor</u>	Governmental Activities, Internal Service Fund <u>Service Fund</u>
Assets		
Current assets:		
Cash and pooled investments	\$ 2,002,584	\$ 4,792,424
Accounts receivable	4,590	761,139
Due from other governments	25,957	-
Inventories	46,484	-
Assets held for resale	311,597	-
Total current assets	<u>2,391,212</u>	<u>5,553,563</u>
Noncurrent assets:		
Capital assets being depreciated, net of accumulated depreciation:		
Machinery and equipment	329,224	-
Total noncurrent assets	<u>329,224</u>	<u>-</u>
Total assets	<u>2,720,436</u>	<u>5,553,563</u>
Deferred Outflows of Resources:		
OPEB related deferred outflows	27,808	-
Pension related deferred outflows	145,346	-
Total deferred outflows of resources	<u>173,154</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	31,727	65,293
Salaries and benefits payable	16,736	-
Due to other funds	152,100	-
Compensated absences	5,553	-
Unearned revenue	27,329	-
Total OPEB liability	4,573	-
Total current liabilities	<u>238,018</u>	<u>65,293</u>
Noncurrent liabilities:		
Total OPEB liability	33,743	-
Net pension liability	386,090	-
Total noncurrent liabilities	<u>419,833</u>	<u>-</u>
Total liabilities	<u>657,851</u>	<u>65,293</u>
Deferred Inflows of Resources:		
OPEB related deferred inflows	38,469	-
Pension related deferred inflows	18,282	-
Total deferred inflows of resources	<u>56,751</u>	<u>-</u>
Net Position		
Investment in capital assets	329,224	-
Unrestricted	1,849,764	5,488,270
Total net position	<u>\$ 2,178,988</u>	<u>\$ 5,488,270</u>

See Notes to Basic Financial Statements.

Clinton Community School District

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2024

	Business-Type Activities, Enterprise Funds <u>Nonmajor</u>	Governmental Activities, Internal Service Fund <u>Service Fund</u>
Operating revenues:		
Local sources:		
Charges for service	\$ 233,771	\$ 6,535,698
Miscellaneous	13,253	1,233
Total operating revenues	<u>247,024</u>	<u>6,536,931</u>
Operating expenses:		
Support services:		
Administration	93,489	7,348,063
Operation and maintenance of plant	55,162	-
Total support services	<u>148,651</u>	<u>7,348,063</u>
Noninstructional programs:		
Salaries	820,857	-
Benefits	167,624	-
Services	48,193	-
Supplies	1,196,846	-
Other	7,061	-
Depreciation	54,983	-
Total non-instructional programs	<u>2,295,564</u>	<u>-</u>
Total operating expenses	<u>2,444,215</u>	<u>7,348,063</u>
Operating (loss)	<u>(2,197,191)</u>	<u>(811,132)</u>
Nonoperating revenues (expenses):		
State sources	16,610	-
Federal sources	2,483,783	-
Interest on investments	76,336	241,270
Loss on sale of capital asset	(6,096)	-
Total nonoperating revenues (expenses)	<u>2,570,633</u>	<u>241,270</u>
Income (loss) before transfers	<u>373,442</u>	<u>(569,862)</u>
Transfers (out)	(152,100)	-
Change in net position	<u>221,342</u>	<u>(569,862)</u>
Net position, beginning of year	1,957,646	6,058,132
Net position, end of year	<u>\$ 2,178,988</u>	<u>\$ 5,488,270</u>

See Notes to Basic Financial Statements.

Clinton Community School District

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2024

	Business-Type Activities, Enterprise Funds <u>Nonmajor</u>	Governmental Activities, Internal Service Fund <u>Service Fund</u>
Cash flows from operating activities:		
Cash received from:		
Charges for services	\$ 229,849	\$ 6,283,589
Miscellaneous services	8,836	1,233
Proceeds from sale of student built house	277,562	-
Cash payments to:		
Employees for services	(1,035,582)	-
Supplies for goods and services	(1,518,982)	(7,348,931)
Net cash (used in) operating activities	<u>(2,038,317)</u>	<u>(1,064,109)</u>
Cash flows from noncapital financing activities:		
Payments on Interfund loans	(38,220)	-
Transfers to other funds	(152,100)	-
State grants received	16,610	-
Federal grants received	2,317,345	-
Net cash provided by noncapital financing activities	<u>2,143,635</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(112,075)	-
Net cash (used in) capital and related financing activities	<u>(112,075)</u>	<u>-</u>
Cash flows from investing activities,		
interest on investments	76,336	241,270
Net increase (decrease) in cash and cash equivalents	69,579	(822,839)
Cash and cash equivalents:		
Beginning of year	1,933,005	5,615,263
End of year	<u>\$ 2,002,584</u>	<u>\$ 4,792,424</u>

(Continued)

Clinton Community School District

Statement of Cash Flows (Continued)

Proprietary Funds

Year Ended June 30, 2024

	Business-Type Activities, Enterprise Funds <u>Nonmajor</u>	Governmental Activities, Internal Service Fund <u>Service Fund</u>
Reconciliation of operating (loss) to net cash (used in) operating activities:		
Operating (loss)	\$ (2,197,191)	\$ (811,132)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Commodities consumed	160,540	-
Depreciation	54,983	-
(Increase) decrease in:		
Inventories	4,813	-
Accounts receivable	(1,145)	(252,109)
Assets held for resale	1,158	-
Increase (decrease) in:		
Accounts payable	(18,658)	(868)
Salaries and benefits payable	11,767	-
Total OPEB benefits	2,289	-
Net pension liability	(54,892)	-
Unearned revenue	(2,777)	-
Compensated absences payable	796	-
Net cash (used in) operating activities	\$ (2,038,317)	\$ (1,064,109)
Noncash investing, capital and financing activities:		
Federal commodities	\$ 160,540	\$ -

See Notes to Basic Financial Statements.

Clinton Community School District

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	<u>Custodial Fund</u>
Assets	
Cash and pooled investments	<u>\$ 849</u>
Liabilities	
Accounts payable	<u>-</u>
Net position	
Restricted for organizations	<u><u>\$ 849</u></u>

See Notes to Basic Financial Statements.

Clinton Community School District

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2024

	<u>Custodial Fund</u>
Additions	
Donations	\$ 37
Total additions	<u>37</u>
Deductions	
Program supplies	<u>365</u>
Total deductions	<u>365</u>
Change in net position	(328)
Net position (deficit), beginning of year	1,177
Net position, end of year	<u><u>\$ 849</u></u>

See Notes to Basic Financial Statements.

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Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 1. Significant Accounting Policies

Reporting entity:

The Clinton Community School District is a political subdivision of the State of Iowa and provides elementary and secondary education to the citizens within the District. The District encompasses an area of approximately 18 square miles of the City of Clinton's 34.75 square miles. Within the District are six schools, including four elementary schools for grades kindergarten to five, one middle school for grades six to eight, and one high school for grades nine to twelve. Financial accountability of the District's operations is vested with the independently elected Board of Education. Management of the District is appointed by and is accountable to the Board of Education. The District is an independent reporting entity, unaffiliated with the City of Clinton or other local government jurisdictions.

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

For financial reporting purposes, Clinton Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. The Clinton Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly governed organizations: The District participates in a jointly governed organization that provides services to the District but 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 City's Conference Board.

Basis of presentation:

Government-wide financial statements: The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from the statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the District's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

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

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

Unrestricted net position: Consist of net position that does not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management, but can be removed or modified.

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 1. Significant Accounting Policies (Continued)

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

Fund financial statements: Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The District reports the following major governmental funds:

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

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

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Revenue of the fund primarily consists of property taxes.

The District reports the following nonmajor governmental funds:

The Management Fund, a special revenue fund, is utilized to account for the payment of property insurance as well as early retirement incentives.

The Student Activity Fund, a special revenue fund, is utilized to account for the various student run organizations and athletic accounts of the District.

The STEAM & Orchestra special revenue fund is utilized to account for local donations for STEAM and orchestra activities.

The Student Scholarship Fund special revenue fund is for assets controlled and administered by the District from donors (voluntary nonexchange transactions) for scholarship awards.

The District's proprietary funds are the Enterprise Funds and the Internal Service Fund.

The District reports the following nonmajor enterprise funds:

The School Nutrition Fund is a nonmajor fund used to account for the food service operations of the District.

The Child Care Fund is a nonmajor fund used to account for the child care operations of the District.

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 1. Significant Accounting Policies (Continued)

The Student Construction fund is a nonmajor fund used to account for the student construction operations of the District.

The Internal Service Fund is used to account for the self-funded health insurance plan of the District. The Internal Service Fund is charged back to the governmental funds and shown combined in the statement of net position and statement of activities. This chargeback is based on a percentage of total employees by the participants' various functional areas.

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

The Custodial Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. Specifically, these are funds for which the District accounts for revenue collected for faculty accounts such as purchase of pop and related expenditures, and for funds collected for other various special group accounts.

Measurement focus and basis of accounting:

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

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

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 1. Significant Accounting Policies (Continued)

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

Assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund equity:

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

Cash, pooled investments and cash equivalents:

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

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

Property taxes:

Property taxes receivable is recognized in the funds on the levy date that the tax asking is certified by the Board of Education to the County Board of Supervisors. Current year delinquent property taxes receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the 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 tax receivable has been recorded, the related revenue is recorded as a deferred inflow and will not be recorded as revenue until the year for which it is levied.

Property tax revenue recognized in these funds became 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, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2023.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 1. Significant Accounting Policies (Continued)

Due from other governments:

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

Inventories:

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

Capital assets:

Capital assets, which include property, machinery and equipment and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. Capital assets are recorded at historical cost except for intangible right-to-use lease assets, and IT subscriptions, the measurement of which is discussed in the ensuing lease policy. Donated capital assets are recorded at estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Assets	Amount
Land	\$ 1
Buildings	5,000
Land improvements	5,000
Machinery and equipment	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

Land is not depreciated. Buildings, land improvements, machinery and equipment and intangibles are depreciated/amortized using the straight-line method of depreciation over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20-50 years
Machinery and equipment	5-15 years

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 1. Significant Accounting Policies (Continued)

Salaries and benefits payable:

Payroll and related payroll taxes and benefits for teachers with annual contracts corresponding to the school year, but which have balances payable in July and August 2024, have been accrued as a liability as it is applicable to the fiscal year ended June 30, 2024.

