

**UNITED  
COMMUNITY SCHOOL DISTRICT  
FINANCIAL REPORT  
JUNE 30, 2025**

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**UNITED COMMUNITY SCHOOL DISTRICT**

**OFFICIALS**

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
<b>Board of Education</b>		
Brenda Stanley	President	2025
Lora Weyhrich	Vice President	2025
Jon Davis	Board Member	2027
Mike Lynch	Board Member	2027
Kathy Toms	Board Member	2027
<b>School Officials</b>		
Heather Holm	Superintendent	Indefinite
Jenn Meinecke	Board Secretary	Indefinite



## Independent Auditor's Report

To the Board of Education of  
United Community School District  
Boone, Iowa

### 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 United Community School District, Boone, 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 United 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 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 Financial Statements section of our report. We are required to be independent of United 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.

#### Emphasis of Matter

As discussed in Note 15 to the financial statements, the District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, the June 30, 2024 governmental activities net position was restated.

#### 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 United 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of United 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about United 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 and Related Ratios on pages 4 through 11 and 52 through 57 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 inform-

ation in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise United 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 four years ended June 30, 2024 (which are not presented herein) and expressed unmodified opinions on those financial statements. The financial statements for the five years ended June 30, 2020 (which are not presented herein) were audited by other auditors who expressed unmodified opinions on those financial statements. The supplementary information included on pages 58 through 60, 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information on pages 58 through 60 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2026 on our consideration of United 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 United Community School District's internal control over financial reporting and compliance.

*TrustPoint, LLP*

Ames, Iowa  
March 27, 2026

## **UNITED COMMUNITY SCHOOL DISTRICT**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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United 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**

- General Fund revenues increased from \$6,214,153 in fiscal year 2024 to \$6,438,905 in fiscal year 2025, while General Fund expenditures increased from \$6,057,632 in fiscal year 2024 to \$6,786,568 in fiscal year 2025. The District's General Fund balance decreased from \$2,970,871 at the end of fiscal year 2024 to \$2,623,208 at the end of fiscal year 2025, an 11.7% decrease.
- The increase in General Fund revenues was attributable to an increase in local tax and Federal revenue in fiscal year 2025. The increase in expenditures was due primarily to an increase in instruction, administration and operation and maintenance of plant expenditures when compared with the prior year.

#### **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 United 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 services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which United 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 and Related Ratios.
- Supplementary Information provides detailed information about the capital projects fund.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **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 and preschool programs are included here.

#### ***Fund Financial Statements***

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

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

The District has 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 currently has three Enterprise Funds: School Nutrition Fund, the School Store Fund and the Preschool Fund.

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### REPORTING THE DISTRICT’S FINANCIAL ACTIVITIES (CONTINUED)

#### *Fund Financial Statements (Continued)*

- 2) *Proprietary funds (continued)*: The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.
- 3) *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others. This includes the Custodial Fund.
  - Custodial Fund – These are funds for which the District administers and accounts for certain financial activities as a fiscal agent.

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

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

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-1 below provides a summary of the District’s net position at June 30, 2025 compared to June 30, 2024:

	Governmental Activities		Business Type Activities		Total District		Total Change June 30,
	June 30,		June 30,		June 30,		
	2025	Restated 2024	2025	2024	2025	Restated 2024	2024-2025
Current and other assets	\$ 11,691,520	\$ 10,950,197	\$ 735,964	\$ 713,113	\$ 12,427,484	\$ 11,663,310	6.6%
Capital assets	8,322,741	8,160,919	34,481	40,101	8,357,222	8,201,020	1.9%
<b>Total assets</b>	<b>20,014,261</b>	19,111,116	<b>770,445</b>	753,214	<b>20,784,706</b>	19,864,330	4.6%
Deferred outflow of resources	359,409	419,827	29,730	24,717	389,139	444,544	-12.5%
Long-term liabilities	5,603,017	6,021,498	215,590	215,442	5,818,607	6,236,940	-6.7%
Other liabilities	2,186,087	883,828	33,055	19,558	2,219,142	903,386	145.6%
<b>Total liabilities</b>	<b>7,789,104</b>	6,905,326	<b>248,645</b>	235,000	<b>8,037,749</b>	7,140,326	12.6%
Deferred inflows of resources	4,039,539	4,057,384	7,808	8,957	4,047,347	4,066,341	-0.5%
Net position:							
Net investment in capital assets	5,696,354	5,147,694	34,481	40,101	5,730,835	5,187,795	10.5%
Restricted	2,865,972	3,241,380	-	-	2,865,972	3,241,380	-11.6%
Unrestricted	(17,299)	179,159	509,241	493,873	491,942	673,032	-26.9%
<b>Total net position</b>	<b>\$ 8,545,027</b>	\$ 8,568,233	<b>\$ 543,722</b>	\$ 533,974	<b>\$ 9,088,749</b>	\$ 9,102,207	-0.1%

The District’s total net position decreased 0.1%, or approximately \$13,000, from the prior year.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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 decreased approximately \$375,000, or 11.6%, from the prior year. The decrease was primarily a result of a decrease in net position restricted for management levy purposes and capital projects as compared with the prior year. The decrease is due to increased expenditures for early retirement, District's insurance and capital projects.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased approximately \$181,000, or 26.9%. This decrease in unrestricted net position was primarily a result of General Fund deficit spending.

Figure A-2 shows the changes in net position for the year ended June 30, 2025 compared to the year ended June 30, 2024:

