

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2025

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Guthrie Center Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Matt VanMeter	President	2027
Cara Underwood	Vice President	2027
Tate Stetzel	Board Member	2027
Kris Langgaard	Board Member	2025
Brian Sheeder	Board Member	2025
School Officials		
Joshua Rasmussen	Superintendent	2025
Sarah Sheeder	Board Secretary/Treasurer and School Business Official	2025
Ahlers & Cooney, P.C.	Attorney	2025

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
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Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of Guthrie Center Community School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Guthrie Center Community School District, Guthrie Center, Iowa, as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements 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 Guthrie Center Community School District as of June 30, 2025 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 financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Guthrie Center Community School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement 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 the Guthrie Center Community School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Guthrie Center Community School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 7 through 15 and 44 through 50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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 GAAS, 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 Guthrie Center Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2024 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information in Schedules 1 through 6 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information in the independent auditor's report. The other information comprises the officials page but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 16, 2026 on our consideration of Guthrie Center Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Guthrie Center Community School District's internal control over financial reporting and compliance.



NOLTE, CORNMAN & JOHNSON, P.C.

July 16, 2026
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

Guthrie Center 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, 2025. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

2025 FINANCIAL HIGHLIGHTS

- Effective July 1, 2024, the District implemented GASB Statement No. 101, Compensated Absences. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. Implementation of this standard did not have a significant effect on the District's financial statements.
- General Fund revenues increased from \$6,717,335 in fiscal year 2024 to \$7,675,533 in fiscal year 2025, and General Fund expenditures decreased from \$7,276,536 in fiscal year 2024 to \$6,709,456 in fiscal year 2025. The District's General Fund balance increased from \$349,726 at June 30, 2024 to \$1,315,803 at June 30, 2025, representing a 276.24% increase from the prior year.
- The increase in total General Fund revenues was primarily attributable to an increase in revenues from local tax. The decrease in total General Fund expenditures was mainly due to a decrease in support services instructional staff costs incurred compared to the prior year.
- The District's total net position increased from \$3,762,244 at June 30, 2024 to \$5,203,447 at June 30, 2025. Total revenues increased 11.28% from \$8,568,083 in fiscal year 2024 to \$9,534,845 in fiscal year 2025, while total expenses decreased 3.21% from \$8,362,384 in fiscal year 2024 to \$8,093,642 in fiscal year 2025. The increase in total revenues was primarily attributable to an increase in revenues from property tax. The decrease in total expenses occurred primarily in the support services functional area.

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 Guthrie Center Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental and business type activities were financed in the short term as well as what remains for future spending. Fund financial statements report Guthrie Center 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 Guthrie Center Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

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

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

Supplementary Information provides detailed information about the nonmajor governmental funds.

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

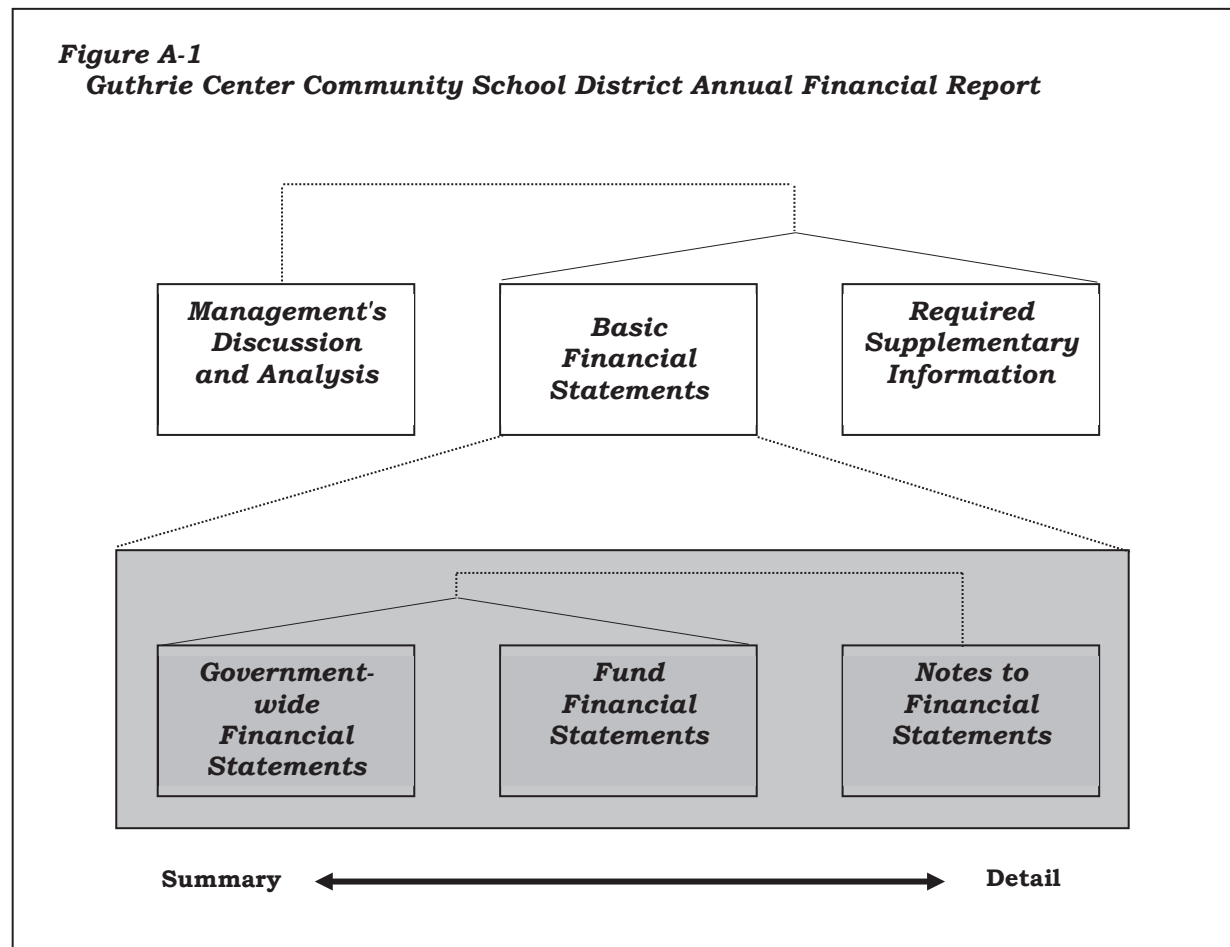


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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 service	Instances in which the district administers resources on behalf of someone else, such as scholarship programs
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 fund 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/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow / inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of fund balance that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period.
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

- 1) *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

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

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 2025 compared to June 30, 2024.

Figure A-3 Condensed Statement of Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2025	2024	2025	2024	2025	2024	2024-25
Current and other assets	\$ 7,451,186	6,441,989	6,335	10,750	7,457,521	6,452,739	15.57%
Capital assets	5,122,422	5,451,651	31,029	37,060	5,153,451	5,488,711	-6.11%
Total assets	12,573,608	11,893,640	37,364	47,810	12,610,972	11,941,450	5.61%
Deferred outflows of resources	483,882	710,464	15,275	21,223	499,157	731,687	-31.78%
Long-term liabilities	3,782,621	4,635,980	52,302	61,757	3,834,923	4,697,737	-18.37%
Other liabilities	1,058,012	1,161,205	27,725	26,719	1,085,737	1,187,924	-8.60%
Total liabilities	4,840,633	5,797,185	80,027	88,476	4,920,660	5,885,661	-16.40%
Deferred inflows of resources	2,981,682	3,022,442	4,340	2,790	2,986,022	3,025,232	-1.30%
Net position:							
Net investment in capital assets	3,238,330	3,286,961	31,029	37,060	3,269,359	3,324,021	-1.64%
Restricted	2,145,529	1,795,962	-	-	2,145,529	1,795,962	19.46%
Unrestricted	(148,684)	(1,298,446)	(62,757)	(59,293)	(211,441)	(1,357,739)	84.43%
Total net position	\$ 5,235,175	3,784,477	(31,728)	(22,233)	5,203,447	3,762,244	38.31%

The District's total net position increased 38.31%, or \$1,441,203, from the prior year.