Compensated absences:

District employees accumulate a limited amount of earned but unused vacation benefits payable to employees that are generally liquidated within one year as employees are only allowed to carry over five days which must be used in the next fiscal year. Vacation pay is payable to employees upon retirement or termination. Sick leave does not vest. Compensated absences are reported in governmental funds only if they have matured. The cost of vacation payments expected to be liquidated currently is recorded as a long-term liability on the statement of net position and will be paid in the future primarily from the General Fund. The compensated absences liability has been computed based on rates of pay in effect as of June 30, 2024. The full balance is due within a year.

Leases:

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the governmental activities of the government-wide financial statements.

At the commencement of a 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 to place the asset in service. Subsequently, the lease asset is amortized on a straight-line basis over the life of the lease.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) 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 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.

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 1. Significant Accounting Policies (Continued)

Subscription-Based Information Technology Arrangements (SBITA):

The District has entered into contracts that convey control of the right to use information technology software. The District has recognized IT subscription liabilities and intangible right-to-use IT subscription assets in the government-wide financial statements.

At the commencement of the IT subscription term, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for payments made at or before the commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

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

The District uses the interest rate charged by the IT subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. Payments included in the measurement of the liability are composed of fixed payments.

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

Right-to-use IT subscription assets are reported with other capital assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

Pensions:

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

Total OPEB liability:

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

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 1. Significant Accounting Policies (Continued)

Fund balances:

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

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

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

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the Board of Education through resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The authority to assign fund balances has been delegated to the Director of Business Affairs by the Board of Education.

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

The District's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less restrictive classifications – committed, assigned and then unassigned fund balances.

Deferred outflows/inflows of resources:

In addition to assets, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The District has pension and other post-employment benefit related deferred outflows from unrecognized items not yet charged to pension expense and other post-employment benefit expense, and deferrals on debt refunding.

In addition to liabilities, the balance sheet and/or statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports unavailable revenue in the governmental funds balance sheet from the statewide sales and services tax, property tax, grants, and income surtax. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. In the District's government-wide statements, only the succeeding year property tax revenues remain as a deferred inflow of resources under the full accrual basis of accounting and will become an inflow in the year for which levied. The District also reports pension and other post-employment benefit related deferred inflows in the government-wide statements and the proprietary fund statements.

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 1. Significant Accounting Policies (Continued)

Net Position:

In the government-wide statement of net position and the proprietary funds, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. As of June 30, 2024, the District had unspent bond proceeds of \$12,139,202. Net position is reported as restricted when there are limitations imposed on their use through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted through enabling legislation consists of \$1,098,239 for categorical funding, \$930,112 for debt service, \$7,026,266 for school infrastructure, \$1,073,262 for management levy and \$1,689,484 for physical plant and equipment levy. The remaining restricted net position is \$1,967,376 for donor restrictions.

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Interfund transactions:

Transactions among District funds would be treated as revenues and expenditures or expenses if they involved organizations external to the District and are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expected, are separately reported in the respective fund's operating statements.

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding are reported in the government-wide financial statements as "internal balances".

Estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 1. Significant Accounting Policies (Continued)

Unearned revenue:

Proprietary funds defer revenue recognition in connection with resources that have been received but not earned. Unearned revenue in the governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue consists primarily of grant advances, school registration fees, and meal deposits collected for the programs and services in the next school year.

Note 2. Budgets and Budgetary Accounting

In accordance with the Code of Iowa, the District's Board of Education annually adopts a single district-wide budget and approves the related appropriations following required public notice and hearing for all funds. The budgets and related appropriations as well as the financial statements are prepared on the modified accrual basis or accrual basis of accounting. The budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functional areas, not by fund. These four functional areas are instruction, support services, noninstructional programs and other expenditures. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula. The District amended the original budget by \$500,000 for increased costs in support services.

The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

- In accordance with the Code of Iowa, prior to March 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expense and the means of financing them for the upcoming year, along with estimates for the current and actual data for the preceding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at the functional area level.
- Public hearings are required to be conducted to obtain taxpayer comment.
- Prior to April 15, the budget is legally enacted through certification from the County Auditor.
- Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional area must be approved by the Board of Education.
- The Board of Education may amend the budget during the year by holding public hearings and certifying the amendment with the County Auditor.
- Appropriations lapse at the end of each fiscal year.
- The budget cannot be amended without the approval of the Board of Education.

Note 3. Deposits and Pooled Investments

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities, certificates of deposit and other evidenced 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.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 3. Deposits and Pooled Investments (Continued)

As of June 30, 2024, the District had investments of \$14,678,597 in the Iowa Schools Joint Investment Trust. The fund is valued at an amortized cost pursuant to Rule 21-7 under the Investment Company Act of 1940. There are no limitations or restrictions on withdrawals from these investments. The fund is rated by Standard & Poor AAAM.

Interest rate risk: The 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 within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but that maturities shall be consistent with the needs and use of the District.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2024, the District’s investments were as follows:

Investments	Fair Value	Investment Maturities (in Years)			Level Input	Standard & Poor
		<1	1-5	6-10		
Iowa Schools Joint Investment Trust (ISJIT)	\$ 14,678,597	\$ 14,678,597	\$ -	\$ -	\$ -	N/A AAAM

Credit risk: The investments in the Iowa School Joint Investment Trust are registered and not subject to rating. The District’s policy relating to credit risk of investments is to have the majority of the District’s bank deposits with an AAA/Aaa rated national banking company (by Standard & Poors and Moody’s Investors Services). The District does not have a separate policy from state statutes in regard to concentration risk.

Custodial credit risk: The risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2024, none of the District’s investments were exposed to custodial credit risk and deposits in banks were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is not subject to foreign-currency risk.

Restricted cash and investments: Restricted cash, cash equivalents and investments of \$3,666,139 is comprised of \$3,196,139 for debt sinking fund requirements and \$470,000 with fiscal agent from an advance levy for future debt service.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 4. Interfund Activity

The detail of interfund receivables and payable at June 30, 2024 are as follows:

Receivable Fund	Payable Fund	Amount
Major fund, General	Major fund, Capital Projects	\$ 406,094
	Nonmajor fund, Student Activity	360,985
	Nonmajor fund, School Nutrition	152,100
		<u>\$ 919,179</u>

The Capital Projects Fund will repay the General Fund with excess statewide sales, services and use tax revenue when available. The Student Activity Fund and School Nutrition fund will repay the General when resources are available.

The detail of transfers for the year ended June 30, 2024 is as follows:

Transfer To	Transfer From	Amount
Major fund, General	Nonmajor enterprise fund, School Nutrition	\$ 152,100
Major fund, Capital Projects	Major fund, General	1,466,139
Major fund, Debt Service	Major fund, Capital Projects	3,666,329
Major fund, Debt Service	Major fund, General	189,848
Nonmajor, Student Activity	Major fund, General	26,134
Total		<u>\$ 5,500,550</u>

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

Note 5. Capital Assets

A summary of changes capital assets is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Capital assets being depreciated:				
Machinery and equipment	\$ 1,082,526	\$ 112,075	\$ 54,807	\$ 1,139,794
Less accumulated depreciation	804,298	54,983	48,711	810,570
Total capital assets being depreciated, net	<u>278,228</u>	<u>57,092</u>	<u>6,096</u>	<u>329,224</u>
Business-type activities capital assets, net	<u>\$ 278,228</u>	<u>\$ 57,092</u>	<u>\$ 6,096</u>	<u>\$ 329,224</u>

Clinton Community School District

Notes to Financial Statements
Year Ended June 30, 2024

Note 5. Capital Assets (Continued)

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 2,191,428	\$ -	\$ -	\$ 2,191,428
Construction in progress	2,783,513	13,345,899	2,636,103	13,493,309
Total capital assets not being depreciated/amortized	4,974,941	13,345,899	2,636,103	15,684,737
Capital assets being depreciated/amortized:				
Land improvements	13,484,557	333,515	-	13,818,072
Buildings and building equipment	117,625,577	2,722,390	-	120,347,967
Machinery and equipment	4,201,331	802,427	329,060	4,674,698
Intangible right to use leased equipment	121,908	50,065	17,555	154,418
Intangible right to use leased building	269,057	-	269,057	-
Intangible right to use IT subscription	300,757	266,644	-	567,401
Total capital assets being depreciated/amortized	136,003,187	4,175,041	615,672	139,562,556
Less accumulated depreciation/amortization for:				
Land improvements	4,275,030	470,708	-	4,745,738
Buildings and building equipment	26,010,554	2,504,957	-	28,515,511
Machinery and equipment	2,166,606	412,505	322,883	2,256,228
Intangible right to use leased equipment	61,506	35,352	17,555	79,303
Intangible right to use leased building	156,949	-	156,949	-
Intangible right to use IT subscription	101,372	166,518	-	267,890
Total accumulated depreciation/ amortization	32,772,017	3,590,040	497,387	35,864,670
Total capital assets being depreciated/amortized, net	103,231,170	585,001	118,285	103,697,886
Governmental activities capital assets, net	\$ 108,206,111	\$ 13,930,900	\$ 2,754,388	\$ 119,382,623

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 5. Capital Assets (Continued)

Depreciation and amortization expense was charged by the District as follows:

Governmental activities:		
Instruction:		
Regular		\$ 27,443
Support services:		
Operation and maintenance of plant		3,349,468
Transportation		213,129
Total governmental activities depreciation/amortization expense		\$ 3,590,040
Business-type activities:		
Food services		54,983
Total business-type activities depreciation expense		\$ 54,983