Figure A-2 Changes in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	2025	Not Restated 2024	2025	2024	2025	Not Restated 2024	
<b>Revenues:</b>							
Program revenues:							
Charges for service	\$ 1,225,016	\$ 1,275,689	\$ 325,285	\$ 316,292	\$ 1,550,301	\$ 1,591,981	-2.6%
Operating grants and contributions	1,285,880	1,051,842	87,259	99,665	1,373,139	1,151,507	19.2%
General revenues:							
Property tax	3,879,132	3,677,831	-	-	3,879,132	3,677,831	5.5%
Income surtax	31,847	99,581	-	-	31,847	99,581	-68.0%
Statewide sales, services and use tax	480,798	508,370	-	-	480,798	508,370	-5.4%
Unrestricted state grants	818,689	1,025,581	-	-	818,689	1,025,581	-20.2%
Unrestricted investment earnings	164,911	69,315	26,606	19,624	191,517	88,939	115.3%
Other general revenues	67,944	57,722	-	-	67,944	57,722	17.7%
<b>Total revenues</b>	<b>7,954,217</b>	<b>7,765,931</b>	<b>439,150</b>	<b>435,581</b>	<b>8,393,367</b>	<b>8,201,512</b>	<b>2.3%</b>
<b>Program expenses:</b>							
Instruction	5,326,434	4,099,116	179,157	179,450	5,505,591	4,278,566	28.7%
Support services	2,115,854	1,879,954	-	-	2,115,854	1,879,954	12.5%
Non-instructional programs	-	-	250,245	262,621	250,245	262,621	-4.7%
Other expenses	535,135	565,527	-	-	535,135	565,527	-5.4%
<b>Total expenses</b>	<b>7,977,423</b>	<b>6,544,597</b>	<b>429,402</b>	<b>442,071</b>	<b>8,406,825</b>	<b>6,986,668</b>	<b>20.3%</b>
<b>Change in net position</b>	<b>(23,206)</b>	<b>1,221,334</b>	<b>9,748</b>	<b>(6,490)</b>	<b>(13,458)</b>	<b>1,214,844</b>	<b>-101.1%</b>
Net position beginning of year	8,568,233	7,958,103	533,974	540,464	9,102,207	8,498,567	7.1%
Net position end of year	\$ 8,545,027	\$ 9,179,437	\$ 543,722	\$ 533,974	\$ 9,088,749	\$ 9,713,411	-6.4%

In fiscal year 2025, property tax and unrestricted state grants accounted for 59.1% of governmental activities revenue while charges for service and operating grants and contributions accounted for 93.9% of business type activities revenue. The District's total revenues were approximately \$8.4 million, of which approximately \$8.0 million was for governmental activities and approximately \$0.4 million was for business type activities.

As shown in Figure A-2, the District as a whole experienced a 2.3% increase in revenues and a 20.3% increase in expenses. Operating grants and contributions and property taxes increased approximately \$222,000 and \$201,000, respectively, to account for the increase in revenue. Expenses increased primarily due to an increase in the District's instruction and support services. The increase in expenses is primarily related to an increase in salaries and benefits, early retirement and the adoption of GASB No. 101, *Compensated Absences*.

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

**Governmental Activities**

Revenues for governmental activities were \$7,954,217 and expenses were \$7,977,423 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 and other expenses, for the year ended June 30, 2025 compared to those expenses for the year ended June 30, 2024.

	<b>Total Cost of Services</b>			<b>Net Cost of Services</b>		
	<b>2025</b>	<b>2024</b>	<b>Change 2024-2025</b>	<b>2025</b>	<b>2024</b>	<b>Change 2024-2025</b>
Instruction	\$ 5,326,434	\$ 4,099,116	29.9%	\$ 3,266,964	\$ 2,195,706	48.8%
Support services	2,115,854	1,879,954	12.5%	1,810,807	1,632,911	10.9%
Other expenses	535,135	565,527	-5.4%	388,756	388,449	0.1%
<b>Total</b>	<b>\$ 7,977,423</b>	<b>\$ 6,544,597</b>	<b>21.9%</b>	<b>\$ 5,466,527</b>	<b>\$ 4,217,066</b>	<b>29.6%</b>

For the year ended June 30, 2025:

- The cost financed by users of the District’s programs was \$1,225,016.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$1,285,880.
- The net cost of governmental activities was financed with \$4,391,777 of property and other taxes and \$818,689 of unrestricted state grants.

**Business Type Activities**

Revenues for business type activities during the year ended June 30, 2025 were \$439,150 representing a 0.8% increase over the prior year, while expenses totaled \$429,402, a 2.9% decrease from the prior year. The District’s business type activities include the Preschool Fund, the School Nutrition Fund and the School Store Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

Charges for service in the Preschool Fund increased \$2,592, while expenses remained unchanged from the prior year. The Preschool Fund net position increased \$35,186 to \$305,587 at June 30, 2025.

School Nutrition Fund revenue decreased \$2,015 due to a reduction in federal reimbursement for meals served. Expenses decreased \$10,660, primarily due to a reduction in salaries and benefits. Despite the reduction in expenses, the School Nutrition Fund net position decreased from \$255,322 at June 30, 2024 to \$231,396 at June 30, 2025.

The School Store Fund had minimal activity in fiscal year 2025, with expenses exceeding revenue by \$1,512 reducing the June 30, 2025 net position to \$6,739.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **INDIVIDUAL FUND ANALYSIS**

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$5,527,716, below last year's ending fund balances of \$6,127,620. The primary reason for the decrease in combined fund balances at the end of fiscal year 2025 is due to deficit spending in the General Fund and increased expenditures in the Capital Projects Fund.

#### **Governmental Fund Highlights**

- The District's General Fund financial position is the result of many factors. General Fund revenues increased compared to the prior year, primarily due to an increase in local tax and Federal revenue received. General Fund expenditures increased during the year, primarily due to an increase in instruction, operations and maintenance of plant and administration expenditures. The increase in expenditures is primarily due to increases in wages and benefits. The District's General Fund balance decreased 11.7% from \$2,970,871 at June 30, 2024 to \$2,623,208 at June 30, 2025.
- The Capital Projects Fund balance decreased from \$2,115,363 at June 30, 2024 to \$1,876,367 at June 30, 2025. An increase in expenditures compared to the prior fiscal year attributed to the reduction in net position. The increase in expenditures is attributed to two bus purchases and improvement projects on the playground and north lot.
- The Management Levy Fund balance decreased from \$1,041,386 at June 30, 2024 to \$1,028,141 at June 30, 2025. Property tax revenue decreased and insurance and early retirement expenses increased, resulting in the fund balance reduction.

#### **Proprietary Fund Highlights**

Charges for service in the Preschool Fund increased \$2,592, while expenses remained unchanged from the prior year. The Preschool Fund net position increased \$35,186 to \$305,587 at June 30, 2025.

School Nutrition Fund revenue decreased \$2,015 due to a reduction in federal reimbursement for meals served. Expenses decreased \$10,660, primarily due to a reduction in salaries and benefits. Despite the reduction in expenses, the School Nutrition Fund net position decreased from \$255,322 at June 30, 2024 to \$231,396 at June 30, 2025.

The School Store Fund had minimal activity in fiscal year 2025, with expenses exceeding revenue by \$1,512 reducing the June 30, 2025 net position to \$6,739.