The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, buildings, equipment and right-to-use leased assets), net of related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$349,567, or 19.46%, from the prior year. The increase in restricted net position is primarily attributable to the increase in the amount restricted for physical plant and equipment compared to the prior year.

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 \$1,146,298, or 84.43%. The increase in unrestricted net position was primarily a result of the increase in the unassigned General Fund balance.

Figure A-4 shows the changes in net position for the year ended June 30, 2025 compared to the year ended June 30, 2024.

Figure A-4 Changes in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	2025	2024	2025	2024	2025	2024	2024-25
Revenues:							
Program revenues:							
Charges for service	\$ 1,917,135	1,765,993	131,682	127,708	2,048,817	1,893,701	8.19%
Operating grants, contributions and restricted interest	662,823	588,618	151,309	157,912	814,132	746,530	9.06%
Capital grants, contributions and restricted interest	89,381	256,605	-	-	89,381	256,605	-65.17%
General revenues:							
Property tax	2,947,974	2,327,278	-	-	2,947,974	2,327,278	26.67%
Income surtax	203,813	246,563	-	-	203,813	246,563	-17.34%
Statewide sales, services and use tax	522,992	527,076	-	-	522,992	527,076	-0.77%
Unrestricted state grants	2,800,239	2,467,258	-	-	2,800,239	2,467,258	13.50%
Unrestricted investment earnings	77,571	84,207	31	202	77,602	84,409	-8.06%
Other	17,027	13,014	12,868	5,649	29,895	18,663	60.18%
Total revenues	9,238,955	8,276,612	295,890	291,471	9,534,845	8,568,083	11.28%
Program expenses:							
Instruction	4,724,466	4,666,208	-	-	4,724,466	4,666,208	1.25%
Support services	2,466,075	2,670,004	468	2,234	2,466,543	2,672,238	-7.70%
Non-instructional programs	3,112	12,500	304,917	373,413	308,029	385,913	-20.18%
Other expenses	594,604	638,025	-	-	594,604	638,025	-6.81%
Total expenses	7,788,257	7,986,737	305,385	375,647	8,093,642	8,362,384	-3.21%
Change in net position	1,450,698	289,875	(9,495)	(84,176)	1,441,203	205,699	600.64%
Net position beginning of year	3,784,477	3,494,602	(22,233)	61,943	3,762,244	3,556,545	5.78%
Net position end of year	\$ 5,235,175	3,784,477	(31,728)	(22,233)	5,203,447	3,762,244	38.31%

In fiscal year 2025, property tax and unrestricted state grants accounted for 62.22% of governmental activities revenues while charges for service and operating grants, contributions and restricted interest accounted for 95.64% of business type activities revenues.

The District's total revenues were approximately \$9.53 million, of which approximately \$9.24 million was for governmental activities and approximately \$0.29 million was for business type activities.

As shown in Figure A-4, the District as a whole experienced an 11.28% increase in revenues and a 3.21% decrease in expenses. The increase in total revenues was primarily attributed to an increase in revenues from property tax compared to the prior year. The decrease in total expenses occurred primarily in the support services functional area.

Governmental Activities

Revenues for governmental activities were \$9,238,955 and expenses were \$7,788,257 for the year ended June 30, 2025.

The following table presents the total and net cost of the District's major governmental activities, instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2025 compared to those expenses for the year ended June 30, 2024.

Figure A-5 Total and Net Cost of Governmental Activities						
	Total Cost of Services			Net Cost of Services		
	2025	2024	Change 2024-25	2025	2024	Change 2024-25
Instruction	\$ 4,724,466	4,666,208	1.25%	2,445,067	2,596,422	-5.83%
Support services	2,466,075	2,670,004	-7.64%	2,233,809	2,315,717	-3.54%
Non-instructional programs	3,112	12,500	-75.10%	3,112	12,500	-75.10%
Other expenses	594,604	638,025	-6.81%	436,930	450,882	-3.09%
Total	<u>\$ 7,788,257</u>	<u>7,986,737</u>	<u>-2.49%</u>	<u>5,118,918</u>	<u>5,375,521</u>	<u>-4.77%</u>

For the year ended June 30, 2025:

- The cost financed by users of the District's programs was \$1,917,135.
- Federal and state governments, along with local sources, subsidized certain programs and projects with grants and contributions totaling \$752,204.
- The net cost of governmental activities was financed with \$2,947,974 in property tax, \$203,813 in income surtax, \$522,992 in statewide sales, services and use tax, \$2,800,239 in unrestricted state grants, \$77,571 in interest income and \$17,027 in other general revenues.

Business Type Activities

Revenues of the District's business type activities for the year ended June 30, 2025 were \$295,890 and expenses totaled \$305,385. The District's business type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment earnings and other general income.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$3,328,567, above last year's ending fund balances of \$2,158,867. The primary reason for this increase in combined fund balances is the increase in the General Fund balance.

Governmental Fund Highlights

- The District's General Fund financial position is the product of many factors. The increase in total General Fund revenues was primarily attributable to an increase in revenues from local tax. The decrease in total General Fund expenditures was mainly due to a decrease in support services instructional staff costs incurred compared to the prior year. In total, the General Fund balance increased from \$349,726 at June 30, 2024 to \$1,315,803 at June 30, 2025.
- The Capital Projects Fund balance increased from \$1,508,103 at June 30, 2024 to \$1,728,967 at June 30, 2025.

Proprietary Fund Highlights

- The School Nutrition Fund net position decreased from deficit \$22,233 at June 30, 2024 to deficit \$31,728 at June 30, 2025, representing a decrease of 42.71%. Total expenditures outpaced total revenue resulting in a decrease in net position.

BUDGETARY HIGHLIGHTS

The District's revenues were \$440,644 more than budgeted revenues, a variance of 4.86%. The most significant variance resulted from the District receiving more from state sources than originally anticipated.

Total expenditures were less than budgeted, primarily due to the District's budget for the General Fund. It is the District's practice to budget expenditures at the maximum authorized spending authority for the General Fund. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the District had invested \$5,153,451, net of accumulated depreciation/amortization, 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 decrease of 6.11% from last year. More detailed information about the District's capital assets is presented in Note 6 to the financial statements. Depreciation/amortization expense for the year was \$494,007 for governmental activities and \$6,031 for business type activities.

The original cost of the District's capital assets was \$15,469,509. Governmental funds accounted for \$15,288,274, with the remaining \$181,235 accounted for in the Enterprise, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the construction in progress category. The District's construction in progress totaled \$0 at June 30, 2025, compared to \$446,382 reported at June 30, 2024. This increase is primarily attributed to the completion of the District's HVAC upgrade projects.

Figure A-6							
Capital Assets, Net of Depreciation/Amortization							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2025	2024	2025	2024	2025	2024	2024-25
Land	\$ 93,897	93,897	-	-	93,897	93,897	0.00%
Construction in progress	-	446,382	-	-	-	446,382	-100.00%
Buildings	4,381,600	4,131,257	-	-	4,381,600	4,131,257	6.06%
Land improvements	481,039	562,960	-	-	481,039	562,960	-14.55%
Machinery and equipment	131,448	215,510	31,029	37,060	162,477	252,570	-35.67%
Right-to-use leased assets	34,438	1,645	-	-	34,438	1,645	1993.50%
Total	\$ 5,122,422	5,451,651	31,029	37,060	5,153,451	5,488,711	-6.11%

Long-Term Debt

At June 30, 2025, the District had \$1,884,092 in total long-term debt outstanding. This represents a decrease of 12.96% from last year. (See Figure A-7) Additional information about the District's long-term debt is presented in Note 7 to the financial statements.

At June 30, 2025, the District had outstanding revenue bonded indebtedness of \$1,849,000, payable solely from the Capital Projects: Statewide Sales, Services and Use Tax Fund.