Note 6. General Long-Term Debt

A summary of changes in general long-term debt for the year ended June 30, 2024:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds, Series 2020	\$ 34,040,000	\$ -	\$ 1,625,000	\$ 32,415,000	\$ 1,705,000
Premium on Series 2020 GO Bonds	1,149,230	-	67,602	1,081,628	-
Revenue bonds, Series 2013	2,785,000	-	600,000	2,185,000	345,000
Premium on Series 2013	31,089	-	6,218	24,871	-
Revenue refunding bonds, series 2016A	14,935,000	-	1,770,000	13,165,000	1,815,000
Revenue bonds, Series 2022	15,000,000	-	-	15,000,000	-
Premium on Series 2022	103,562	-	5,451	98,111	-
Revenue bonds, Series 2023	-	10,000,000	-	10,000,000	-
Premium on Series 2023	-	383,184	19,159	364,025	-
Lease obligation	174,128	50,065	146,979	77,214	23,354
IT subscription obligation	168,355	266,645	151,623	283,377	145,103
Compensated absences	217,701	410,199	376,685	251,215	251,215
Net pension liability	12,065,430	2,145,457	-	14,210,887	-
Total OPEB liability	2,157,597	-	504,447	1,653,150	168,311
Total	\$ 82,827,092	\$ 13,255,550	\$ 5,273,164	\$ 90,809,478	\$ 4,452,983
Business-type activities:					
Compensated absences	\$ 4,757	\$ 15,599	\$ 14,803	\$ 5,553	\$ 5,553
Net pension liability	339,269	46,821	-	386,090	-
Total OPEB liability	52,021	-	13,705	38,316	4,573
Total	\$ 396,047	\$ 62,420	\$ 28,508	\$ 429,959	\$ 10,126

Compensated absences, OPEB liabilities and pension liabilities are generally liquidated by the General Fund.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 6. General Long-Term Debt (Continued)

General Obligation Bonds:

The District has general obligation bonds, series 2020 with a June 30, 2024 outstanding balance of \$32,415,000 with interest rates ranging from 1.00% to 5.00% and a remaining bond premium totaling \$1,081,628. Interest is due semiannually and principal is due in varying amounts through 2040. The bond proceeds were used to pay the costs to conduct a phased demolition of portions of the existing high school building and to construct, build, furnish and equip a new high school building on the same site; and to improve, renovate, remodel, furnish, and equip the Yourd Gym area, including mechanical and electrical systems; to acquire property; and to improve the site, including parking. During the year ended June 30, 2024, principal and interest paid were \$1,625,000 and \$734,956 respectively.

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

Year ending June 30:	General Obligation Bonds, Series 2020			
	Rate	Principal	Interest	Total
2025	5.00%	\$ 1,705,000	\$ 653,706	\$ 2,358,706
2026	5.00%	1,790,000	568,456	2,358,456
2027	1.00%	1,880,000	478,956	2,358,956
2028	1.13%	1,900,000	460,156	2,360,156
2029	1.25%	1,920,000	438,781	2,358,781
2030-2034	1.25-1.75%	9,995,000	1,802,637	11,797,637
2035-2039	2.00%	10,910,000	894,800	11,804,800
2040	2.00%	2,315,000	46,300	2,361,300
Total		\$ 32,415,000	\$ 5,343,792	\$ 37,758,792

Revenue Bonds

- On June 26, 2013, the District issued \$5,310,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds to finance a portion of the cost of school infrastructure projects. The bonds bear interest at rates ranging from 2.00 percent to 3.25 percent and had an unpaid balance of \$2,185,000 as of June 30, 2024.
- On July 26, 2016, the District issued \$24,975,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds to advance refund the District's School Infrastructure Sales, Services and Use Tax Revenue Bonds series 2010 in order to realize debt service savings due to lower interest rates. The bonds bear an interest rate of 2.35 percent and had an unpaid balance of \$13,165,000 as of June 30, 2024.
- On August 23, 2022, the District issued \$15,000,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds to finance a phased demolition of portions of the existing high school building and to construct, build, furnish and equip a new high school building on the same site; and to improve, renovate, remodel, furnish and equip the Yourd Gym area. The bonds bear interest at rates ranging from 4.00 percent to 4.375 percent and had an unpaid balance of \$15,000,000 as of June 30, 2024.

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 6. General Long-Term Debt (Continued)

- On November 30, 2023, the District issued \$10,000,000 in School Infrastructure Sales, Services and Use Tax Revenue Bonds. The bonds were issued to provide funds to conduct a phased demolition of portions of the existing high school and to construct, build, furnish and equip a new high school building on the same site; to improve, renovate, remodel, furnish and equip the Yourd Gym area, to acquire property, and to improve the site. Interest on the bonds is payable on July 1 and January 1 each year commencing July 1, 2024, with rates ranging from 4.50 to 5.00 percent. Principal is due each July 1 commencing July 1, 2031, with payments ranging from \$150,000 to \$1,930,000 until maturity in 2042. The bonds had an unpaid balance of \$10,000,000 as of June 30, 2024.

The Series 2013, Series 2016A, Series 2022 and Series 2023 revenue bonds will be repaid using statewide sales, services and use tax collected in the Capital Projects Fund. The bonds have a first priority lien and are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District through their maturity in 2042. The bonds are not general obligations of the District. However, the debt is subject to the constitutional debt limit of the District. The pledge of statewide sales, services and use tax revenues constitutes nearly 100% of annual statewide sales, services and use tax revenues of the District.

The total principal and interest remaining to be paid on the bonds is \$55,492,207. During the year ended June 30, 2024, principal of \$2,370,000 and interest of \$1,296,329 was paid on the bonds. Statewide sales, services and use tax revenues were \$4,748,035.

The resolution providing for the issuance of the revenue bonds included the following provisions:

- All proceeds from the statewide sales, services and use tax shall be deposited into the revenue account.
- Monies in the revenue account shall be disbursed to the Sinking Fund, Debt Service Reserve Fund and Surplus Revenue Fund in order of priority.
- The required amount to be deposited in the Sinking Fund in any month shall be the equal monthly amount necessary to pay in full the installment of interest coming due on the next interest payment date, plus the equal monthly amount necessary to pay in full the installment of principal coming due on the next succeeding principal payment date until the full amount of such installment is on hand. If for any reason the amount on hand in the Sinking Fund exceeds the required amount, the excess shall forthwith be withdrawn and paid into the Reserve Fund.
- The Debt Service Reserve Fund will be funded to a balance equal to the Reserve Fund Requirements. Monies deposited in the Debt Service Reserve Fund shall be used solely for the purpose of paying principal and interest on the Bonds or Parity Obligations.
- All money thereafter remaining in the Revenue Fund at the close of each month may be used to pay for other expenses of the Project, pay or redeem the Bonds or obligations or for any lawful purpose.

As of June 30, 2024, the District had \$3,196,139 in the required resolution sinking and debt reserve accounts.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 6. General Long-Term Debt (Continued)

Annual debt service requirements on the outstanding indebtedness as of June 30, 2024 are as follows:

Year ending June 30:	Rate	Revenue Bonds, Series 2013			Rate	Revenue Refunding Bonds, Series 2016A		
		Principal	Interest	Total		Principal	Interest	Total
2025	2.350%	\$ 345,000	\$ 69,684	\$ 414,684	2.350%	\$ 1,815,000	\$ 288,051	\$ 2,103,051
2026	2.350%	355,000	59,615	414,615	2.350%	1,855,000	244,929	2,099,929
2027	2.350%	365,000	48,815	413,815	2.350%	1,900,000	201,108	2,101,108
2028	2.350%	375,000	37,621	412,621	2.350%	1,940,000	155,687	2,095,687
2029	2.350%	380,000	26,107	406,107	2.350%	1,985,000	109,569	2,094,569
2030	2.350%	365,000	13,975	378,975	2.350%	3,670,000	64,684	3,734,684
Total		\$ 2,185,000	\$ 255,817	\$ 2,440,817		\$ 13,165,000	\$ 1,064,028	\$ 14,229,028

Year ending June 30:	Rate	Revenue Bonds, Series 2022			Revenue Bonds, Series 2023		
		Principal	Interest	Total	Principal	Interest	Total
2025	4.055%	\$ -	\$ 608,250	\$ 608,250	\$ -	\$ 477,675	\$ 477,675
2026	4.055%	-	608,250	608,250	-	477,675	477,675
2027	4.055%	-	608,250	608,250	-	477,675	477,675
2028	4.055%	-	608,250	608,250	-	477,675	477,675
2029	4.055%	-	608,250	608,250	-	477,675	477,675
2030-2034	4.055%	-	3,041,250	3,041,250	6,900,000	1,891,625	8,791,625
2035-2039	4.0-4.375%	8,700,000	2,488,500	11,188,500	2,080,000	362,225	2,442,225
2040-2042	4.000%	6,300,000	504,000	6,804,000	1,020,000	105,137	1,125,137
Total		\$ 15,000,000	\$ 9,075,000	\$ 24,075,000	\$ 10,000,000	\$ 4,747,362	\$ 14,747,362

Year ending June 30:	Total		
	Principal	Interest	Total
2025	\$ 2,160,000	\$ 1,443,660	\$ 3,603,660
2026	2,210,000	1,390,469	3,600,469
2027	2,265,000	1,335,848	3,600,848
2028	2,315,000	1,279,233	3,594,233
2029	2,365,000	1,221,601	3,586,601
2030-2034	10,935,000	5,011,534	15,946,534
2035-2039	10,780,000	2,850,725	13,630,725
2040-2042	7,320,000	609,137	7,929,137
Total	\$ 40,350,000	\$ 15,142,207	\$ 55,492,207

Lease Obligation

Annual debt service on the District's lease obligation as of June 30, 2024 are as follows:

Year ending June 30:	Right to Use Lease Equipment		
	Principal	Interest	Total
2025	\$ 23,354	\$ 2,729	\$ 26,083
2026	22,323	1,783	24,106
2027	18,133	901	19,034
2028	11,017	344	11,361
2029	2,387	33	2,420
Total	\$ 77,214	\$ 5,790	\$ 83,004

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 6. General Long-Term Debt (Continued)

Subscription Based Information Technology Arrangements (SBITA):

Annual debt service requirements of the District's SBITA as of June 30, 2024, are as follows:

Year ending June 30:	IT Subscription		
	Principal	Interest	Total
2025	\$ 145,103	\$ 4,391	\$ 149,494
2026	138,274	4,137	142,411
Total	\$ 283,377	\$ 8,528	\$ 291,905

Note 7. Postemployment Benefits Other Than Pensions (OPEB)

General Information about the OPEB Plan

Plan description: The District's defined benefit OPEB plan, the Clinton Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. The Plan is a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. The medical/prescription drug coverage is provided through a self-funded plan with stop-loss limits from First Administrators. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Benefits provided: The Plan provides healthcare benefits including medical and prescription drug benefits for retirees and their dependents. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The full monthly premium rates as of June 30, 2024 for each plan are as shown below:

Rate Tier	Blue	Blue	Blue
	Choice 2000	Choice 3500	Choice 5000
Single	\$ 828	\$ 761	\$ 682
Family	1,986	1,927	1,706

Employees covered by benefit terms: At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	21
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	387
Total	408

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Total OPEB Liability: The District's total OPEB liability of \$1,691,466 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50% per annum
Salary increases	3.25% per annum
Discount rate	3.97% per annum
Retirees' share of benefit-related costs	0%
Health care cost trend rate	7.6% for FY 2024, gradually decreasing over several decades to an ultimate rate of 3.9% in FY 2076 and later years.