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**INDIVIDUAL FUND ANALYSIS (CONTINUED)**

**Budgetary Highlights**

Over the course of the year, United Community School District amended its budget one time to reflect additional expenditures associated with increased food prices, early retirement incentives and increased staffing.

The District’s total revenues were \$845,720 more than budgeted revenues, a variance of 11.2%. The most significant variance resulted from the District receiving \$899,888 more state source revenue.

Total expenditures were more than budgeted. It is the practice of the District to budget expenditures at the actual projected expenditure level for the General Fund. The District then manages or controls further General Fund spending through its line-item budget.

In spite of the District’s budgetary practices, expenditures in the instruction and non-instructional programs functional areas exceeded the amount budgeted.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2025, the District had invested \$8,357,222, 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-4). This represents a net increase of 1.9% over last year. More detailed information about the District’s capital assets is presented in Note 5 to the financial statements. Depreciation/amortization expense for the year was \$421,254 for governmental activities and \$5,620 for business type activities.

The original cost of the District’s capital assets was approximately \$15.0 million. Governmental funds accounted for approximately \$14.8 million, with the remainder of \$0.2 million accounted for in the Enterprise, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the furniture and equipment category. During the year ended June 30, 2025, the District purchased two buses.

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2025	2024	2025	2024	2025	2024	2024-2025
Land	\$ 30,821	\$ 30,821	\$ -	\$ -	\$ 30,821	\$ 30,821	0.0%
Construction in progress	137,013	-	-	-	137,013	-	N/A
Buildings	7,338,231	7,569,953	-	-	7,338,231	7,569,953	-3.1%
Improvements other than buildings	225,510	198,539	-	-	225,510	198,539	13.6%
Furniture and equipment	543,056	296,001	34,481	40,101	577,537	336,102	71.8%
Right-to-use leased equipment	48,110	65,605	-	-	48,110	65,605	-26.7%
<b>Total</b>	<b>\$ 8,322,741</b>	<b>\$ 8,160,919</b>	<b>\$ 34,481</b>	<b>\$ 40,101</b>	<b>\$ 8,357,222</b>	<b>\$ 8,201,020</b>	<b>1.9%</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

#### Long-term Debt

At June 30, 2025, the District had \$2,626,387 of total long-term debt outstanding. (See Figure A-5) Additional information about the District's long-term debt is presented in Note 6 to the financial statements.

The Constitution of the State of Iowa limits the amount of general obligation debt districts can issue to 5% of the assessed value of all taxable property within the District. The District's outstanding general obligation debt is significantly below its constitutional debt limit.

	Total District June 30,		Percentage Change June 30, 2024-2025
	2025	2024	
General obligation school capital loan notes	\$ 890,000	\$ 1,105,000	-19.5%
Revenue bonds	1,685,000	1,840,000	-8.4%
Lease agreements	51,387	68,225	-24.7%
	<u>\$ 2,626,387</u>	<u>\$ 3,013,225</u>	<u>-12.8%</u>

### ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was unaware of any existing circumstances which could significantly affect its financial health in the future except for the following:

- Local option sales and services tax revenues have a significant impact on building improvements.
- District certified enrollment remained steady in fiscal year 2025. Under Iowa's school funding formula, District funding is highly dependent upon District enrollment. Projections indicate the District will continue to remain steady in 2026-27.
- The increasing rate of inflation will make it difficult for the District to keep up with the rising costs of goods and services. This will have an impact on the District going forward.
- The District entered into a Superintendent sharing agreement with South Hamilton Community School District.

### 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 Jenn Meinecke, Board Secretary, United Community School District, 1284 U Avenue, Boone, Iowa 50036.

## **BASIC FINANCIAL STATEMENTS**

**UNITED COMMUNITY SCHOOL DISTRICT**

UNITED COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities	Business Type Activities	Total
<b>Assets</b>			
Cash and pooled investments	\$ 6,996,877	\$ 699,387	\$ 7,696,264
Receivables:			
Property tax:			
Delinquent	13,248	-	13,248
Succeeding year	3,945,146	-	3,945,146
Accounts	12,305	18,884	31,189
Due from other governments	691,681	-	691,681
Prepaid expenses	32,263	-	32,263
Inventories	-	17,693	17,693
Land	30,821	-	30,821
Construction in progress	137,013	-	137,013
Capital assets, net of accumulated depreciation/amortization	8,154,907	34,481	8,189,388
<b>Total assets</b>	<b>20,014,261</b>	<b>770,445</b>	<b>20,784,706</b>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows	359,409	29,730	389,139
<b>Total deferred outflows of resources</b>	<b>359,409</b>	<b>29,730</b>	<b>389,139</b>
<b>Liabilities</b>			
Accounts payable	1,737,141	20,240	1,757,381
Salaries and benefits payable	445,336	8,549	453,885
Accrued interest payable	3,610	-	3,610
Unearned revenue	-	4,266	4,266
Long-term liabilities:			
Portion due within one year:			
General obligation capital loan notes	220,000	-	220,000
Revenue bonds	155,000	-	155,000
Lease agreements	17,500	-	17,500
Early retirement	127,115	-	127,115
Total OPEB liability	122,553	15,079	137,632
Portion due after one year:			
General obligation capital loan notes	670,000	-	670,000
Revenue bonds	1,530,000	-	1,530,000
Lease agreements	33,887	-	33,887
Early retirement	190,472	-	190,472
Compensated absences	693,650	-	693,650
Net pension liability	911,409	75,391	986,800
Total OPEB liability	931,431	125,120	1,056,551
<b>Total liabilities</b>	<b>7,789,104</b>	<b>248,645</b>	<b>8,037,749</b>

(Continued on next page)

**UNITED COMMUNITY SCHOOL DISTRICT**

**STATEMENT OF NET POSITION (CONTINUED)**

**June 30, 2025**

	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources</b>			
Property taxes levied for subsequent years	\$ 3,945,146	\$ -	\$ 3,945,146
Pension related deferred inflows	94,393	7,808	102,201
<b>Total deferred inflows of resources</b>	<b>4,039,539</b>	<b>7,808</b>	<b>4,047,347</b>
<b>Net Position</b>			
Net investment in capital assets	5,696,354	34,481	5,730,835
Restricted for:			
Categorical funding	279,051	-	279,051
Management levy purposes	710,554	-	710,554
School infrastructure	905,924	-	905,924
Physical plant and equipment	970,443	-	970,443
Unrestricted	(17,299)	509,241	491,942
<b>Total net position</b>	<b>\$ 8,545,027</b>	<b>\$ 543,722</b>	<b>\$ 9,088,749</b>

See notes to basic financial statements.