At June 30, 2025, the District had outstanding lease agreements of \$35,092, payable from the Capital Projects: Physical Plant and Equipment Levy Fund.

Figure A-7 Outstanding Long-Term Obligations			
	Total District		Total Change
	June 30,		June 30,
	2025	2024	2024-25
Revenue bonds	\$ 1,849,000	2,163,000	-14.52%
Lease agreements	35,092	1,690	1976.45%
Total	<u>\$ 1,884,092</u>	<u>2,164,690</u>	<u>-12.96%</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The Guthrie Center School District continues the Whole Grade Sharing Agreement & Activity Sharing Agreement with the Adair-Casey School District. These agreements began with the 2016-17 school year and will continue through the 2025-26 school year. The Board of Directors from both districts are now having joint board meetings once a month to begin discussions on the future relationship between the two districts.
- The District continues to maximize on operational sharing in order to receive the maximum supplementary weighting available for sharing.
- The District continues to experience declining enrollment, which includes resident students as well as served students. This has an impact on the financial health of the district and requires constant monitoring of the district's financial position.
- Construction of a new community daycare facility was completed in 2024. The district continues to partner with the daycare to recruit new families into the community.

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 the Guthrie Center Community School District, 906 School Street, Guthrie Center, Iowa, 50115.

Guthrie Center Community School District

BASIC FINANCIAL STATEMENTS

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 3,641,461	664	3,642,125
Receivables:			
Property tax:			
Delinquent	36,693	-	36,693
Succeeding year	2,833,572	-	2,833,572
Income surtax	220,416	-	220,416
Due from other funds	19,500	-	19,500
Due from other governments	699,544	-	699,544
Inventories	-	5,671	5,671
Capital assets not being depreciated/amortized	93,897	-	93,897
Capital assets, net of accumulated depreciation/amortization	5,028,525	31,029	5,059,554
Total assets	12,573,608	37,364	12,610,972
Deferred Outflows of Resources			
Pension related deferred outflows	483,882	15,275	499,157
Liabilities			
Due to other funds	-	19,500	19,500
Accounts payable	495,566	-	495,566
Salaries and benefits payable	562,446	950	563,396
Unearned revenue	-	7,275	7,275
Long-term liabilities:			
Portion due within one year:			
Revenue bonds	320,000	-	320,000
Lease agreements	7,809	-	7,809
Portion due after one year:			
Revenue bonds	1,529,000	-	1,529,000
Lease agreements	27,283	-	27,283
Net pension liability	1,488,515	46,986	1,535,501
Total OPEB liability	410,014	5,316	415,330
Total liabilities	4,840,633	80,027	4,920,660
Deferred Inflows of Resources			
Succeeding year property tax revenue	2,833,572	-	2,833,572
Pension related deferred inflows	137,491	4,340	141,831
Other	10,619	-	10,619
Total deferred inflows of resources	2,981,682	4,340	2,986,022
Net Position			
Net investment in capital assets	3,238,330	31,029	3,269,359
Restricted for:			
Categorical funding	132,765	-	132,765
Management levy purposes	155,950	-	155,950
Student activities	127,847	-	127,847
School infrastructure	708,766	-	708,766
Physical plant and equipment	1,020,201	-	1,020,201
Unrestricted	(148,684)	(62,757)	(211,441)
Total net position	\$ 5,235,175	(31,728)	5,203,447

SEE NOTES TO FINANCIAL STATEMENTS.

**GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total
Functions/Programs:							
Governmental activities:							
Instruction:							
Regular	\$ 2,983,050	1,355,850	161,887	-	(1,465,313)	-	(1,465,313)
Special	839,866	246,467	19,950	-	(573,449)	-	(573,449)
Other	901,550	294,836	200,409	-	(406,305)	-	(406,305)
	4,724,466	1,897,153	382,246	-	(2,445,067)	-	(2,445,067)
Support services:							
Student	202,306	-	-	-	(202,306)	-	(202,306)
Instructional staff	364,335	-	-	-	(364,335)	-	(364,335)
Administration	877,392	-	-	-	(877,392)	-	(877,392)
Operation and maintenance of plant	737,174	-	-	89,381	(647,793)	-	(647,793)
Transportation	284,868	19,982	122,903	-	(141,983)	-	(141,983)
	2,466,075	19,982	122,903	89,381	(2,233,809)	-	(2,233,809)
Non-instructional programs:							
Food service operations	3,112	-	-	-	(3,112)	-	(3,112)
Long-term debt interest	47,915	-	-	-	(47,915)	-	(47,915)
Other expenditures:							
AEA flowthrough	157,674	-	157,674	-	-	-	-
Depreciation/amortization (unallocated)*	389,015	-	-	-	(389,015)	-	(389,015)
	546,689	-	157,674	-	(389,015)	-	(389,015)
Total governmental activities	7,788,257	1,917,135	662,823	89,381	(5,118,918)	-	(5,118,918)
Business type activities:							
Support services:							
Operation and maintenance of plant	468	-	-	-	-	(468)	(468)
Non-instructional programs:							
Food service operations	304,917	131,682	151,309	-	-	(21,926)	(21,926)
Total business type activities	305,385	131,682	151,309	-	-	(22,394)	(22,394)
Total	\$ 8,093,642	2,048,817	814,132	89,381	(5,118,918)	(22,394)	(5,141,312)
General Revenues:							
Property tax levied for:							
General purposes				\$ 2,554,394	-		2,554,394
Capital outlay				393,580	-		393,580
Income surtax				203,813	-		203,813
Statewide sales, services and use tax				522,992	-		522,992
Unrestricted state grants				2,800,239	-		2,800,239
Unrestricted investment earnings				77,571		31	77,602
Other				17,027		12,868	29,895
Total general revenues				6,569,616		12,899	6,582,515
Change in net position				1,450,698		(9,495)	1,441,203
Net position beginning of year				3,784,477		(22,233)	3,762,244
Net position end of year				\$ 5,235,175		(31,728)	5,203,447

* This amount excludes the depreciation/amortization that is included in the direct expense of various programs.

SEE NOTES TO FINANCIAL STATEMENTS.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Capital Projects	Nonmajor	Total
Assets				
Cash and pooled investments	\$ 1,685,925	1,674,251	281,285	3,641,461
Receivables:				
Property tax:				
Delinquent	29,299	4,882	2,512	36,693
Succeeding year	2,193,421	390,151	250,000	2,833,572
Income surtax	220,416	-	-	220,416
Due from other funds	19,500	-	-	19,500
Due from other governments	634,080	65,464	-	699,544
Total assets	\$ 4,782,641	2,134,748	533,797	7,451,186
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 490,555	5,011	-	495,566
Salaries and benefits payable	562,446	-	-	562,446
Total liabilities	1,053,001	5,011	-	1,058,012
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	2,193,421	390,151	250,000	2,833,572
Income surtax	220,416	-	-	220,416
Other	-	10,619	-	10,619
Total deferred inflows of resources	2,413,837	400,770	250,000	3,064,607
Fund balances:				
Restricted for:				
Categorical funding	132,765	-	-	132,765
Management levy purposes	-	-	155,950	155,950
Student activities	-	-	127,847	127,847
School infrastructure	-	708,766	-	708,766
Physical plant and equipment	-	1,020,201	-	1,020,201
Unassigned	1,183,038	-	-	1,183,038
Total fund balances	1,315,803	1,728,967	283,797	3,328,567
Total liabilities, deferred inflows of resources and fund balances	\$ 4,782,641	2,134,748	533,797	7,451,186

SEE NOTES TO FINANCIAL STATEMENTS.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2025

Total fund balances of governmental funds (page 20) \$ 3,328,567

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

Net capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 5,122,422

Accounts receivable income surtax is not available to finance expenditures of the current year and, therefore, is recognized as deferred inflows of resources in the governmental funds. 220,416

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

Deferred outflows of resources	\$ 483,882	
Deferred inflows of resources	<u>(137,491)</u>	346,391

Long-term liabilities, including revenue bonds payable, lease agreements payable, net pension liability and total OPEB liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds. (3,782,621)