The discount rate was based on the Fidelity 20-Year Municipal GO AA Index. Mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2017, and other adjustments. The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period 2010– 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2023	\$ 2,209,618
Changes for the year:	
Service cost	141,778
Interest	87,427
Changes of benefit terms	-
Differences between expected and actual experience	(111,897)
Changes in assumptions or other inputs	(462,576)
Benefit payments	(172,884)
Net changes	<u>(518,152)</u>
Balance at June 30, 2024	<u>\$ 1,691,466</u>

Changes of assumptions or other inputs reflect a change in the discount rate from 3.86% per annum in 2023 to 3.97% per annum in 2024. The healthcare trend rates were reset to reflect updated cost increase expectations. Medical per capita claims costs were updated to reflect recent experience and new plan offerings. Retirement, mortality and disability rates were updated from the rates based on school assumptions for regular members in the June 2018 IPERS demographic assumptions study to the rates based on the 2022 IPERS demographic assumption study. The percent of future retirees eligible for a explicit subsidy assumed to elect coverage at retirement changed from 100% to 90% to reflect plan experience, and the percent of future retirees not eligible for a explicit subsidy assumed to elect coverage at retirement changed from 40% to 30% to reflect recent plan experience. Medical plan selections were changed to reflect experience. General inflation assumptions was changed from 2.25% to 2.50%.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 7. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Sensitivity of the 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 or 1 percentage point higher than the current discount rate:

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$ 1,812,110	\$ 1,691,466	\$ 1,578,250

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents that total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	1% Decrease (6.6% decreasing to 2.9%)	Healthcare Cost Trend Rates (7.6% decreasing to 3.9%)	1% Increase (8.6% decreasing to 4.9%)
Total OPEB liability	\$ 1,516,088	\$ 1,691,466	\$ 1,899,796

For the year ended June 30, 2024, the District recognized OPEB expense of \$311,628. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,084,741	\$ 135,844
Changes of assumptions or other inputs	79,606	1,312,744
Net difference between projected and actual investments	-	-
Total	\$ 1,164,347	\$ 1,448,588

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

Year ended June 30:	
2025	\$ 30,190
2026	30,190
2027	30,190
2028	30,190
2029	(14,610)
Thereafter	(390,391)
	<u>\$ (284,241)</u>

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 8. Risk Management

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

The District has health and dental insurance through Wellmark. The employees can elect one of three plans. Each plan carries a high deductible of \$5,000 employee / \$10,000 family. The District partially self-funds the deductibles depending on the plan selected by either funding the gap between \$2,000 / \$4,000 (single/family) and \$5,000 / \$10,000 or \$3,500 / \$7,000 (single / family) and \$5,000 / \$10,000. The plan is through Wellmark and administered by Auxiant. Payments are made to the plan based on amounts needed to pay prior and current year claims.

Changes in claim liability amounts for the year ended June 30, 2024 were as follows:

	2024	2023
Claims payable, beginning of year	\$ 52,110	\$ 45,954
Incurred claims	824,075	839,291
Claim payments	(824,950)	833,135
Claim payable, end of year	<u>\$ 51,235</u>	<u>\$ 52,110</u>

Note 9. Pension and Retirement Benefits

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9118, Des Moines, Iowa 50306-9118 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 that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before 65.

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 9. Pension and Retirement Benefits (Continued)

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

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

In fiscal year 2024, 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, 2024 were \$2,593,501.

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2024, the District reported a liability of \$14,596,977 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the District's proportion was 0.323395 percent, which was a decrease of 0.004932 from its proportion measured as of June 30, 2022.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 9. Pension and Retirement Benefits (Continued)

For the year ended June 30, 2024, the District recognized pension expense of \$908,737. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,234,924	\$ 59,999
Changes of assumptions	-	231
Net difference between projected and actual earnings on pension plan investments	1,351,857	-
Changes in proportion and differences between District contributions and proportionate share of contributions	314,832	630,969
District contributions subsequent to the measurement date	2,593,501	-
Total	\$ 5,495,114	\$ 691,199

Deferred outflows of resources of \$2,593,501 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2025	\$ (539,733)
2026	(1,206,662)
2027	3,257,993
2028	611,557
2029	87,259
Total	\$ 2,210,414

There were no non-employer contributing entities to IPERS.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 9. Pension and Retirement Benefits (Continued)

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

Rate of Inflation (effective June 30, 2017)	2.60 percent per annum
Salary Increases (effective June 30, 2017)	3.25 percent to 16.25 percent average, including inflation. Rates vary by membership group.
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 percent real wage inflation

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021. Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5%	6.22%
Global smart beta equity	5.0%	5.22%
Core plus fixed income	23.0%	2.69%
Public credit	3.0%	4.38%
Cash	1.0%	1.59%
Private equity	17.0%	10.44%
Private real assets	9.0%	3.88%
Private credit	4.5%	4.60%
Total	100%	

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 9. Pension and Retirement Benefits (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District’s proportionate share of the net pension liability	\$ 31,036,425	\$ 14,596,977	\$ 820,448

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Payables to the Pension Plan – At June 30, 2024, the District reported payables to the defined benefit pension plan of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District’s actual amount for this purpose totaled \$1,832,297 for the year ended June 30, 2024 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 11. Categorical Funding

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

Program	Amount
Teacher salary supplement	\$ 77,531
Returning dropouts and dropout prevention	115,547
Property tax and state aid financed weighted at-risk programs	404
Gifted and talented programs	149,171
Therapeutic classroom incentive grant program	5,498
Professional development	40,265
Beginning administrator mentoring and induction	1,275
Four-year-old preschool	52,485
Successful progression for early readers	143,684
Teacher leadership state aid	512,379
Total restricted for categorical funding	\$ 1,098,239

Note 12. Commitments and Contingencies

The District has financial commitments primarily relating to the High School and other projects of approximately \$68,992,246 as of June 30, 2024 of which, approximately \$51,644,334 of costs have been incurred.

Note 13. Deficit Fund Balances

At June 30, 2024, the Student Activity Fund had a deficit fund balance of \$354,581, resulting from prior year expenditures in excess of total revenues. The Student Activity Fund will continue to have a deficit fund balance into the foreseeable future.

Note 14. 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 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.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2024 under tax abatement agreements of other entities.

Entity	Tax Abatement Program	Amount of Tax Abated
City of Clinton, Iowa	Urban renewal and economic development projects	\$ 54,353

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2024, this reimbursement amounted to \$27,702.

Clinton Community School District

**Notes to Financial Statements
Year Ended June 30, 2024**

Note 15. Change Within the Financial Reporting Entity

In fiscal year 2024, the District was required to report the Debt Service Fund as a major fund due to the fund meeting the major fund qualitative threshold. The effect of the change within the financial reporting entity is as follows:

	Debt Service	Aggregate Remaining Fund Information, Nonmajor Governmental Funds
Fund balance, previously reported	\$ -	\$ 3,000,544
Fund balance, beginning of year	503,976	2,496,568

Note 16. New Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statement during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The above statement required the District to disclose a change within the financial reporting entity.

As of June 30, 2024, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 101, *Compensated Absences*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirements to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (As long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

Clinton Community School District

Notes to Financial Statements Year Ended June 30, 2024

Note 16. New Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 102, *Certain Risk Disclosures*, issued December 2023, will be effective for the District beginning with its fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. A government should provide information in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint. The disclosures should include descriptions of the following: (a) The concentration or constraint (b) Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (c) Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

GASB Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, will be effective for the District beginning with its fiscal year ending June 30, 2026. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

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Clinton Community School District

Required Supplementary Information

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Actual to Budget - All Governmental Funds and Enterprise Funds
Year Ended June 30, 2024**

	Governmental Funds - Actual	Enterprise Funds - Actual
Revenues:		
Local sources	\$ 18,795,697	\$ 323,360
State sources	38,361,879	16,610
Federal sources	6,796,286	2,483,783
Total revenues	<u>63,953,862</u>	<u>2,823,753</u>
Expenditures/expenses:		
Instruction	35,671,333	-
Support services	17,752,744	154,747
Noninstructional programs	5,419	2,295,564
Other expenditures	21,771,373	-
Total expenditures/expenses	<u>75,200,869</u>	<u>2,450,311</u>
Excess of revenues over (under) expenditures/expenses	<u>(11,247,007)</u>	<u>373,442</u>
Other financing sources (uses):		
Proceeds from sale of capital assets	8,726	-
Issuance of long term debt	10,000,000	-
Premium on issuance of long term debt	383,184	-
Issuance of lease	50,065	-
Issuance of IT subscription	266,645	-
Interfund transfers in	5,572,123	-
Interfund transfers (out)	(5,420,023)	(152,100)
Total other financing sources (uses)	<u>10,860,720</u>	<u>(152,100)</u>
Net change in fund balance/net position	<u>(386,287)</u>	<u>221,342</u>
Fund balance/net position, beginning of year	33,560,961	1,957,646
Fund balance/net position, end of year	<u>\$ 33,174,674</u>	<u>\$ 2,178,988</u>

See Notes to Required Supplementary Information.