UNITED COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs:</b>				
<b>Governmental activities:</b>				
Instruction:				
Regular instruction	\$ 4,202,953	\$ 1,089,905	\$ 591,658	\$ -
Special instruction	780,281	127,167	248,901	-
Other instruction	343,200	1,839	-	-
	<u>5,326,434</u>	<u>1,218,911</u>	<u>840,559</u>	<u>-</u>
Support services:				
Student	127,731	-	84,204	-
Instructional staff	299,760	-	86,491	-
Administration	742,727	-	14,029	-
Operation and maintenance of plant	324,066	-	21	-
Transportation	621,570	6,105	114,197	-
	<u>2,115,854</u>	<u>6,105</u>	<u>298,942</u>	<u>-</u>
Other expenditures:				
Long-term debt interest	62,530	-	-	-
AEA flowthrough	146,379	-	146,379	-
Depreciation/amortization (unallocated)*	326,226	-	-	-
	<u>535,135</u>	<u>-</u>	<u>146,379</u>	<u>-</u>
<b>Total governmental activities</b>	<u>7,977,423</u>	<u>1,225,016</u>	<u>1,285,880</u>	<u>-</u>
<b>Business type activities:</b>				
Instructional programs:				
Preschool	179,157	196,466	-	-
Non-instructional programs:				
Food service operations	248,674	128,760	87,259	-
Other enterprise operations	1,571	59	-	-
<b>Total business type activities</b>	<u>429,402</u>	<u>325,285</u>	<u>87,259</u>	<u>-</u>
<b>Total</b>	<u>\$ 8,406,825</u>	<u>\$ 1,550,301</u>	<u>\$ 1,373,139</u>	<u>\$ -</u>

**Net (Expense) Revenue  
and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
\$ (2,521,390)	\$ -	\$ (2,521,390)
(404,213)	-	(404,213)
(341,361)	-	(341,361)
<u>(3,266,964)</u>	<u>-</u>	<u>(3,266,964)</u>
(43,527)	-	(43,527)
(213,269)	-	(213,269)
(728,698)	-	(728,698)
(324,045)	-	(324,045)
(501,268)	-	(501,268)
<u>(1,810,807)</u>	<u>-</u>	<u>(1,810,807)</u>
(62,530)	-	(62,530)
-	-	-
(326,226)	-	(326,226)
<u>(388,756)</u>	<u>-</u>	<u>(388,756)</u>
<u>(5,466,527)</u>	<u>-</u>	<u>(5,466,527)</u>
-	17,309	17,309
-	(32,655)	(32,655)
-	(1,512)	(1,512)
-	(16,858)	(16,858)
<u>(5,466,527)</u>	<u>(16,858)</u>	<u>(5,483,385)</u>

(Continued on next page)

**UNITED COMMUNITY SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES (CONTINUED)**

**Year Ended June 30, 2025**

	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Service</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>General Revenues:</b>				
Property tax levied for:				
General purposes				
Capital outlay				
Management levy				
Income surtax				
Statewide sales, services and use tax				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
<b>Total general revenues</b>				

**Change in net position**

Net position beginning of year, as restated

Net position end of year

\* This amount excludes the depreciation/amortization included in the direct expenses of the various programs.

See notes to basic financial statements.

**Net (Expense) Revenue  
and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
\$ 2,933,342	\$ -	\$ 2,933,342
687,144	-	687,144
258,646	-	258,646
31,847	-	31,847
480,798	-	480,798
818,689	-	818,689
164,911	26,606	191,517
67,944	-	67,944
5,443,321	26,606	5,469,927
(23,206)	9,748	(13,458)
8,568,233	533,974	9,102,207
\$ 8,545,027	\$ 543,722	\$ 9,088,749



<b>Nonmajor</b>	
<b>Debt Service</b>	<b>Total</b>
\$ 1,200	\$ 6,996,877
-	13,248
-	3,945,146
-	12,305
-	691,681
-	32,263
-	97,138

\$ 1,200    \$ 11,788,658

UNITED COMMUNITY SCHOOL DISTRICT

BALANCE SHEET (CONTINUED)

Governmental Funds

June 30, 2025

	General	Capital Projects	Management Levy
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,445,035	\$ 290,906	\$ -
Salaries and benefits payable	372,845	-	72,491
Due to other funds	97,138	-	-
<b>Total liabilities</b>	<u>1,915,018</u>	<u>290,906</u>	<u>72,491</u>
<b>Deferred inflows of resources:</b>			
Unavailable revenues:			
Succeeding year property tax	2,816,615	725,782	402,749
Other	36,181	-	-
<b>Total deferred inflows of resources</b>	<u>2,852,796</u>	<u>725,782</u>	<u>402,749</u>
<b>Fund balances:</b>			
Restricted for:			
Categorical funding	279,051	-	-
Management levy purposes	-	-	1,028,141
School infrastructure	-	905,924	-
Physical plant and equipment	-	970,443	-
Committed for future outdoor classroom	8,408	-	-
Unassigned	2,335,749	-	-
<b>Total fund balances</b>	<u>2,623,208</u>	<u>1,876,367</u>	<u>1,028,141</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 7,391,022</u>	<u>\$ 2,893,055</u>	<u>\$ 1,503,381</u>

<b>Nonmajor</b>		
<b>Debt Service</b>		<b>Total</b>
\$ 1,200	\$	1,737,141
-		445,336
-		97,138
1,200		2,279,615
-		3,945,146
-		36,181
-		3,981,327
-		279,051
-		1,028,141
-		905,924
-		970,443
-		8,408
-		2,335,749
-		5,527,716
\$ 1,200	\$	11,788,658

**UNITED 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 17)** \$ 5,527,716

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 8,322,741

Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds. (3,610)

Other long-term assets are not available to pay current year expenditures and, therefore, are recognized as deferred inflows of resources in the governmental funds. 36,181

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	\$ 359,409	
Deferred inflows of resources	(94,393)	265,016

Long-term liabilities, including bonds payable, early retirement, lease agreements payable, compensated absences, total OPEB liability and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds. (5,603,017)

**Net position of governmental activities (page 13)** \$ 8,545,027

See notes to basic financial statements.