Net position of governmental activities (page 18) \$ 5,235,175

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General	Capital Projects	Nonmajor	Total
Revenues:				
Local sources:				
Local tax	\$ 2,534,610	393,580	201,680	3,129,870
Tuition	1,540,674	-	-	1,540,674
Other	170,229	51,333	295,096	516,658
State sources	3,203,267	526,550	1,833	3,731,650
Federal sources	208,805	89,381	-	298,186
Total revenues	7,657,585	1,060,844	498,609	9,217,038
Expenditures:				
Current:				
Instruction:				
Regular	2,926,102	127,942	83,272	3,137,316
Special	865,732	-	-	865,732
Other	656,766	-	275,655	932,421
	4,448,600	127,942	358,927	4,935,469
Support services:				
Student	207,434	-	-	207,434
Instructional staff	377,737	16,634	-	394,371
Administration	815,467	78,038	23,288	916,793
Operation and maintenance of plant	479,556	18,563	106,741	604,860
Transportation	222,988	14,095	23,782	260,865
	2,103,182	127,330	153,811	2,384,323
Non-instructional programs:				
Food service operations	-	-	3,112	3,112
Capital outlay	-	256,195	-	256,195
Long-term debt:				
Principal	-	-	321,924	321,924
Interest and fiscal charges	-	-	47,915	47,915
	-	-	369,839	369,839
Other expenditures:				
AEA flowthrough	157,674	-	-	157,674
Total expenditures	6,709,456	511,467	885,689	8,106,612
Excess (Deficiency) of revenues over (under) expenditures	948,129	549,377	(387,080)	1,110,426
Other financing sources (uses):				
Insurance proceeds	1,118	-	-	1,118
Proceeds from the sale of equipment	16,830	-	-	16,830
Proceeds from lease agreements	-	41,326	-	41,326
Transfer in	-	-	369,839	369,839
Transfer out	-	(369,839)	-	(369,839)
Total other financing sources (uses)	17,948	(328,513)	369,839	59,274
Change in fund balances	966,077	220,864	(17,241)	1,169,700
Fund balances beginning of year	349,726	1,508,103	301,038	2,158,867
Fund balances end of year	\$ 1,315,803	1,728,967	283,797	3,328,567

SEE NOTES TO FINANCIAL STATEMENTS.

GUTHRIE CENTER 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, 2025

Change in fund balances - total governmental funds (page 22) \$ 1,169,700

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 not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation/amortization expense in the Statement of Activities. Capital outlay expenditures and depreciation/amortization expense in the current year are as follows:

Capital outlay	\$ 164,778	
Depreciation/amortization expense	<u>(494,007)</u>	(329,229)

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		21,917
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Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year issuances and repayments are as follows:

Issued	(41,326)	
Repaid	<u>321,924</u>	280,598

The current year District IPERS contributions are reported as expenditures in the governmental funds but are reported as deferred outflows of resources in the Statement of Net Position.		346,824
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Some expenses reported in the Statement of Activities do not require the use current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Termination benefits	48,000	
Pension expense	(105,320)	
Total OPEB liability and related expenses	<u>18,208</u>	<u>(39,112)</u>

Change in net position of governmental activities (page 19) \$ 1,450,698

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	<u>Enterprise, School Nutrition</u>
Assets	
Current assets:	
Cash and pooled investments	\$ 664
Inventories	5,671
Total current assets	<u>6,335</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>31,029</u>
Total assets	<u>37,364</u>
Deferred Outflows of Resources	
Pension related deferred outflows	<u>15,275</u>
Liabilities	
Current liabilities:	
Due to other funds	19,500
Salaries and benefits payable	950
Unearned revenue	7,275
Total current liabilities	<u>27,725</u>
Noncurrent liabilities:	
Net pension liability	46,986
Total OPEB liability	5,316
Total noncurrent liabilities	<u>52,302</u>
Total liabilities	<u>80,027</u>
Deferred Inflows of Resources	
Pension related deferred inflows	<u>4,340</u>
Net Position	
Net investment in capital assets	31,029
Unrestricted	(62,757)
Total net position	<u><u>\$ (31,728)</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	<u>Enterprise, School Nutrition</u>
Operating revenues:	
Local sources:	
Charges for service	\$ 131,682
Miscellaneous	<u>12,868</u>
Total operating revenues	<u>144,550</u>
Operating expenses:	
Support services:	
Operation and maintenance of plant:	
Services	<u>468</u>
Non-instructional programs:	
Food service operations:	
Salaries	91,489
Benefits	23,232
Services	1,734
Supplies	182,431
Depreciation	<u>6,031</u>
Total non-instructional programs	<u>304,917</u>
Total operating expenses	<u>305,385</u>
Operating loss	<u>(160,835)</u>
Non-operating revenues:	
State sources	1,917
Federal sources	149,392
Interest income	<u>31</u>
Total non-operating revenues	<u>151,340</u>
Change in net position	(9,495)
Net position beginning of year	<u>(22,233)</u>
Net position end of year	<u><u>\$ (31,728)</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Enterprise, School Nutrition
Cash flows from operating activities:	
Cash received from sale of lunches and breakfasts	\$ 132,730
Cash received from miscellaneous	12,868
Cash payments to employees for services	(116,720)
Cash payments to suppliers for goods or services	(161,577)
Net cash used in operating activities	<u>(132,699)</u>
Cash flows from non-capital financing activities:	
State grants received	1,917
Federal grants received	127,202
Net cash provided by non-capital financing activities	<u>129,119</u>
Cash flows from investing activities:	
Interest on investments	<u>31</u>
Net decrease in cash and pooled investments	(3,549)
Cash and pooled investments beginning of year	<u>4,213</u>
Cash and pooled investments end of year	<u>\$ 664</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (160,835)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Commodities consumed	24,836
Depreciation	6,031
Change in assets and liabilities:	
Inventories	(1,780)
Salaries and benefits payable	(42)
Net pension liability	(9,219)
Deferred outflows of resources	5,948
Deferred inflows of resources	1,550
Unearned revenue	1,048
Total OPEB liability	(236)
Net cash used in operating activities	<u>\$ (132,699)</u>

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2025, the District received \$24,836 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2025

	Private Purpose Trust Scholarship
Assets	
Cash and pooled investments	\$ 1,367
Liabilities	-
Net Position	
Restricted for scholarships	\$ 1,367

SEE NOTES TO FINANCIAL STATEMENTS.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2025

	Private Purpose Trust Scholarship
Additions	\$ -
Deductions	-
Change in net position	-
Net position beginning of year	1,367
Net position end of year	\$ 1,367

SEE NOTES TO FINANCIAL STATEMENTS.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

(1) Summary of Significant Accounting Policies

Guthrie Center Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the City of Guthrie Center, Iowa and the predominately agricultural territory in Guthrie and Audubon Counties. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Guthrie Center 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 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 Guthrie County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support service.

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, plus any unspent bond proceeds and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

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

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

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

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major governmental funds. Combining schedules are also included for the Capital Projects Fund accounts.

The District reports the following major governmental funds:

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

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

The District reports the following non-major proprietary fund:

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

The District also reports a fiduciary fund which focuses on net position and changes in net position. The District's fiduciary fund includes the following:

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

C. Measurement Focus and Basis of Accounting

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

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

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

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

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

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the District's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications - committed, assigned and then unassigned fund balances.

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

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

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 the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at amortized cost.

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

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

Property tax receivable is recognized in these funds on the levy or lien date, which is the date the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2023 assessed property valuations; is for the tax accrual period July 1, 2024 through June 30, 2025 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2024.

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 are tangible and intangible assets, which include property, furniture and equipment are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below) if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Land improvements	5,000
Intangibles	5,000
Right-to-use leased assets	5,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment and the right-to-use leased assets are depreciated/amortized using the straight-line method over the following estimated useful lives.