Total Actual	Budgeted Amounts		Final to Actual Variance
	Original	Final	
\$ 19,119,057	\$ 16,985,378	\$ 16,985,378	\$ 2,133,679
38,378,489	37,984,144	37,984,144	394,345
9,280,069	12,058,516	12,058,516	(2,778,447)
66,777,615	67,028,038	67,028,038	(250,423)
35,671,333	38,101,938	38,101,938	2,430,605
17,907,491	18,236,600	18,736,600	829,109
2,300,983	2,504,575	2,504,575	203,592
21,771,373	29,560,318	29,560,318	7,788,945
77,651,180	88,403,431	88,903,431	11,252,251
(10,873,565)	(21,375,393)	(21,875,393)	11,001,828
8,726	5,000	5,000	3,726
10,000,000	10,000,000	10,000,000	-
383,184	-	-	383,184
50,065	-	-	50,065
266,645	-	-	266,645
5,572,123	23,768,614	23,768,614	(18,196,491)
(5,572,123)	(12,808,614)	(12,808,614)	7,236,491
10,708,620	20,965,000	20,965,000	(10,256,380)
(164,945)	\$ (410,393)	\$ (910,393)	\$ 745,448
35,518,607			
<u>\$ 35,353,662</u>			

Clinton Community School District

**Required Supplementary Information
Schedule of Changes in the District's Total OPEB
Liability and Related Ratios
Last Seven Fiscal Years**

	2024	2023
Total OPEB liability		
Changes for the year:		
Service cost	\$ 141,778	\$ 141,121
Interest	87,427	82,581
Changes of benefit terms	-	-
Differences between expected and actual experience	(111,897)	(13,699)
Changes in assumptions or other inputs	(462,576)	(26,118)
Benefit payments	(172,884)	(142,206)
Net changes in total OPEB liability	(518,152)	41,679
Total OPEB liability - beginning	2,209,618	2,167,939
Total OPEB liability - ending	<u>\$ 1,691,466</u>	<u>\$ 2,209,618</u>
Covered employee payroll	\$ 23,879,353	\$ 23,834,045
Total OPEB liability as a percentage of covered employee payroll	7.08%	9.27%

Notes to Schedule:

Changes of benefit terms:

There were no changes as a result of changes in benefit terms.

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate. The following are the discount rates used in each period:

3.97%	3.86%
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No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75

Note: The schedule is intended to present information for ten years. Information prior to 2018 is not available.

See Notes to Required Supplementary Information.

	2022	2021	2020	2019	2018
\$	236,228	\$ 204,864	\$ 74,852	\$ 74,852	\$ 67,949
	57,185	66,967	34,050	33,232	35,254
	-	-	-	-	-
	57,477	-	2,151,013	(30,702)	(23,100)
	(853,415)	91,830	(573,799)	52,388	-
	(143,392)	(156,562)	(170,941)	(41,204)	(62,178)
	(645,917)	207,099	1,515,175	88,566	17,925
	2,813,856	2,606,757	1,091,582	1,003,016	985,091
\$	2,167,939	\$ 2,813,856	\$ 2,606,757	\$ 1,091,582	\$ 1,003,016
\$	22,078,630	\$ 22,490,897	\$ 21,676,620	\$ 21,667,693	\$ 19,306,380
	9.82%	12.51%	12.03%	5.04%	5.20%
	3.69%	1.92%	2.45%	3.15%	3.72%

Clinton Community School District

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System

Last Ten Fiscal Years

	2024*	2023*	2022*	2021*
District's proportion of the net pension liability	0.323395%	0.328327%	-0.126608%	0.326002%
District's proportionate share of the net pension liability	\$ 14,596,977	\$ 12,404,699	\$ 437,086	\$ 23,041,268
District's covered payroll	\$ 28,393,032	\$ 26,443,566	\$ 25,578,919	\$ 25,804,153
District's proportionate share of the net pension liability as a percentage of its covered payroll	51.41%	46.91%	1.71%	89.29%
Plan fiduciary net pension as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%

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

See Notes to Required Supplementary Information.

2020*	2019*	2018*	2017*	2016*	2015*
0.322811%	0.341017%	0.352472%	0.348270%	0.360170%	0.376715%
\$ 18,692,896	\$ 21,580,423	\$ 23,479,072	\$ 21,917,723	\$ 17,794,121	\$ 14,940,176
\$ 25,611,674	\$ 25,630,648	\$ 26,316,238	\$ 24,993,139	\$ 24,674,894	\$ 24,650,638
72.99%	84.20%	89.22%	87.69%	72.11%	60.61%
85.45%	83.62%	82.21%	85.19%	85.19%	87.61%

Clinton Community School District

**Required Supplementary Information
Schedule of District Contributions
Iowa Public Employees' Retirement System
Last Ten Fiscal Years**

	2024	2023	2022	2021
Statutorily required contribution	\$ 2,593,501	\$ 2,681,016	\$ 2,496,272	\$ 2,414,650
Contributions in relation to the statutorily required contribution	\$ (2,593,501)	\$ (2,681,016)	\$ (2,496,272)	\$ (2,414,650)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	
District's covered payroll	\$ 27,469,349	\$ 28,393,032	\$ 26,443,566	\$ 25,578,919
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

Note: Amounts reported in thousands

See Notes to Required Supplementary Information.

	2020	2019	2018	2017	2016	2015
\$	2,435,912	\$ 2,417,742	\$ 2,288,817	\$ 2,350,039	\$ 2,231,887	\$ 2,203,468
\$	(2,435,912)	\$ (2,417,742)	\$ (2,288,817)	\$ (2,350,039)	\$ (2,231,887)	\$ (2,203,468)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	25,804,153	\$ 25,611,674	\$ 25,630,648	\$ 26,316,238	\$ 24,993,139	\$ 24,674,894
	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

Clinton Community School District

Notes to Required Supplementary Information Year Ended June 30, 2024

Note 1. Budgets and Budgetary Accounting

This budgetary comparison is presented as required supplementary information in accordance with Government 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 the internal service fund and custodial funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis. Encumbrances are not recognized on the GAAP basis budget and appropriations lapse at year-end.

The District had one budget amendment on April 22, 2024, which increased total expenditures \$500,000.

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

Note 2. Iowa Public Employees' Retirement System Pension Liability

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

Clinton Community School District

**Notes to Required Supplementary Information
Year Ended June 30, 2024**

Note 2. Iowa Public Employees' Retirement System Pension Liability (Continued)

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

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

Clinton Community School District

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue	
	Management Fund	Student Activity
Assets		
Cash and pooled investments	\$ 1,113,640	\$ 7,995
Receivables:		
Property tax:		
Delinquent	9,048	-
Succeeding year	1,250,000	-
Due from other governments	-	4,530
Total assets	\$ 2,372,688	\$ 12,525
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 49,426	\$ 6,121
Due to other funds	-	360,985
Total liabilities	49,426	367,106
Deferred inflows of resources, unavailable revenue:		
Succeeding year property tax	1,250,000	-
Fund balances		
Nonspendable, corpus	-	-
Restricted for:		
Management levy purposes	1,073,262	-
Donor purposes	-	-
Unassigned	-	(354,581)
Total fund balances (deficit)	1,073,262	(354,581)
Total liabilities, deferred inflows of resources and fund balances	\$ 2,372,688	\$ 12,525

Special Revenue			
STEAM & Orchestra Fund	Student Scholarship		Total
\$ 31,774	\$ 1,936,422	\$	3,089,831
-	-		9,048
-	-		1,250,000
-	-		4,530
<u>\$ 31,774</u>	<u>\$ 1,936,422</u>	<u>\$</u>	<u>4,353,409</u>

\$ 820	\$ -	\$	56,367
-	-		360,985
<u>820</u>	<u>-</u>		<u>417,352</u>

-	-		1,250,000
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-	33,500		33,500
-	-		1,073,262
30,954	1,902,922		1,933,876
-	-		(354,581)
<u>30,954</u>	<u>1,936,422</u>		<u>2,686,057</u>

<u>\$ 31,774</u>	<u>\$ 1,936,422</u>	<u>\$</u>	<u>4,353,409</u>
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Clinton Community School District

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024**

	Special Revenue	
	Management Fund	Student Activity
Revenues:		
Local sources:		
Property tax	\$ 899,051	\$ -
Excise tax	81,246	-
Other	150	444,149
State appropriation	30,403	-
Total revenues	1,010,850	444,149
Expenditures:		
Current:		
Instruction:		
Regular	198,597	-
Other	-	407,625
Support services:		
Student	2,989	-
Administration	127,639	-
Operation and maintenance of plant	499,239	-
Transportation	92,368	1,089
Noninstructional programs	2,989	-
Total expenditures	923,821	408,714
Excess (deficiency) of revenues over (under) expenditures before transfers	87,029	35,435
Transfers in	-	26,134
Net change in fund balances	87,029	61,569
Fund balances (deficit), beginning of year	986,233	(416,150)
Fund balances (deficit), end of year	\$ 1,073,262	\$ (354,581)

Special Revenue			
STEAM & Orchestra Fund	Student Scholarship		Total
\$ -	\$ -	\$	899,051
-	-		81,246
320	109,691		554,310
-	-		30,403
320	109,691		1,565,010
8,270	60,850		267,717
-	-		407,625
-	-		2,989
-	-		127,639
-	-		499,239
-	-		93,457
-	-		2,989
8,270	60,850		1,401,655
(7,950)	48,841		163,355
-	-		26,134
(7,950)	48,841		189,489
38,904	1,887,581		2,496,568
\$ 30,954	\$ 1,936,422	\$	2,686,057