UNITED COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

Governmental Funds

Year Ended June 30, 2025

	General	Capital Projects	Management Levy
<b>Revenues:</b>			
Local sources:			
Local tax	\$ 2,966,393	\$ 687,144	\$ 258,646
Tuition	1,218,911	-	-
Other	160,414	61,839	16,706
State sources	1,949,322	488,984	3,197
Federal sources	143,865	-	-
<b>Total revenues</b>	<b>6,438,905</b>	<b>1,237,967</b>	<b>278,549</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	3,928,835	126,327	152,125
Special	783,144	-	-
Other	343,481	-	-
	<b>5,055,460</b>	<b>126,327</b>	<b>152,125</b>
Support services:			
Student	127,914	-	-
Instructional staff	284,208	16,038	-
Administration	549,842	162,919	15,015
Operation and maintenance of plant	388,322	97,634	105,706
Transportation	234,443	332,002	18,948
	<b>1,584,729</b>	<b>608,593</b>	<b>139,669</b>
Other expenditures:			
Facilities acquisition	-	292,411	-
Long-term debt:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
AEA flowthrough	146,379	-	-
	<b>146,379</b>	<b>292,411</b>	<b>-</b>
<b>Total expenditures</b>	<b>6,786,568</b>	<b>1,027,331</b>	<b>291,794</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(347,663)</b>	<b>210,636</b>	<b>(13,245)</b>

<b>Nonmajor</b>		
<b>Debt Service</b>		<b>Total</b>
\$ -	\$	3,912,183
-		1,218,911
-		238,959
-		2,441,503
-		143,865
-		7,955,421

-		4,207,287
-		783,144
-		343,481
-		5,333,912

-		127,914
-		300,246
-		727,776
-		591,662
-		585,393
-		2,332,991

-		292,411
386,838		386,838
62,794		62,794
-		146,379
449,632		888,422
449,632		8,555,325

(449,632)      (599,904)

(Continued on next page)

**UNITED COMMUNITY SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (CONTINUED)**

**Governmental Funds**

**Year Ended June 30, 2025**

	<b>General</b>	<b>Capital Projects</b>	<b>Management Levy</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ (347,663)	\$ 210,636	\$ (13,245)
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	-	(449,632)	-
	-	(449,632)	-
<b>Change in fund balances</b>	(347,663)	(238,996)	(13,245)
Fund balances beginning of year	2,970,871	2,115,363	1,041,386
Fund balances end of year	\$ 2,623,208	\$ 1,876,367	\$ 1,028,141

See notes to basic financial statements.

<b>Nonmajor</b>	
<b>Debt Service</b>	<b>Total</b>
\$ (449,632)	\$ (599,904)
449,632	449,632
-	(449,632)
449,632	-
-	(599,904)
-	6,127,620
\$ -	\$ 5,527,716

**UNITED 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 20)** \$ (599,904)

*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. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciation/amortization expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation/amortization expense in the current year, as follows:

Expenditures for capital assets	\$ 583,076	
Depreciation/amortization expense	<u>(421,254)</u>	161,822

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. 386,838

Because some revenues will not be collected for several months after the year end, they are not considered available revenue and are recognized as deferred inflows of resources in the governmental funds. (1,204)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. 264

(Continued on next page)

**UNITED COMMUNITY SCHOOL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)**

**Governmental Funds to the Statement of Activities**

**Year Ended June 30, 2025**

*Amounts reported for governmental activities in the Statement of  
Activities are different because (continued):*

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.

\$ 255,187

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

Early retirement	\$ (172,706)	
Compensated absences	(82,446)	
Pension expense	(62,282)	
OPEB expense	91,225	(226,209)
		<hr/>

**Change in net position of governmental activities (page 15)**

\$ (23,206)

See notes to basic financial statements.

UNITED COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

Proprietary Fund

June 30, 2025

	Nonmajor Enterprise			
	School Nutrition	Preschool	School Store	Total
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 267,848	\$ 424,800	\$ 6,739	\$ 699,387
Accounts receivable	18,884	-	-	18,884
Inventories	17,693	-	-	17,693
Total current assets	304,425	424,800	6,739	735,964
Noncurrent assets:				
Capital assets, net of accumulated depreciation	34,481	-	-	34,481
<b>Total assets</b>	<b>338,906</b>	<b>424,800</b>	<b>6,739</b>	<b>770,445</b>
<b>Deferred Outflows of Resources</b>				
Pension related deferred outflows	10,662	19,068	-	29,730
	10,662	19,068	-	29,730
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	13,233	7,007	-	20,240
Salaries and benefits payable	1,812	6,737	-	8,549
Unearned revenue	4,266	-	-	4,266
Total OPEB liability	7,424	7,655	-	15,079
<b>Total current liabilities</b>	<b>26,735</b>	<b>21,399</b>	<b>-</b>	<b>48,134</b>
Noncurrent liabilities:				
Net pension liability	27,038	48,353	-	75,391
Total OPEB liability	61,599	63,521	-	125,120
Total noncurrent liabilities	88,637	111,874	-	200,511
<b>Total liabilities</b>	<b>115,372</b>	<b>133,273</b>	<b>-</b>	<b>248,645</b>
<b>Deferred Inflows of Resources</b>				
Pension related deferred inflows	2,800	5,008	-	7,808
<b>Net Position</b>				
Net investment in capital assets	34,481	-	-	34,481
Unrestricted	196,915	305,587	6,739	509,241
<b>Total net position</b>	<b>\$ 231,396</b>	<b>\$ 305,587</b>	<b>\$ 6,739</b>	<b>\$ 543,722</b>

UNITED COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION

Proprietary Fund  
Year Ended June 30, 2025

	Nonmajor Enterprise			Total
	School Nutrition	Preschool	School Store	
<b>Operating revenues:</b>				
Local sources:				
Charges for service	\$ 128,760	\$ 196,466	\$ 59	\$ 325,285
<b>Total operating revenues</b>	<b>128,760</b>	<b>196,466</b>	<b>59</b>	<b>325,285</b>
<b>Operating expenses:</b>				
Non-instructional programs:				
Food service operations:				
Salaries	68,137	-	-	68,137
Benefits	49,330	-	-	49,330
Purchased services	25,247	-	-	25,247
Supplies	100,340	-	-	100,340
Depreciation	5,620	-	-	5,620
<b>Total non-instructional expenses</b>	<b>248,674</b>	<b>-</b>	<b>-</b>	<b>248,674</b>
Instructional programs:				
Other:				
Salaries	-	112,940	-	112,940
Benefits	-	57,411	-	57,411
Supplies	-	8,806	-	8,806
<b>Total instructional</b>	<b>-</b>	<b>179,157</b>	<b>-</b>	<b>179,157</b>
Other enterprise operations:				
Supplies	-	-	1,571	1,571
<b>Total other enterprise operations expenses</b>	<b>-</b>	<b>-</b>	<b>1,571</b>	<b>1,571</b>
<b>Total operating expenses</b>	<b>248,674</b>	<b>179,157</b>	<b>1,571</b>	<b>429,402</b>
<b>Operating income (loss)</b>	<b>(119,914)</b>	<b>17,309</b>	<b>(1,512)</b>	<b>(104,117)</b>