Asset Class	Estimated Useful Lives
Buildings	50 years
Land improvements	20 years
Intangibles	2+ years
Right-to-use leased assets	2+ years
Machinery and equipment	5-20 years

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

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

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

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

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

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

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

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the District after the measurement date but before the end of the District's reporting period.

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

Unearned Revenues - Unearned revenues are monies collected for lunches that have not yet been served. Patrons will either be reimbursed or served lunches. The lunch account balances are reflected on the Statement of Net Position in the Proprietary, School Nutrition Fund.

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

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

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

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

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

Fund Equity - Board policy number 701.04 describes the District's fund balance designations. In the governmental fund financial statements, fund balances are classified as follows:

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

Unassigned - All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information.

(2) **Cash and Pooled Investments**

The District's deposits in banks at June 30, 2025 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 ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. At June 30, 2025, the District had no such investments.

(3) **Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2025 is as follows:

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	\$ 360,404
Debt Service	Capital Projects: Physical Plant and Equipment Levy	9,435
Total		<u>\$ 369,839</u>

The transfers from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund were for principal and interest payments on the District's revenue bonded indebtedness.

The transfers from the Capital Projects: Physical Plant and Equipment Levy Fund to the Debt Service Fund were for principal and interest payments on the District's indebtedness from lease agreements.

(4) **Due From and Due to Other Funds**

The detail of interfund receivables and payables at June 30, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
General	School Nutrition	<u>\$ 19,500</u>

The Enterprise School Nutrition Fund is repaying the General Fund for monies borrowed for cash-flow purposes during fiscal year 2025 which had not been repaid before year end.

(5) **Change in Area Education Agency Funding**

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each Area Education Agency (AEA) beginning July 1, 2024. For fiscal year 2026, 100% of the educational and media services funds generated by the Districts will be received directly by the District and none will flow through the AEAs. Also, for fiscal year 2026, Districts will flow through 90% (instead of 100%) of special education support services funds to AEAs, who will code the funds as a combination of state aid and property taxes.

(6) Capital Assets

Capital assets activity for the year ended June 30, 2025 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$ 93,897	-	-	93,897
Construction in progress	446,382	111,055	557,437	-
Total capital assets not being depreciated/amortized	540,279	111,055	557,437	93,897
Capital assets being depreciated/amortized:				
Buildings	10,814,849	557,437	-	11,372,286
Land improvements	1,965,726	-	-	1,965,726
Machinery and equipment	1,815,642	12,397	13,000	1,815,039
Right-to-use leased assets	19,744	41,326	19,744	41,326
Total capital assets being depreciated/amortized	14,615,961	611,160	32,744	15,194,377
Less accumulated depreciation/amortization for:				
Buildings	6,683,592	307,094	-	6,990,686
Land improvements	1,402,766	81,921	-	1,484,687
Machinery and equipment	1,600,132	96,459	13,000	1,683,591
Right-to-use leased assets	18,099	8,533	19,744	6,888
Total accumulated depreciation/amortization	9,704,589	494,007	32,744	10,165,852
Total capital assets being depreciated/amortized, net	4,911,372	117,153	-	5,028,525
Governmental activities capital assets/amortized, net	\$ 5,451,651	228,208	557,437	5,122,422
Business type activities:				
Machinery and equipment	\$ 181,235	-	-	181,235
Less accumulated depreciation	144,175	6,031	-	150,206
Business type activities capital assets, net	\$ 37,060	(6,031)	-	31,029

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 18,494
Other	15,092
Support services:	
Administration	11,371
Operation and maintenance of plant	18,405
Transportation	41,630
	104,992
Unallocated depreciation/amortization	389,015
Total governmental activities depreciation/amortization expense	\$ 494,007
Business type activities:	
Food service operations	\$ 6,031

(7) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2025 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
Revenue bonds	\$ 2,163,000	-	314,000	1,849,000	320,000
Lease agreements	1,690	41,326	7,924	35,092	7,809
Termination benefits	48,000	-	48,000	-	-
Net pension liability	1,995,068	-	506,553	1,488,515	-
Total OPEB liability	428,222	-	18,208	410,014	-
Total	<u>\$ 4,635,980</u>	<u>41,326</u>	<u>894,685</u>	<u>3,782,621</u>	<u>327,809</u>
Business type activities:					
Net pension liability	\$ 56,205	-	9,219	46,986	-
Total OPEB liability	5,552	-	236	5,316	-
Total	<u>\$ 61,757</u>	<u>-</u>	<u>9,455</u>	<u>52,302</u>	<u>-</u>

Revenue Bonds

Details of the District's June 30, 2025 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year	Bonds issued October 2, 2017				Bonds issued April 30, 2020				Total	
Ending June 30,	Interest Rate	Principal	Interest		Interest Rate	Principal	Interest	Principal	Interest	Total
2026	2.19 %	\$ 250,000	22,776		2.08 %	\$ 70,000	16,828	320,000	39,604	359,604
2027	2.19	255,000	17,300		2.08	73,000	15,372	328,000	32,672	360,672
2028	2.19	265,000	11,716		2.08	70,000	13,852	335,000	25,568	360,568
2029	2.19	270,000	5,914		2.08	72,000	12,396	342,000	18,310	360,310
2030		-	-		2.08	349,000	10,900	349,000	10,900	359,900
2031		-	-		2.08	175,000	1,820	175,000	1,820	176,820
Total		<u>\$ 1,040,000</u>	<u>57,706</u>			<u>\$ 809,000</u>	<u>71,168</u>	<u>1,849,000</u>	<u>128,874</u>	<u>1,977,874</u>

The District has pledged future statewide sales, services and use tax revenues to repay the \$2,875,000 of bonds issued in October 2017 which refunded Series 2010 bonds, as well as the \$1,200,000 of bonds issued in April 2020 for the purpose of financing a portion of the District's new training and fitness center addition. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2031. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 69% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$1,977,874. For the current year, \$314,000 of principal and \$46,404 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$522,992.

The resolution providing for the issuance of the statewide sales, services and use tax revenues bonds requires the District to set aside each month an amount equal to 1/6 of the upcoming bi-annual interest payments and 1/12 of the upcoming annual principal payments.

Lease Agreements

On May 14, 2024, the District entered into a lease agreement for copiers. The agreement requires monthly payments of \$774 over 60 months with an implicit interest rate of 4.69% and final payment due in August 2029. During the year ended June 30, 2025, principal and interest paid were \$6,234 and \$1,506, respectively.

Year Ending June 30,	Copiers - May 2024				
	Interest Rate		Principal	Interest	Total
2026	4.69	% \$	7,809	1,479	9,288
2027	4.69		8,183	1,105	9,288
2028	4.69		8,575	713	9,288
2029	4.69		8,986	302	9,288
2030	4.69		1,539	9	1,548
Total			<u>\$ 35,092</u>	<u>3,608</u>	<u>38,700</u>

(8) Pension Plan

Plan Description - IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general information 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 Regular member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

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

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

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

In fiscal year 2025, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2025 were \$357,772.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025, the District reported a liability of \$1,535,501 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2024, the District's proportion was 0.042167%, which was a decrease of 0.003279% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$114,547. At June 30, 2025, 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	\$ 122,181	954
Changes of assumptions	-	21
Net difference between projected and actual earnings on IPERS' investments	19,204	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	-	140,856
District contributions subsequent to the measurement date	357,772	-
Total	<u>\$ 499,157</u>	<u>141,831</u>

\$357,772 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. 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,	Amount
2026	\$ (250,253)
2027	341,226
2028	(11,817)
2029	(72,470)
2030	(7,132)
Total	<u>\$ (446)</u>

There were no non-employer contributing entities at IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2024 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 2024 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 IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	3.52%
International equity	13.0	5.18
Global smart beta equity	5.0	4.12
Core plus fixed income	25.5	3.04
Public credit	3.0	4.53
Cash	1.0	1.69
Private equity	17.0	8.89
Private real assets	9.0	4.25
Private credit	5.5	6.62
Total	100.0%	

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

- The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 3,768,092	1,535,501	(334,306)

IPERS' Fiduciary Net Position - Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

(9) Other Postemployment Benefits (OPEB)

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	5
Active employees	<u>69</u>
Total	<u><u>74</u></u>

Total OPEB Liability - The District's total OPEB liability of \$415,330 was measured as of June 30, 2025 and was determined by an actuarial valuation dated June 30, 2023.