Clinton Community School District

Schedule of Combining Balance Sheet

Capital Projects Fund - By Account

June 30, 2024

	Capital Projects Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Assets				
Cash and pooled investments	\$ 3,459,205	\$ 1,682,285	\$ 12,725,737	\$ 17,867,227
Restricted cash and equivalents	3,196,139	-	-	3,196,139
Receivables:				
Property tax:				
Delinquent	-	9,069	-	9,069
Succeeding year	-	1,071,675	-	1,071,675
Due from other governments	439,853	-	-	439,853
Total assets	\$ 7,095,197	\$ 2,763,029	\$ 12,725,737	\$ 22,583,963
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 36,843	\$ 81,565	\$ 840,617	959,025
Retainage payable	-	124,967	941,679	1,066,646
Due to other funds	406,094	-	-	406,094
Total liabilities	442,937	206,532	1,782,296	2,431,765
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	-	1,071,675	-	1,071,675
Total deferred inflows of resources	-	1,071,675	-	1,071,675
Fund Balances:				
Restricted for:				
School infrastructure	3,456,121	-	10,943,441	14,399,562
Debt service	3,196,139	-	-	3,196,139
Physical plant and equipment	-	1,484,822	-	1,484,822
Total fund balances	6,652,260	1,484,822	10,943,441	19,080,523
Total liabilities, deferred inflows of resources and fund balances	\$ 7,095,197	\$ 2,763,029	\$ 12,725,737	\$ 22,583,963

Clinton Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Fund - By Account

Year Ended June 30, 2024

	Capital Projects Accounts			Total
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects	
Revenues:				
Local sources:				
Property tax	\$ -	\$ 908,866	\$ -	\$ 908,866
Excise tax	-	81,196	-	81,196
Other	231,598	80,537	833,555	1,145,690
State appropriations	4,748,035	30,389	-	4,778,424
Total revenues	4,979,633	1,100,988	833,555	6,914,176
Expenditures:				
Current:				
Instruction:				
Regular	406,338	-	58,298	464,636
Support services:				
Student	-	-	3,800	3,800
Administration	100,096	53,962	6,780	160,838
Operation and maintenance of plant	16,350	86,575	-	102,925
Transportation	288,605	-	-	288,605
Other expenditures:				
Facilities acquisition	1,089,149	1,795,653	10,636,356	13,521,158
Interest and fiscal fees	186,650	-	-	186,650
Total expenditures	2,087,188	1,936,190	10,705,234	14,728,612
Excess (deficiency) of revenues over (under) expenditures	2,892,445	(835,202)	(9,871,679)	(7,814,436)
Other financing sources (uses):				
Issuance of long term debt	10,000,000	-	-	10,000,000
Premium on issuance of long term debt	383,184	-	-	383,184
Issuance of lease	-	50,065	-	50,065
Transfers in	-	1,400,898	22,616,794	24,017,692
Transfers (out)	(26,217,882)	-	-	(26,217,882)
Total other financing sources (uses)	(15,834,698)	1,450,963	22,616,794	8,233,059
Net change in fund balance	(12,942,253)	615,761	12,745,115	418,623
Fund balance, beginning of year	19,594,513	869,061	(1,801,674)	18,661,900
Fund balance, end of year	\$ 6,652,260	\$ 1,484,822	\$ 10,943,441	\$ 19,080,523

Clinton Community School District

Combining Statement of Net Position
 Nonmajor Enterprise Funds
 June 30, 2024

	School Nutrition	Child Care	Student Construction	Total
Assets				
Current assets:				
Cash and pooled investments	\$ 1,893,968	\$ 57,347	\$ 51,269	\$ 2,002,584
Accounts receivable	4,590	-	-	4,590
Due from other governments	25,957	-	-	25,957
Inventories	46,484	-	-	46,484
Assets held for resale	-	-	311,597	311,597
Total current assets	1,970,999	57,347	362,866	2,391,212
Noncurrent assets:				
Capital assets being depreciated, net of accumulated depreciation:				
Machinery and equipment	329,224	-	-	329,224
Total noncurrent assets	329,224	-	-	329,224
Total assets	2,300,223	57,347	362,866	2,720,436
Deferred Outflows of Resources:				
OPEB related deferred outflows	27,808	-	-	27,808
Pension related deferred outflows	145,346	-	-	145,346
Total deferred outflows of resources	173,154	-	-	173,154
Liabilities				
Current liabilities:				
Accounts payable	22,690	-	9,037	31,727
Salaries and benefits payable	16,736	-	-	16,736
Due to other funds	152,100	-	-	152,100
Compensated absences	5,553	-	-	5,553
Unearned revenue	27,329	-	-	27,329
Total OPEB liability	4,573	-	-	4,573
Total current liabilities	228,981	-	9,037	238,018
Noncurrent liabilities:				
Total OPEB liability	33,743	-	-	33,743
Net pension liability	386,090	-	-	386,090
Total noncurrent liabilities	419,833	-	-	419,833
Total liabilities	648,814	-	9,037	657,851
Deferred Inflows of Resources:				
OPEB related deferred inflows	38,469	-	-	38,469
Pension related deferred inflows	18,282	-	-	18,282
Total deferred inflows of resources	56,751	-	-	56,751
Net Position				
Investment in capital assets	329,224	-	-	329,224
Unrestricted	1,438,588	57,347	353,829	1,849,764
Total net position	\$ 1,767,812	\$ 57,347	\$ 353,829	\$ 2,178,988

Clinton Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position
 Nonmajor Enterprise Funds
 Year Ended June 30, 2024

	School Nutrition	Child Care	Student Construction	Total
Operating revenues:				
Local sources:				
Charges for service	\$ 158,190	\$ 75,581	\$ -	\$ 233,771
Miscellaneous	1,596	-	11,657	13,253
Total operating revenues	159,786	75,581	11,657	247,024
Operating expenses:				
Support services:				
Administration	93,489	-	-	93,489
Operation and maintenance of plant	55,162	-	-	55,162
Total support services	148,651	-	-	148,651
Noninstructional programs:				
Salaries	788,303	32,554	-	820,857
Benefits	162,022	5,602	-	167,624
Services	46,201	1,992	-	48,193
Supplies	1,189,762	7,084	-	1,196,846
Other	-	7,061	-	7,061
Depreciation	54,983	-	-	54,983
Total non-instructional programs	2,241,271	54,293	-	2,295,564
Total operating expenses	2,389,922	54,293	-	2,444,215
Operating income (loss)	(2,230,136)	21,288	11,657	(2,197,191)
Nonoperating revenues (expenses):				
State sources	16,610	-	-	16,610
Federal sources	2,447,724	36,059	-	2,483,783
Interest on investments	76,336	-	-	76,336
Loss on sale of capital asset	(6,096)	-	-	(6,096)
Total nonoperating revenues (expenses)	2,534,574	36,059	-	2,570,633
Income before transfers	304,438	57,347	11,657	373,442
Transfers (out)	(152,100)	-	-	(152,100)
Change in net position	152,338	57,347	11,657	221,342
Net position, beginning of year	1,615,474	-	342,172	1,957,646
Net position, end of year	\$ 1,767,812	\$ 57,347	\$ 353,829	\$ 2,178,988

Clinton Community School District

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 Year Ended June 30, 2024

	School Nutrition	Child Care	Student Construction	Total
Cash flows from operating activities:				
Cash received from:				
Charges for services	\$ 154,268	\$ 75,581	\$ -	\$ 229,849
Miscellaneous services	1,596	-	7,240	8,836
Proceeds from sale of student built house	-	-	277,562	277,562
Cash payments to:				
Employees for services	(990,365)	(45,217)	-	(1,035,582)
Supplies for goods and services	(1,212,818)	(9,076)	(297,088)	(1,518,982)
Net cash provided by (used in) operating activities	(2,047,319)	21,288	(12,286)	(2,038,317)
Cash flows from noncapital financing activities:				
Payments on interfund loans	(38,220)	-	-	(38,220)
Transfers to other funds	(152,100)	-	-	(152,100)
State grants received	16,610	-	-	16,610
Federal grants received	2,281,286	36,059	-	2,317,345
Net cash provided by noncapital financing activities	2,107,576	36,059	-	2,143,635
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(112,075)	-	-	(112,075)
Net cash (used in) capital and related financing activities	(112,075)	-	-	(112,075)
Cash flows from investing activities, interest on investments				
	76,336	-	-	76,336
Net increase (decrease) in cash and cash equivalents	24,518	57,347	(12,286)	69,579
Cash and cash equivalents:				
Beginning of year	1,869,450	-	63,555	1,933,005
End of year	\$ 1,893,968	\$ 57,347	\$ 51,269	\$ 2,002,584

(Continued)

Clinton Community School District

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year Ended June 30, 2024

	School Nutrition	Child Care	Student Construction	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (2,230,136)	\$ 21,288	\$ 11,657	\$ (2,197,191)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Commodities consumed	160,540	-	-	160,540
Depreciation	54,983	-	-	54,983
(Increase) decrease in:				
Inventories	4,813	-	-	4,813
Accounts receivable	(1,145)	-	-	(1,145)
Assets held for resale	-	-	1,158	1,158
Increase (decrease) in:				
Accounts payable	6,443	-	(25,101)	(18,658)
Salaries and benefits payable	11,767	-	-	11,767
Total OPEB benefits	2,289	-	-	2,289
Net pension liability	(54,892)	-	-	(54,892)
Unearned revenue	(2,777)	-	-	(2,777)
Compensated absences payable	796	-	-	796
Net cash provided by (used in) operating activities	\$ (2,047,319)	\$ 21,288	\$ (12,286)	\$ (2,038,317)
Noncash investing, capital and financing activities:				
Federal commodities	\$ 160,540	\$ -	\$ -	\$ 160,540