(Continued on next page)

UNITED COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION (CONTINUED)

Proprietary Fund

Year Ended June 30, 2025

	Nonmajor Enterprise			
	School Nutrition	Preschool	School Store	Total
<b>Operating income (loss)</b>	\$ (119,914)	\$ 17,309	\$ (1,512)	\$ (104,117)
<b>Non-operating revenues:</b>				
State sources	1,298	-	-	1,298
Federal sources	85,961	-	-	85,961
Interest income	8,729	17,877	-	26,606
<b>Total non-operating revenues</b>	95,988	17,877	-	113,865
<b>Change in net position</b>	(23,926)	35,186	(1,512)	9,748
Net position beginning of year	255,322	270,401	8,251	533,974
Net position end of year	\$ 231,396	\$ 305,587	\$ 6,739	\$ 543,722

See notes to basic financial statements.

UNITED COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Proprietary Fund

Year Ended June 30, 2025

	<b>Nonmajor Enterprise</b>			
	<b>School Nutrition</b>	<b>Preschool</b>	<b>School Store</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Cash received from sale of services	\$ 112,369	\$ 196,466	\$ 59	\$ 308,894
Cash paid to employees for services	(109,616)	(190,440)	-	(300,056)
Cash paid to suppliers for goods	(103,606)	(1,799)	(1,571)	(106,976)
<b>Net cash provided by (used by) operating activities</b>	<b>(100,853)</b>	<b>4,227</b>	<b>(1,512)</b>	<b>(98,138)</b>
<b>Cash flows from non-capital financing activities:</b>				
State grants received	1,298	-	-	1,298
Federal grants received	66,342	-	-	66,342
<b>Net cash provided by non-capital financing activities</b>	<b>67,640</b>	<b>-</b>	<b>-</b>	<b>67,640</b>
<b>Cash flows from investing activities:</b>				
Interest on investments	8,729	17,877	-	26,606
Net increase (decrease) in cash	(24,484)	22,104	(1,512)	(3,892)
Cash beginning of year	292,332	402,696	8,251	703,279
Cash end of year	\$ 267,848	\$ 424,800	\$ 6,739	\$ 699,387

(Continued on next page)

UNITED COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS (CONTINUED)

Proprietary Fund

Year Ended June 30, 2025

	Nonmajor Enterprise			Total
	School Nutrition	Preschool	School Store	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (119,914)	\$ 17,309	\$ (1,512)	\$ (104,117)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Commodities used	19,619	-	-	19,619
Depreciation	5,620	-	-	5,620
(Increase) in accounts receivable	(15,872)	-	-	(15,872)
(Increase) in inventory	(10,871)	-	-	(10,871)
Increase in salaries and benefits payable	154	(6,378)	-	(6,224)
Increase in accounts payable	13,233	7,007	-	20,240
(Decrease) in unearned revenue	(519)	-	-	(519)
(Increase) in deferred outflows of resources	(2,571)	(2,442)	-	(5,013)
(Decrease) in deferred inflows of resources	(132)	(1,017)	-	(1,149)
Increase in net pension liability	5,705	4,515	-	10,220
Increase (decrease) increase in total OPEB liability	4,695	(14,767)	-	(10,072)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (100,853)</b>	<b>\$ 4,227</b>	<b>\$ (1,512)</b>	<b>\$ (98,138)</b>

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2025, the district received \$19,619 of federal commodities.

See notes to basic financial statements.

**UNITED COMMUNITY SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**Fiduciary Funds**  
**June 30, 2025**

	<u>Custodial</u>
<b>Assets</b>	
Cash and pooled investments	\$ 2,013
<b>Total assets</b>	<u>2,013</u>
<b>Net Position</b>	
Restricted for other organizations	<u>2,013</u>
<b>Total net position</b>	<u>\$ 2,013</u>

See notes to basic financial statements.

**UNITED COMMUNITY SCHOOL DISTRICT**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**Fiduciary Funds**

**Year ended June 30, 2025**

	<u>Custodial</u>
<b>Additions:</b>	
None	\$ -
<b>Deductions:</b>	
None	<u>-</u>
<b>Change in net position</b>	-
Net position beginning of year	<u>2,013</u>
Net position end of year	<u><b>\$ 2,013</b></u>

See notes to basic financial statements.

# UNITED COMMUNITY SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies

United Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through sixth and special education pre-kindergarten. The geographic area served includes the City of Boone, Iowa and the agricultural territory in Story and Boone 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 as prescribed by the Governmental Accounting Standards Board.

#### A. Reporting Entity:

For financial reporting purposes, United 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 does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Story and Boone Counties 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 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 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.

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### **B. Basis of Presentation (continued):**

*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 and contributions restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

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

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues 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 Management Levy Fund is utilized to account for property tax and other revenues to be used for the payment of the District's insurance and early retirement benefits.

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 nonmajor proprietary funds:

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

The Enterprise, Preschool Fund is used to account for the preschool operations of the District.

The Enterprise, School Store Fund is used to account for vending services.

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

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### 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.

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Cash and Pooled Investments – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost.

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 is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% 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.

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

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

Capital Assets – Capital assets, which include property, furniture and equipment are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost (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. 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.

<b>Asset Class</b>	<b>Amount</b>
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Right-to-use leased assets	5,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

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

<b>Asset Class</b>	<b>Estimated Useful Lives (In Years)</b>
Buildings	50
Improvements other than buildings	20
Right-to-use leased assets	5
Furniture and equipment	5 - 12

Leases – United 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 asset (lease asset) in the government-wide financial statements. The District recognizes leases with an initial, individual value of \$5,000 or more.

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued):

##### Leases (continued) –

United 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 assets 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.

Compensated Absences – District employees accumulate a limited amount of earned but unused sick leave for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2025.

Unearned Revenue – Proprietary funds defer revenue recognition in connection with resources that have been received, but not earned. Unearned revenue in governmental funds arises when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenue consists of meal revenue collected for services in the next school year.