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

Rate of inflation	2.50% per annum.
Rates of salary increase	3.25% per year plus merit and promotion increases.
Discount rate	5.20% compounded annually, including inflation.
Healthcare cost trend rate	7.60% initially, decreasing gradually to an ultimate rate of 3.90%.

Discount Rate - The discount rate used to measure the total OPEB liability was 5.20% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates and annual retirement probabilities are based on School assumptions for Regular Members in the June 2022 Iowa Public Employees' Retirement System Demographic Assumptions Study.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 433,774
Changes for the year:	
Service cost	35,530
Interest	17,991
Changes in assumptions	(39,709)
Benefit payments	<u>(32,256)</u>
Net changes	<u>(18,444)</u>
Total OPEB liability end of year	<u><u>\$ 415,330</u></u>

Changes in assumptions reflect a change in the discount rate from 3.97% for fiscal year 2024 to 5.20% for fiscal year 2025.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1% lower (4.20%) or 1% higher (6.20%) than the current discount rate.

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	\$ 447,295	415,330	386,066

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates 1% lower (6.60%) or 1% higher (8.60%) than the current healthcare cost trend rates.

	1% Decrease (6.60%)	Healthcare Cost Trend Rate (7.60%)	1% Increase (8.60%)
Total OPEB liability	\$ 369,821	415,330	469,484

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2025, the District recognized OPEB expense of \$13,812. Guthrie Center Community School District elected to use the Alternative Measurement Method (AMM) as allowed by GASB Statement No. 75 for entities with fewer than 100 active and inactive employees. Certain items such as differences between expected and actual experience and changes in assumptions and other inputs are recognized in the current year when using the AMM and, therefore, there are no deferred outflows of resources or deferred inflows of resources related to OPEB.

(10) Risk Management

Guthrie Center 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.

(11) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$157,674 for the year ended June 30, 2025 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(12) Reconciliation of Governmental Fund Balances to Net Position

	Net investment in Capital Assets	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	1,183,038
Capital assets, net of accumulated depreciation/amortization	5,122,422	-
Revenue bond capitalized indebtedness	(1,849,000)	-
Indebtedness from lease agreements	(35,092)	-
Income surtax	-	220,416
Pension related deferred outflows	-	483,882
Pension related deferred inflows	-	(137,491)
Net pension liability	-	(1,488,515)
Total OPEB liability	-	(410,014)
Net position (Exhibit A)	\$ 3,238,330	(148,684)

(13) Categorical Funding

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

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2025.

Program	Amount
Limited English Proficient (LEP)	\$ 12,321
At-Risk Programs	8,928
Returning Dropouts and Dropout Prevention	12,089
Teacher Leadership State Aid	76,245
Professional Development	23,182
Total	<u>\$ 132,765</u>

(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 otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Other entities within the District provide tax abatements for urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa.

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2025 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Guthrie Center	Urban renewal and economic development projects	\$ -

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, 2025, this reimbursement amounted to \$1,996.

(15) Deficit Balance

At June 30, 2025, the Enterprise: School Nutrition Fund had deficit unrestricted net position of \$62,757 and total net position of \$31,728.

(16) Adoption of New Accounting Standard

The District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. There was not a significant effect on the District's financial statements as a result of the implementation of this standard.

REQUIRED SUPPLEMENTARY INFORMATION

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS
AND PROPRIETARY FUND
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025

	Governmental Funds Actual	Proprietary Fund Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 5,187,202	144,581	5,331,783	5,504,847	5,504,847	(173,064)
State sources	3,731,650	1,917	3,733,567	3,249,437	3,249,437	484,130
Federal sources	298,186	149,392	447,578	318,000	318,000	129,578
Total revenues	9,217,038	295,890	9,512,928	9,072,284	9,072,284	440,644
Expenditures/Expenses:						
Instruction	4,935,469	-	4,935,469	5,090,615	5,090,615	155,146
Support services	2,384,323	468	2,384,791	2,939,557	2,939,557	554,766
Non-instructional programs	3,112	304,917	308,029	365,000	365,000	56,971
Other expenditures	783,708	-	783,708	918,293	918,293	134,585
Total expenditures/expenses	8,106,612	305,385	8,411,997	9,313,465	9,313,465	901,468
Excess (Deficiency) of revenues over (under) expenditures/expenses	1,110,426	(9,495)	1,100,931	(241,181)	(241,181)	1,342,112
Other financing sources, net	59,274	-	59,274	-	-	59,274
Excess (Deficiency) of revenues and other financing sources over (under) expenditures/expenses	1,169,700	(9,495)	1,160,205	(241,181)	(241,181)	1,401,386
Balances beginning of year	2,158,867	(22,233)	2,136,634	2,007,235	2,007,235	129,399
Balances end of year	\$ 3,328,567	(31,728)	3,296,839	1,766,054	1,766,054	1,530,785

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING
YEAR ENDED JUNE 30, 2025

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

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

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

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS*
REQUIRED SUPPLEMENTARY INFORMATION

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.042167%	0.045446%	0.047387%	0.018575%	0.045772%	0.048844%	0.048339%	0.047102%	0.048913%	0.049787%
District's proportionate share of the net pension liability	\$ 1,535,501	2,051,273	1,790,346	64,126	3,215,383	2,828,407	3,059,000	3,137,556	3,078,271	2,459,703
District's covered payroll	\$ 3,890,905	3,992,914	3,816,551	3,712,489	3,628,979	3,717,240	3,633,044	3,511,868	3,511,588	3,410,839
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.46%	51.37%	46.91%	1.73%	88.60%	76.09%	84.20%	89.34%	87.66%	72.11%
IPERS' net position as a percentage of the total pension liability	92.30%	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 357,772	367,302	376,931	360,282	350,459	342,576	350,907	324,431	313,610	313,585
Contributions in relation to the statutorily required contribution	(357,772)	(367,302)	(376,931)	(360,282)	(350,459)	(342,576)	(350,907)	(324,431)	(313,610)	(313,585)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 3,781,580	3,890,905	3,992,914	3,816,551	3,712,489	3,628,979	3,717,240	3,633,044	3,511,868	3,511,588
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
YEAR ENDED JUNE 30, 2025

Changes in benefit terms:

There are no significant changes in benefit terms.

Changes in assumptions:

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

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

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

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

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

- Decreased the 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%.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST EIGHT YEARS
REQUIRED SUPPLEMENTARY INFORMATION

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 35,530	47,498	47,229	65,227	57,065	88,007	85,860	104,918
Interest cost	17,991	22,730	21,178	13,305	15,239	28,254	25,871	25,286
Differences between expected and actual experience	-	(177,150)	-	(45,194)	-	(401,342)	-	-
Changes in assumptions	(39,709)	21,654	(7,039)	(92,216)	24,642	(16,893)	(35,573)	(2,159)
Benefit payments	(32,256)	(44,622)	(48,782)	(35,617)	(32,622)	(19,475)	-	-
Net change in total OPEB liability	(18,444)	(129,890)	12,586	(94,495)	64,324	(321,449)	76,158	128,045
Total OPEB liability beginning of year	433,774	563,664	551,078	645,573	581,249	902,698	826,540	698,495
Total OPEB liability end of year	\$ 415,330	433,774	563,664	551,078	645,573	581,249	902,698	826,540
Covered-employee payroll	\$ 3,454,059	3,305,726	3,472,324	3,339,520	3,488,524	2,207,245	2,381,000	2,310,773
Total OPEB liability as a percentage of covered-employee payroll	12.02%	13.12%	16.23%	16.50%	18.51%	26.33%	37.91%	35.77%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB LIABILITY
YEAR ENDED JUNE 30, 2025

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period.
The following are the discount rates used in each period.