Clinton Community School District

**Schedule of Changes in Special Revenue Fund,
Student Activity Accounts
Year Ended June 30, 2024**

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Clinton High School				
Activity tickets	\$ 13,396	\$ 10,240	\$ -	\$ 23,636
Art club	117	340	267	190
Camp courageous	438	-	-	438
Chess club	5,438	1,865	1,615	5,688
Class of 2022	1,214	-	589	625
Class of 2023	4,090	2,240	61	6,269
Class of 2024	3,177	-	614	2,563
Class of 2025	339	6,836	3,722	3,453
Class of 2026	37	850	568	319
Class of 2027	-	415	282	133
Culinary class	9,653	4,090	3,183	10,560
Drama	7,881	12,701	16,014	4,568
FBLA	1,800	1,500	2,451	849
Foreign language club	1,876	400	168	2,108
Historical guild	665	110	165	610
Instrumental music	7,450	23,103	30,477	76
Instrumental music- special	350	-	-	350
Leo's club	11,769	-	709	11,060
NHS	6,175	1,743	1,130	6,788
Orchestra	463	7,290	3,360	4,393
Orchestra- special	4,258	3,195	3,127	4,326
Royalty room	402	759	491	670
Rudy's warehouse	588	767	140	1,215
Rugby club	108	8,752	2,859	6,001
SADD	1,186	-	67	1,119
Speak up club	1,216	-	-	1,216
Special education club	4,635	551	405	4,781
Student council	11,303	4,720	3,040	12,983
Student venture	1,592	-	-	1,592
Vocal music	7,947	19,017	18,478	8,486
Vocal music- special	18,889	-	-	18,889
Yearbook	8,232	6,628	8,230	6,630
Athletic fundraisers	-	10,752	10,284	468
Baseball	(137,668)	3,897	2,575	(136,346)
Baseball fundraisers	16,791	10,422	21,525	5,688

(Continued)

Clinton Community School District

Schedule of Changes in Special Revenue Fund,
 Student Activity Accounts (Continued)
 Year Ended June 30, 2024

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Boys basketball	\$ 85,823	\$ 8,132	\$ 857	\$ 93,098
Boys basketball fundraisers	481	4,273	6,618	(1,864)
Boys bowling	(1,342)	735	3,271	(3,878)
Boys bowling fundraisers	396	74	169	301
Boys cross country	(10,837)	400	230	(10,667)
Boys cross country fundraisers	820	2,226	1,699	1,347
Boys golf	(38,353)	1,665	924	(37,612)
Boys golf fundraisers	1,402	60	545	917
Boys soccer	(36,828)	2,464	510	(34,874)
Boys soccer fundraisers	3,040	227	357	2,910
Boys swimming	(5,817)	3,831	585	(2,571)
Boys swimming fundraisers	(224)	1,443	532	687
Boys tennis	(31,798)	495	1,321	(32,624)
Boys tennis fundraisers	292	1,335	887	740
Boys track	(117,107)	6,279	2,307	(113,135)
Boys track fundraisers	1,737	600	1,445	892
Cheerleading fundraisers	55	9,415	5,261	4,209
Co-ed general athletics	(219,206)	80	3,957	(223,083)
Football	308,373	26,652	1,923	333,102
Football fundraisers	12,560	33,329	39,969	5,920
Girls basketball	(23,246)	6,371	8	(16,883)
Girls basketball fundraisers	7,601	330	3,858	4,073
Girls bowling	(1,886)	400	1,498	(2,984)
Girls cross country	(7,382)	687	678	(7,373)
Girls cross country fundraisers	466	-	171	295
Girls golf	(37,735)	94	179	(37,820)
Girls golf fundraisers	281	523	432	372
Girls soccer	(31,923)	1,332	57	(30,648)
Girls soccer fundraisers	1,630	1,419	396	2,653
Girls swimming	(16,071)	4,666	907	(12,312)
Girls swimming fundraisers	(237)	2,503	775	1,491

(Continued)

Clinton Community School District

Schedule of Changes in Special Revenue Fund,
 Student Activity Accounts (Continued)
 Year Ended June 30, 2024

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Girls tennis	\$ (43,232)	\$ 875	\$ 1,471	\$ (43,828)
Girls tennis fundraisers	983	3,146	2,095	2,034
Girls track	(89,161)	4,490	7,477	(92,148)
Girls track fundraisers	1,845	5,031	1,862	5,014
Girls wrestling	-	3,025	2,284	741
Girls wrestling fundraisers	1,656	6,173	2,662	5,167
Protective equipment	-	22,873	22,873	-
Raise the bar fundraiser	472	369	466	375
Softball	(97,549)	1,582	400	(96,367)
Softball fundraisers	16,398	6,620	17,414	5,604
Volleyball	(9,172)	8,114	2,135	(3,193)
Volleyball fundraisers	11,652	14,199	14,302	11,549
Wrestling	(84,327)	9,690	6,298	(80,935)
Wrestling fundraisers	1,186	17,558	17,662	1,082
Total Clinton High School	(428,477)	368,968	318,323	(377,832)
Clinton Middle School:				
7th Grade	1,362	422	85	1,699
8th Grade	796	-	-	796
Activity tickets	392	1,785	-	2,177
Athletic concessions	3,331	6,029	7,883	1,477
Cross Country	-	999	999	-
Boys basketball	993	2,537	994	2,536
Boys swimming	766	810	409	1,167
Boys track	544	2,155	112	2,587
Drama	4,320	-	479	3,841
Football	1,943	1,767	691	3,019
General	-	3,605	2,189	1,416
General athletics	(33,423)	-	-	(33,423)
Girls basketball	(14,382)	1,249	952	(14,085)
Girls wrestling	-	379	301	78
Instrumental music	3,757	35,012	26,480	12,289
Mega group	-	450	450	-
Orchestra	4,432	5,954	6,460	3,926

(Continued)

Clinton Community School District

**Schedule of Changes in Special Revenue Fund,
Student Activity Accounts (Continued)
Year Ended June 30, 2024**

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Protective equipment	\$ -	\$ 3,260	\$ 3,260	\$ -
Ski trip	10,192	14,077	17,610	6,659
Student council	3,765	-	999	2,766
Vocal music	6,912	11,401	9,505	8,808
Volleyball	3,113	1,927	2,067	2,973
Wrestling	196	522	715	3
Yearbook	6,559	2,163	2,029	6,693
Total Clinton Middle School	5,568	96,503	84,669	17,402
Eagle Heights Elementary School:				
Coffee Cart	386	-	-	386
Jefferson Elementary School:				
Student council	389	49	-	438
District-Wide:				
CCSD choral festival	3,013	-	-	3,013
Hall of fame	2,971	4,763	5,722	2,012
Total District-Wide	5,984	4,763	5,722	5,025
Total	\$ (416,150)	\$ 470,283	\$ 408,714	\$ (354,581)

Clinton Community School District

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds - Modified Accrual Basis

Last Ten Years

	Years Ended June 30:			
	2024	2023	2022	2021
Revenues:				
Local sources	\$ 18,795,697	\$ 18,491,867	\$ 19,406,755	\$ 18,121,237
State sources	38,361,879	37,003,607	35,914,003	34,021,935
Federal sources	6,796,286	7,498,359	5,213,082	4,872,723
Total revenues	\$ 63,953,862	\$ 62,993,833	\$ 60,533,840	\$ 57,015,895
Expenditures:				
Instruction	\$ 35,671,333	\$ 34,428,922	\$ 32,821,283	\$ 30,499,904
Support services:				
Student services	2,811,440	2,914,154	2,553,108	3,147,096
Instructional staff services	1,144,276	1,012,122	1,240,780	1,246,914
Administration services	5,790,499	6,072,834	5,484,965	5,151,468
Operation and maintenance of plant services	6,034,838	5,494,336	5,112,707	4,814,722
Transportation services	1,971,691	1,517,378	1,734,362	1,582,539
Noninstructional programs	5,419	5,153	2,965	2,471
Other expenditures	21,771,373	32,649,244	24,472,340	12,584,788
Total expenditures	\$ 75,200,869	\$ 84,094,143	\$ 73,422,510	\$ 59,029,902

Years Ended June 30:						
2020	2019	2018	2017	2016	2015	
\$ 18,256,510	\$ 19,039,427	\$ 18,664,041	\$ 17,849,607	\$ 17,864,494	\$ 17,497,541	
34,058,621	33,113,463	32,193,508	32,524,864	31,645,049	31,124,393	
2,086,100	2,267,569	2,553,109	2,501,636	2,344,781	2,266,434	
<u>\$ 54,401,231</u>	<u>\$ 54,420,459</u>	<u>\$ 53,410,658</u>	<u>\$ 52,876,107</u>	<u>\$ 51,854,324</u>	<u>\$ 50,888,368</u>	
\$ 31,679,634	\$ 31,745,697	\$ 31,373,835	\$ 30,732,359	\$ 29,522,620	\$ 28,637,338	
2,359,191	2,266,388	2,423,279	2,584,468	2,478,179	2,363,047	
1,104,117	1,135,990	827,030	1,022,929	1,036,937	1,296,235	
5,043,177	4,987,045	5,063,275	4,815,757	4,807,240	4,532,181	
4,766,197	4,742,072	4,848,748	4,546,468	4,668,396	4,965,769	
1,325,971	2,049,446	1,552,687	1,271,937	1,476,528	1,344,987	
5,606	6,316	13,499	5,836	4,884	6,027	
7,078,167	6219656	9,844,961	6,725,212	6,623,035	7,851,051	
<u>\$ 53,362,060</u>	<u>\$ 53,152,610</u>	<u>\$ 55,947,314</u>	<u>\$ 51,704,966</u>	<u>\$ 50,617,819</u>	<u>\$ 50,996,635</u>	