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.

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (continued):

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

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

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net assets 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 Balance – 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 are imposed by law through constitutional provisions or enabling legislation.

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

*Unassigned* – All amounts not included in the preceding classifications.

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2025, expenditures exceeded the amounts budgeted in the instruction and non-instructional programs functions.

#### F. Subsequent Events

Subsequent events have been evaluated through March 27, 2026, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

### Note 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 investments in the Iowa School Joint Investment Trust Direct (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$2,418,430. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

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

Custodial Credit Risk – The District has no policy in place regarding custodial credit risk and deposits with financial institutions; however, deposits are insured by the state sinking fund, which provides for additional assessments against depositories to avoid loss of public funds.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does have a formal investment policy that limits operating fund (funds which are reasonably expected to be expended during a current budget year or within 15 months of receipts) investment maturities to 397 days or less.

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Note 3. Due From and Due to Other Funds**

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

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
Management Levy	General	<u>\$ 97,138</u>

The General Fund is repaying the Management Levy Fund for expenditures paid in the prior year. The balance is to be repaid by June 30, 2026.

**Note 4. Interfund Transfers**

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

<b>Transfer To</b>	<b>Transfer From</b>	<b>Amount</b>
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	\$ 187,238
Debt Service	Capital Projects: Physical Plant and Equipment Levy	<u>262,394</u>
		<u>\$ 449,632</u>

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

## NOTES TO BASIC FINANCIAL STATEMENTS

### Note 5. 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
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 30,821	\$ -	\$ -	\$ 30,821
Construction in progress	-	137,013	-	137,013
Total capital assets not being depreciated/amortized	30,821	137,013	-	167,834
Capital assets being depreciated/amortized:				
Buildings	11,661,958	81,314	-	11,743,272
Improvements other than buildings	944,006	50,185	-	994,191
Furniture and equipment	1,531,352	314,564	-	1,845,916
Right-to-use leased equipment	83,100	-	-	83,100
Total capital assets being depreciated/amortized	14,220,416	446,063	-	14,666,479
Less accumulated depreciation/amortization for:				
Buildings	4,092,005	313,036		4,405,041
Improvements other than buildings	745,467	23,214		768,681
Furniture and equipment	1,235,351	67,509		1,302,860
Right-to-use leased equipment	17,495	17,495		34,990
Total accumulated depreciation/amortization	6,090,318	421,254	-	6,511,572
Total capital assets being depreciated/amortized, net	8,130,098	24,809	-	8,154,907
<b>Governmental activities capital assets, net</b>	<b>\$ 8,160,919</b>	<b>\$ 161,822</b>	<b>\$ -</b>	<b>\$ 8,322,741</b>
<b>Business type activities:</b>				
Furniture and equipment	\$ 166,093	\$ -	\$ -	\$ 166,093
Less accumulated depreciation	125,992	5,620	-	131,612
<b>Business type activities capital assets, net</b>	<b>\$ 40,101</b>	<b>\$ (5,620)</b>	<b>\$ -</b>	<b>\$ 34,481</b>

## NOTES TO BASIC FINANCIAL STATEMENTS

### Note 5. Capital Assets (Continued)

Depreciation/amortization expense was charged to the following functions:

**Governmental activities:**

Instruction:			
Regular		\$	10,314
Other			2,489
Support services:			
Student			823
Instructional staff			1,484
Administration			17,644
Operation and maintenance of plant			24,594
Transportation			37,680
			<u>95,028</u>
Unallocated			<u>326,226</u>
<b>Total governmental activities depreciation/amortization expense</b>		<b>\$</b>	<b><u>421,254</u></b>

**Business type activities:**

Food service operations		\$	<u>5,620</u>
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### Note 6. Long-term Liabilities

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

	Restated Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
<b>Governmental activities:</b>					
Revenue bonds	\$ 1,840,000	\$ -	\$ 155,000	\$ 1,685,000	\$ 155,000
General obligation capital loan notes	1,105,000	-	215,000	890,000	220,000
Lease agreements	68,225	-	16,838	51,387	17,500
Early retirement	144,881	234,829	62,123	317,587	127,115
Net pension liability	1,106,979	-	195,570	911,409	-
Total OPEB liability	1,145,209	142,024	233,249	1,053,984	122,553
Compensated absences	611,204	82,446	-	693,650	-
<b>Total</b>	<b>\$ 6,021,498</b>	<b>\$ 459,299</b>	<b>\$ 877,780</b>	<b>\$ 5,603,017</b>	<b>\$ 642,168</b>
<b>Business type activities:</b>					
Net pension liability	\$ 65,171	\$ 10,220	\$ -	\$ 75,391	\$ -
Total OPEB liability	150,271	18,892	28,964	140,199	16,301
<b>Total</b>	<b>\$ 215,442</b>	<b>\$ 29,112</b>	<b>\$ 28,964</b>	<b>\$ 215,590</b>	<b>\$ 16,301</b>

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Note 6. Long-term Liabilities (Continued)**

General Obligation Capital Loan Notes: Details of the District’s June 30, 2025 general obligation capital loan note indebtedness is as follows:

<b>Year Ending June 30</b>	<b>Issued June 10, 2021</b>			
	<b>Interest Rates</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	1.00%	\$ 220,000	\$ 10,863	\$ 230,863
2027	1.13%	220,000	8,663	228,663
2028	1.25%	225,000	6,188	231,188
2029	1.50%	225,000	3,374	228,374
		<u>\$ 890,000</u>	<u>\$ 29,088</u>	<u>\$ 919,088</u>

On June 10, 2021, the District issued \$1,750,000 of general obligation capital loan notes for building renovations. The notes bear interest at rates ranging from 0.50% to 1.50% per annum. During the year ended June 30, 2025, \$215,000 of principal and \$12,744 of interest was paid.

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

<b>Year Ending June 30</b>	<b>Issued June 10, 2021</b>			
	<b>Interest Rates</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	1.13%	\$ 155,000	\$ 30,088	\$ 185,088
2027	1.25%	160,000	28,344	188,344
2028	1.38%	160,000	26,344	186,344
2029	1.50%	165,000	24,144	189,144
2030	1.63%	165,000	21,669	186,669
2031-2035	1.75 - 2.50%	880,000	60,913	940,913
		<u>\$ 1,685,000</u>	<u>\$ 191,502</u>	<u>\$ 1,876,502</u>

The District has pledged future statewide sales, services and use tax revenue to repay the \$2,300,000 of bonds issued in June 2021. The bonds were issued for the purpose of financing a portion of building renovations. 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 2035. 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 nearly 38.0% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$1,876,502. For the current year, \$155,000 of principal and \$31,638 of interest was paid on the bonds and total statewide sales, services and use tax revenues were \$480,798.