Year ended June 30, 2025	5.20%
Year ended June 30, 2024	3.97%
Year ended June 30, 2023	3.86%
Year ended June 30, 2022	3.69%
Year ended June 30, 2021	1.92%
Year ended June 30, 2020	2.45%
Year ended June 30, 2019	3.13%
Year ended June 30, 2018	3.62%
Year ended June 30, 2017	3.56%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SUPPLEMENTARY INFORMATION

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2025

	Special Revenue		
	Management	Student	Total
	Levy	Activity	Nonmajor
Assets			
Cash and pooled investments	\$ 153,438	127,847	281,285
Receivables:			
Property tax:			
Delinquent	2,512	-	2,512
Succeeding year	250,000	-	250,000
Total assets	\$ 405,950	127,847	533,797
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities	\$ -	-	-
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property taxes	250,000	-	250,000
Fund balances:			
Restricted for:			
Management levy purposes	155,950	-	155,950
Student activities	-	127,847	127,847
Total fund balances	155,950	127,847	283,797
Total liabilities, deferred inflows of resources and fund balances	\$ 405,950	127,847	533,797

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2025

	Special Revenue			Debt Service	Total Nonmajor
	Management Levy	Student Activity	Total		
Revenues:					
Local sources:					
Local tax	\$ 201,680	-	201,680	-	201,680
Other	9,038	286,058	295,096	-	295,096
State sources	1,833	-	1,833	-	1,833
Total revenues	212,551	286,058	498,609	-	498,609
Expenditures:					
Current:					
Instruction:					
Regular	83,272	-	83,272	-	83,272
Other	-	275,655	275,655	-	275,655
Support services:					
Administration	23,288	-	23,288	-	23,288
Operation and maintenance of plant	106,741	-	106,741	-	106,741
Transportation	23,782	-	23,782	-	23,782
Non-instructional programs:					
Food service operations	3,112	-	3,112	-	3,112
Long-term debt:					
Principal	-	-	-	321,924	321,924
Interest and fiscal charges	-	-	-	47,915	47,915
Total expenditures	240,195	275,655	515,850	369,839	885,689
Excess (Deficiency) of revenues over (under) expenditures	(27,644)	10,403	(17,241)	(369,839)	(387,080)
Other financing sources:					
Transfer in	-	-	-	369,839	369,839
Change in fund balances	(27,644)	10,403	(17,241)	-	(17,241)
Fund balances beginning of year	183,594	117,444	301,038	-	301,038
Fund balances end of year	\$ 155,950	127,847	283,797	-	283,797

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND ACCOUNTS
JUNE 30, 2025

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 653,921	1,020,330	1,674,251
Receivables:			
Property tax:			
Delinquent	-	4,882	4,882
Succeeding year	-	390,151	390,151
Due from other governments	54,845	10,619	65,464
Total assets	\$ 708,766	1,425,982	2,134,748
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	5,011	5,011
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	390,151	390,151
Other	-	10,619	10,619
Total deferred inflows of resources	-	400,770	400,770
Fund balances:			
Restricted for:			
School infrastructure	708,766	-	708,766
Physical plant and equipment	-	1,020,201	1,020,201
Total fund balances	708,766	1,020,201	1,728,967
Total liabilities, deferred inflows of resources and fund balances	\$ 708,766	1,425,982	2,134,748

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUND ACCOUNTS
 YEAR ENDED JUNE 30, 2025

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	393,580	393,580
Other	-	51,333	51,333
State sources	522,992	3,558	526,550
Federal sources	-	89,381	89,381
Total revenues	522,992	537,852	1,060,844
Expenditures:			
Current:			
Instruction:			
Regular	116,566	11,376	127,942
Support services:			
Instructional staff	-	16,634	16,634
Administration	1,100	76,938	78,038
Operation and maintenance of plant	-	18,563	18,563
Transportation	-	14,095	14,095
Capital outlay	-	256,195	256,195
Total expenditures	117,666	393,801	511,467
Excess of revenues over expenditures	405,326	144,051	549,377
Other financing sources (uses):			
Proceeds from lease agreements	-	41,326	41,326
Transfer out	(360,404)	(9,435)	(369,839)
Total other financing sources (uses)	(360,404)	31,891	(328,513)
Change in fund balances	44,922	175,942	220,864
Fund balances beginning of year	663,844	844,259	1,508,103
Fund balances end of year	\$ 708,766	1,020,201	1,728,967

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2025

Account	Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfer	Balance End of Year
Drama	\$ 11,263	14,660	9,329	-	16,594
Vocal Club	49	433	2,776	2,294	-
Band Club	-	3,467	3,246	893	1,114
Basketball	859	11,393	9,075	-	3,177
Athletics	17,394	25,829	35,040	408	8,591
Track	6,750	6,960	6,076	-	7,634
Cross Country	7,219	3,480	2,671	-	8,028
Golf	-	1,354	2,762	1,408	-
Cheerleaders	567	7,538	10,017	1,912	-
Drill/Dance	-	787	414	94	467
Colorguard	178	1,357	1,398	-	137
Football	2,383	14,558	9,478	-	7,463
Baseball/Softball	1,203	5,626	8,349	4,893	3,373
Wrestling	-	9,120	11,078	3,288	1,330
Volleyball	500	2,018	2,622	104	-
FFA	10,942	55,114	48,825	-	17,231
FCCLA	1,634	175	-	-	1,809
National Honor Society	148	1,140	651	-	637
Student Council	1,946	927	526	-	2,347
Art Club	1,679	100	-	-	1,779
Yearbook	1,835	2,530	765	-	3,600
Marketing	2,750	4,300	6,886	-	164
Concessions	2,262	-	-	-	2,262
Club Volleyball	1,198	4,251	468	-	4,981
Club Softball	1,046	-	-	-	1,046
Club Baseball	1,589	4,526	3,930	-	2,185
Club Football	18,821	10,033	27,928	-	926
Club Wrestling	2,235	-	711	-	1,524
Science Club	408	-	-	-	408
Club Basketball Girls	3,748	3,828	6,097	-	1,479
FCA Club	1,525	-	-	-	1,525
Cross Country Club	1,166	-	-	-	1,166
Class Of 2024	627	-	64	-	563
Class Of 2025	9,476	50,092	54,433	-	5,135
Class Of 2026	510	18,188	10,040	-	8,658
Class Of 2027	240	6,967	-	-	7,207
Class Of 2028	-	3,307	-	-	3,307
Activity Pass Sales	3,294	12,000	-	(15,294)	-
Total	\$ 117,444	286,058	275,655	-	127,847