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Clinton Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Program:				
School Breakfast Program	10.553	FY24 4552	\$ -	\$ 441,001
National School Lunch Program	10.555	FY24 4553	-	1,615,607
National School Lunch Program- Supply Chain Assistance	10.555	FY24 4014	-	95,491
Commodities -DOD (Noncash)	10.555	FY24	-	64,913
Commodities (Noncash)	10.555	FY24	-	95,627
			-	1,871,638
Summer Food Service Program for Children	10.559	FY24 4556	-	51,240
Fresh Fruit and Vegetable Program	10.582	FY24 4557	-	83,844
Total Child Nutrition Cluster Program, Total U.S. Department of Agriculture			-	2,447,723
U.S. Department of Treasury				
Pass-Through Iowa Department of Homeland Security and Emergency Management:				
Coronavirus State and Local Fiscal Recovery Funds; School Safety Improvement Grant	21.027	FY24 4034	-	235,221
Federal Communication Commission				
Direct:				
Emergency Connectivity Fund Program	32.009	FY24 4366	-	3,981
U.S. Department of Education				
Pass-Through Iowa Department of Education:				
Title 1 Grants to Local Education Agencies	84.010	FY24 4501	-	1,137,331
Title 1 Grants to Local Education Agencies	84.010	FY24 4508	-	382,918
			-	1,520,249
Career and Technical Education- Basic Grants to States	84.048	FY24 4531	-	68,925
Education for Homeless Children and Youth	84.196	FY24 4565	-	43,769
Twenty-First Century Community Learning Centers	84.287	FY24 4646	-	130,613
Title VB Rural Low Income RLIS	84.358	FY24 4642	-	117,259
Supporting Effective Instruction State Grants	84.367	FY24 4643	-	189,270
Student Support and Academic Enrichment Program	84.424	FY24 4669	-	95,120
Education Stabilization Fund:				
COVID-19 Governor's Emergency Education Relief (GEER II) Fund	84.425C	FY24 4054	-	27,367
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY24 4045	-	3,022,566
COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	FY24 4076	-	58,585
			-	3,081,151
COVID-19 Elementary and Secondary School Emergency Relief (ARP-HCY) Fund	84.425W	FY24 4044	-	49,048
Total Education Stabilization Fund			-	3,157,566

(Continued)

Clinton Community School District

**Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education (continued)				
Pass-Through Mississippi Bend Area Education Agency:				
Special Education Cluster Program:				
Special Education - Grants to States				
IDEA, Part B	84.027	FY24 4521	\$ -	\$ 181,427
English Language Acquisition State Grants	84.365	FY24 4644	-	204
Pass-Through Iowa Department of Administrative Services:				
Awareness and Readiness for Undergraduate Programs	84.334	FY24 4674	-	52,245
Total U.S. Department of Education			-	5,556,647
U.S. Department of Health and Human Services				
Pass-Through Iowa Vocational Rehabilitation Services:				
Vocational Rehabilitation- TAP	84.126	FY24 4598	-	145,137
Total Expenditures of Federal Awards			\$ -	\$ 8,388,709

See notes to schedule of expenditures of federal awards.

Clinton Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Clinton Community School District under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Clinton Community School District, it is not intended to and does not present the financial position, changes in net position or cash flows of Clinton Community School District.

Note 2. Summary of significant accounting policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual or accrual basis of accounting based on the fund-type of the program. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Revenue from federal awards is recognized when the District has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal awards is recognized when it is both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Indirect Cost Rate

The District has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

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Clinton Community School District

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024**

Finding	Status	Reason for Recurrence and Corrective Action Plan or Other Explanation
Findings Related to the Financial Statements:		
Internal Control Deficiencies:		
2023-001 The District had insufficient segregation	Corrected.	
2022-001 of duties over the cash disbursement function for a portion of the fiscal year.		
Instances of Noncompliance:		
2023-002* The Student Activity Fund ended the year with a deficit fund balance.	Not corrected.	See response and corrective action plan at 2024-001.
Findings and Questioned Costs for Federal Awards		
2023-003 The District overcharged the program for indirect costs.	Corrected.	
Other Findings Related to Statutory Reporting:		
IV-H-23 The District identified variances in certified enrollment submitted to the state in October 2022.	Not corrected.	Data changes were not timely communicated. See response and corrective action plan at IV-H-24.
IV-I-23 The District identified variances in supplementary weighting data certified to the state in October 2022.	Not corrected.	Data changes were not timely communicated. See response and corrective action plan at IV-I-24.
IV-N-23 The District was required to deposit \$1,500,000 from the proceeds of the School Infrastructure Sales, Services and Use Tax Revenue Bonds Series 2022 into a reserve fund.	Corrected.	

* Finding was initially reported in June 30, 2014.

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

To the Board of Education
Clinton Community School District
Clinton, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Clinton Community School District (the District) as of and for the year ended June 30, 2024, 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 24, 2025.

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 Clinton Community School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

We also noted certain immaterial instances of noncompliance and other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

District's Responses to the Findings

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

Purpose of This Report

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

Bohnsack & Frommelt LLP

Moline, Illinois
February 24, 2025



**Independent Auditor’s Report on Compliance For
Each Major Federal Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance**

To the Board of Education
Clinton Community School District
Clinton, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clinton Community School District’s (the District) 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, 2024. The District’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

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

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

Bohnsack & Frommelt LLP

Moline, Illinois
February 24, 2025

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Clinton Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency identified? Yes None Reported

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

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
----------------	------------------------------------

Education Stabilization Fund:

84.425C	COVID-19 Governor's Emergency Education Relief (GEER II) Fund
84.425U	COVID-19 ARP- Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)
84.425W	COVID-19 ARP- Elementary and Secondary School Emergency Relief Fund (ARP-HCY)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

(Continued)

Clinton Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Part II: Findings Related to the Basic Financial Statements

Internal control deficiencies:

No matters were reported.

Instances of noncompliance:

2024-001

Finding: The Student Activity Fund has a deficit fund balance.

Criteria: The fundamental purpose of fund accounting is to properly account for all resources received and used. Each fund has its own revenues, expenditures, transfers, assets, deferred outflows of resources, liabilities, deferred inflows of resources and fund balances. A change in fund balance represents the difference between fund additions (revenues and other financing sources) and deductions (expenditures and other financing uses). Fund balance is identified as the net difference between a fund's assets, deferred outflows of resources, liabilities and deferred inflows of resources. A fund is in a deficit status if expenditures and other financing sources exceed revenues and other financing uses.

Condition: Beginning in fiscal year 2001, expenditures in the Student Activity Fund began to exceed the amounts collected for student activities, resulting in a deficit fund balance.

Cause: The District did not properly monitor financial transactions to ensure that revenues were available to cover expenditures incurred.

Effect: The Student Activity Fund has expended cash that was collected by the District for other purposes.

Context: The Student Activity Fund balance deficit is \$354,581 as of June 30, 2024.

Identification as a repeat finding: This is a repeat finding.

Recommendation: The District should continue to strictly monitor the financial transactions of the Student Activity Fund and investigate other alternatives in order to eliminate these deficit fund balances.

Response and corrective action plan: The District is strictly monitoring financial transactions in each fund to ensure that expenditures incurred do not exceed funds collected and will continue to investigate alternatives to eliminate the Student Activity Fund deficit fund balance. Although the District continues to strictly monitor financial transactions in order to reduce the deficit fund balance, State statute does not allow transfers of cash to the Student Activity Fund except for very specific purposes, therefore, the deficit fund balance will continue until an alternate solution can be identified.

Part III: Findings and Questioned Costs for Federal Awards

Internal control deficiencies:

No matters were reported.

Instances of noncompliance:

No matters were reported.

(Continued)

Clinton Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Part IV: Other Findings Related to Statutory Reporting

IV-A-24

Certified Budget: Expenditures for the year ended June 30, 2024, did not exceed the amounts budgeted at year-end.

IV-B-24

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-24

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-24

Business Transactions: No business transactions between the District and District officials or employees were noted.

IV-E-24

Restricted Donor Activity: No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.

IV-F-24

Bond Coverage: Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

IV-G-24

Board Minutes: No transactions requiring Board approval which had not been approved by the Board were noted.

IV-H-24

Certified Enrollment:

Finding: The District identified variances in certified enrollment submitted to the state in October 2023.

Recommendation: We recommend the District review certified enrollment data for accuracy prior to submission to the state.

Response and Corrective Action Plan: The District will continue to review data prior to submission.

Conclusion: Response accepted.

(Continued)

Clinton Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

IV-I-24

Supplementary Weighting:

Finding: The District identified variances in supplementary weighting submitted to the state in October 2023.

Recommendation: We recommend the District review supplementary weighting data for accuracy prior to submission to the state.

Response and Corrective Action Plan: The District will continue to review data prior to submission.

Conclusion: Response accepted.

IV-J-24

Deposits and Investments: No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.

IV-K-24

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

IV-L-24

Categorical Funding: No instances of categorical funding being used to supplant rather than supplement other funds were noted.

IV-M-24

Statewide Sales and Services Tax: No instances of noncompliance 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 revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education.

(Continued)

Clinton Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

For the year ended June 30, 2024, the District reported the following information regarding the statewide sales and services tax revenue in the District's CAR:

Beginning balance		\$	19,594,513
Revenue / transfers in:			
Statewide sales and services tax revenue	\$	4,748,035	
Other revenue		231,598	
Issuance of revenue bonds		10,000,000	
Premium on issuance of revenue bonds		383,184	15,362,817
Expenditures/transfers out:			
Instruction		406,338	
Support services		116,446	
Transportation		288,605	
School infrastructure: Buildings and improvements		1,089,149	
Interest and fiscal fees		186,650	
Transfers out		26,217,882	28,305,070
Ending balance			\$ 6,652,260

For the year ended June 30, 2024, the District did not reduce the tax levy as a result of the monies received under Chapter 423E or 423F of the Code of Iowa.

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Clinton Community School District

**Corrective Action Plan
Year Ended June 30, 2024**

Findings	Corrective Action Plan	Anticipated Date of Completion
Findings Related to the Financial Statements:		
Instances of Noncompliance:		
2024-001: The Student Activity Fund ended the year with a deficit fund balance.	See response and corrective action plan at 2024-001.	Cindy McAleer June 30, 2025
Other Findings Related to Statutory Reporting:		
IV-H-24: The District identified variances in certified enrollment submitted to the state in October 2023.	See response and corrective action plan at IV-H-24.	Cindy McAleer June 30, 2025
IV-I-24: The District identified variances in supplementary weighting data certified to the state in October 2023.	See response and corrective action plan at IV-I-24.	Cindy McAleer June 30, 2025