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

**GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS**

	Modified Accrual Basis									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Local sources:										
Local tax	\$ 3,129,870	2,566,689	2,482,923	2,475,411	2,332,724	2,364,382	2,563,785	2,443,830	2,228,835	1,987,592
Tuition	1,540,674	1,411,289	1,390,576	1,265,817	1,281,715	1,185,676	1,295,713	1,254,464	1,102,209	464,690
Other	516,658	495,087	462,529	449,794	593,674	472,726	529,920	494,370	455,157	354,211
State sources	3,731,650	3,397,467	3,312,684	3,358,232	3,448,030	3,427,258	3,509,253	3,599,063	3,393,043	3,174,930
Federal sources	298,186	398,928	244,837	393,626	511,428	109,800	137,477	167,030	148,732	134,090
Total	<u>\$ 9,217,038</u>	<u>8,269,460</u>	<u>7,893,549</u>	<u>7,942,880</u>	<u>8,167,571</u>	<u>7,559,842</u>	<u>8,036,148</u>	<u>7,958,757</u>	<u>7,327,976</u>	<u>6,115,513</u>
Expenditures:										
Instruction:										
Regular	\$ 3,137,316	3,014,950	3,085,177	2,920,084	2,871,034	3,044,879	2,890,478	2,769,309	2,991,977	2,300,592
Special	865,732	933,576	907,686	781,075	808,460	661,760	613,044	762,840	764,217	643,415
Other	932,421	1,032,000	1,064,584	1,151,624	1,264,454	1,023,801	1,153,147	1,106,373	1,132,095	968,552
Support services:										
Student	207,434	202,469	192,008	172,052	162,530	103,227	97,073	87,639	93,528	113,012
Instructional staff	394,371	551,162	500,659	496,827	445,031	430,298	421,041	441,506	419,341	246,512
Administration	916,793	892,648	747,916	790,815	701,271	714,197	672,583	782,821	670,630	680,880
Operation and maintenance of plant	604,860	616,824	718,043	691,412	652,167	551,119	615,344	582,644	543,342	549,227
Transportation	260,865	284,599	303,620	359,796	258,594	309,098	389,125	340,595	323,605	175,828
Non-instructional programs	3,112	12,500	10,000	5,150	10,000	10,000	5,000	10,660	5,463	7,473
Capital outlay	256,195	528,085	181,915	268,209	1,515,232	224,511	152,287	212,244	266,263	21,737
Long-term debt:										
Principal	321,924	313,676	613,406	294,333	282,000	215,000	225,000	175,000	170,000	165,000
Interest	47,915	53,157	92,775	70,645	68,083	56,180	61,499	82,940	135,150	139,438
Other expenditures:										
AEA flowthrough	157,674	187,143	189,911	191,944	194,498	192,196	193,917	194,768	188,999	191,493
Total	<u>\$ 8,106,612</u>	<u>8,622,789</u>	<u>8,607,700</u>	<u>8,193,966</u>	<u>9,233,354</u>	<u>7,536,266</u>	<u>7,489,538</u>	<u>7,549,339</u>	<u>7,704,610</u>	<u>6,203,159</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
115 North 3rd Avenue West, Newton, Iowa 50208-3218
Telephone (641) 792-1910

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

To the Board of Education of Guthrie Center Community School District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Guthrie Center Community School District as of and for the year ended June 30, 2025, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 16, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in Part I of the accompanying Schedule of Findings as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2025 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.

Guthrie Center Community School District's Responses to Findings

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

Purpose of this Report

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

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



NOLTE, CORNMAN & JOHNSON, P.C.

July 16, 2026
Newton, Iowa

GUTHRIE CENTER COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2025

Part I: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

2025-001 Segregation of Duties

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

Condition - As part of our audit we noted one individual has control over one or more of the following areas for the District:

- 1) Cash - initiating cash receipt and disbursement transactions and handling and recording cash, reconciling balances.
- 2) Investments - investing, detailed recordkeeping, custody of investments and reconciliations.
- 3) Inventories - ordering, receiving, issuing and storing.
- 4) Receipts - collecting, recording, depositing, journalizing, posting and reconciling.
- 5) Disbursements - preparation, approval, mailing, recording and reconciling.
- 6) Capital assets - purchasing, recording and reconciling.
- 7) Payroll - recordkeeping, preparation, posting and distribution.
- 8) Computer systems - performing all general accounting functions and controlling all data input and output.
- 9) School lunch program - collecting, recording, journalizing, posting, reconciling, purchase order processing, check preparation, mailing and recording.

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

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

Recommendation - We realize that with a limited number of office employees, segregation of duties is difficult. However, the District should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response - The District is working diligently on making sure that we have segregation of duties in all aspects.

Conclusion - Response accepted.

Part II: Other Findings Related to Required Statutory Reporting:

2025-A **Certified Budget** - District expenditures for the year ended June 30, 2025 did not exceed the certified budgeted amounts.

2025-B **Questionable Disbursements** - During our audit we noted expenditures we believe may not meet public purpose as defined in the Attorney General's opinion dated April 25, 1979, as follows:

Sales Tax: We noted instances of the District paying sales tax on purchases made with District credit cards. The District is a tax-exempt entity, therefore, expenditures for sales tax would not appear to meet public purpose as defined in an Attorney General's opinion dated April 25, 1979.

Recommendation - The District should review their purchasing and reimbursing procedures currently in place and make the necessary adjustments to comply with the Attorney General's opinion dated April 25, 1979.

Response - The District is aware that sales tax payments are not allowed. We will inform the staff of this again so this does not continue to happen in the future.

Conclusion - Response accepted.

Late Fees and Interest Charges: We noted instances of the District not submitting the monthly IPERS report by the due date or in a timely manner. We also noted instances of the District being assessed late fees and interest charges on credit card invoices. Late fees and interest charges do not appear to meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979.

Recommendation - The District should review its procedures in place and make any necessary adjustments to ensure IPERS reports are submitted in a timely manner and credit cards are paid timely to avoid late fees and interest charges in compliance with an Attorney General's opinion dated April 25, 1979.

Response - The IPERS fees were due to having a wage adjustment with an additional amount due. The additional amount due was not processed until the next payroll, which created the late fees. In the future, we hope to not have any adjustments and will get things submitted in a timely manner to avoid any late fees. The late fees and interest charges shown on credit cards were from past employees not paying bills in a timely manner and not paying the bills off the monthly statement. In the future, the bills will be paid on time and we will not be assessed any late fees or interest charges.

Conclusion - Response accepted.

2025-C **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.

2025-D **Business Transactions** - Business transactions between the District and District officials or employees are detailed as follows:

Name, Title and Business Connection	Transaction Description	Amount
Nick McCool, Coach Head of Sportsplex West Apparel & Sports Equipment	Supplies	\$5,030
Wes Policky, Coach Owns Dub P Apparel	Supplies	\$7,329

In accordance with an Attorney General's opinion dated July 2, 1990, the above transactions with District employees do not appear to represent a conflict of interest.

- 2025-E 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.
- 2025-F 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 the coverage is adequate for current operations.
- 2025-G Board Minutes - We noted no transactions requiring Board approval which have not been approved by the Board.
- 2025-H Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- 2025-I Supplementary Weighting - We noted the supplementary weighting certified to the Iowa Department of Education was overstated by 0.017.

Recommendation - The District should contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.

Response - The District's auditors will contact the Iowa Department of Education and the Iowa Department of Management to resolve this matter.

Conclusion - Response accepted.

- 2025-J 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.
- 2025-K Certified Annual Report - The Certified Annual Report was certified timely to the Iowa Department of Education.
- 2025-L Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.
- 2025-M Statewide Sales, Services and Use Tax - No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in Chapter 423F.3 of the Code of Iowa were noted. Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2025, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$	663,844
Revenues:			
Sales tax revenues	\$	522,992	
Expenditures/transfers out:			
Equipment		116,566	
Other		1,100	
Transfer to the Debt Service Fund		360,404	478,070
Ending balance		\$	708,766

For the year ended June 30, 2025, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

2025-N Financial Condition - At June 30, 2025, the District's Enterprise: School Nutrition Fund reported a deficit unrestricted of \$62,757 and total net position of \$31,728.

Recommendation - The District should review the Enterprise: School Nutrition Fund and develop a workout plan to eliminate the deficit.

Response - The District has been working diligently with the Nutrition Director to eliminate the Nutrition deficit. The Nutrition Director has started getting more food from the USDA program to reduce costs and we have completed the Nonprogram Revenue Tool Calculator for our Nutrition audit to determine costs for meals and where we can change things.

Conclusion - Response accepted.

2025-O Interfund Loans - During our audit we noted an interfund loan which has been outstanding since the year ended June 30, 2024. As of June 30, 2025, the School Nutrition Fund still owes the General Fund \$19,500.

According to a declaratory order issued by the Iowa Department of Education to the Auditor of State dated April 11, 2008, interfund loans on the District's year-end financial statements must be repaid to their respective funds on or before October 1st of the following fiscal year or the date of the District's Board of Directors organizational meeting, whichever is later. If the District is unable to repay the interfund loans by that time, the District must issue external loans to repay the interfund loans according to Iowa Code Chapter 74.

Recommendation - The District should review its interfund loans and develop a plan to be in compliance with the Iowa Department of Education declaratory order.

Response - This loan was paid in full from the Nutrition Department back to the General Fund on 1/22/2026 per Board approval.

Conclusion - Response accepted.