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Note 6. Long-term Liabilities (Continued)**

Lease Agreements – The District entered into a lease agreement for a copier system. The agreement requires monthly payments of \$1,519 over five years with an implicit interest rate of 3.86% and a final payment due April, 2028. During the year ended June 30, 2025, principal and interest paid were \$16,838 and \$2,338, respectively.

<b>Year Ending June 30</b>	<b>Interest Rates</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	3.86%	\$ 17,500	\$ 1,676	\$ 19,176
2027	3.86%	18,187	989	19,176
2028	3.86%	15,700	279	15,979
		<u>\$ 51,387</u>	<u>\$ 2,944</u>	<u>\$ 54,331</u>

Early Retirement – The District approved a voluntary early retirement plan for employees. The plan was only offered to employees for one year. Eligible employees must have completed at least fifteen years of consecutive full-time service to the District and must have reached the age of fifty-five on or before the actual date of retirement. The application for early retirement was subject to approval by the Board of Education.

Early retirement benefits include either 30.0% of regular salary lump sum payout or 35.0% of regular salary payment to a non-voluntary 403(b) plan. Early retirement benefits also includes the cost of the single insurance policy for the employee at the cost of the single insurance premium during the contract year until the employee becomes Medicare eligible, secures other employment that provides insurance coverage or dies.

At June 30, 2025, the District has obligations to eight participants with a total liability of \$317,587. Actual early retirement expenditures for the year ended June 30, 2025 totaled \$62,123.

**Note 7. Pension Plan**

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with 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](http://www.ipers.org).

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

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 7. Pension Plan (Continued)

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

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

If a 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 totaled \$255,187.

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Note 7. Pension Plan (Continued)**

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 \$986,800 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 0.027099%, which was an increase of 0.001130% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$73,112. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 78,521	\$ 613
Changes of assumptions	-	14
Net difference between projected and actual earnings on IPERS' investments	12,341	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	43,090	101,574
District contributions subsequent to the measurement date	255,187	-
	<u>\$ 389,139</u>	<u>\$ 102,201</u>

\$255,187 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:

<b>Year Ended June 30,</b>	<b>Amount</b>
2026	\$ (167,924)
2027	214,906
2028	6,163
2029	(24,928)
2030	3,534
<b>Total</b>	<u>\$ 31,751</u>

There were no non-employer contributing entities to IPERS.

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 7. Pension Plan (Continued)

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 the 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
<b>Total</b>	100.0%	

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Note 7. Pension Plan (Continued)**

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’s 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’s 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-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
District's proportionate share of the net pension liability (asset)	\$ 2,421,591	\$ 986,800	\$ (214,844)

IPERS’ Fiduciary Net Position – Detailed information about IPERS’s fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at [www.ipers.org](http://www.ipers.org).

Payables to IPERS – At June 30, 2025, the District reported payables to IPERS of \$0 for legally required District contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

**Note 8. Other Postemployment Benefit (OPEB)**

Plan Description – The District administers a single-employer health 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 United 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.

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Note 8. Other Postemployment Benefit (OPEB) (Continued)**

OPEB Benefits (continued) – Retired participants must be age 55 or older at retirement. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	6
Active employees	<u>55</u>
	<u><u>61</u></u>

Total OPEB Liability – The District’s total OPEB liability of \$1,194,183 was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2025 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 (effective June 30, 2025)	2.50% per annum.
Rates of salary increase (effective June 30, 2025)	3.25% per annum, including inflation.
Discount rate (effective June 30, 2025)	5.20% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2025)	7.60% initial rate decreasing over several decades 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 are from the June 2022 Iowa Public Employees’ Retirement System (IPERS) demographic assumptions study, using Pub-2010 General Mortality tables with projected mortality improvements based on Scale MP-2021, and other adjustments. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Note 8. Other Postemployment Benefit (OPEB) (Continued)**

Changes in the Total OPEB Liability –

	<b>Total OPEB Liability</b>
Total OPEB liability beginning of year	\$ 1,295,480
Changes for the year:	
Service cost	<b>107,956</b>
Interest	<b>52,960</b>
Differences between expected and actual experience	<b>(4,115)</b>
Changes in assumptions	<b>(119,244)</b>
Benefit payments	<b>(138,854)</b>
<b>Net changes</b>	<b>(101,297)</b>
Total OPEB liability end of year	<b>\$ 1,194,183</b>

Changes of assumptions reflect a change in the discount rate from 3.97% in fiscal year 2024 to 5.20% in 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 that is 1% lower (4.20%) or 1% higher (6.20%) than the current discount rate.

	<b>1% Decrease (4.20%)</b>	<b>Discount Rate (5.20%)</b>	<b>1% Increase (6.20%)</b>
Total OPEB liability	\$ 1,289,953	\$ 1,194,183	\$ 1,108,134

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 that are 1% lower (6.60%) or 1% higher (8.60%) than the current healthcare cost trend rates.

	<b>1% Decrease (6.60%)</b>	<b>Healthcare Cost Trend Rate (7.60%)</b>	<b>1% Increase (8.60%)</b>
Total OPEB liability	\$ 1,070,061	\$ 1,194,183	\$ 1,345,912

OPEB Expense – For the year ended June 30, 2025, the District recognized OPEB expense of \$37,557. At June 30, 2025, the District used the GASB 75 Alternative Measurement Method which requires immediate expense recognition of changes due to experience and assumptions. Only investment gains and losses are amortized, and this does not apply to unfunded plans. Thus, deferred outflows and inflows of resources related to OPEB are not applicable to this plan.

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 9. 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 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.

<b>Program</b>	<b>Amount</b>
Limited English Proficient	\$ 17,570
Home School Assistance Program	84,237
Gifted and Talented Program	37,381
Teacher Leadership State Aid	28,606
Four-Year-Old Preschool State Aid	77,399
Teacher Salary Supplement	24,233
Professional Development Supplement	9,625
<b>Total</b>	<b>\$ 279,051</b>

### Note 10. Risk Management

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

### Note 11. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$146,379 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.

## NOTES TO BASIC FINANCIAL STATEMENTS

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### Note 12. 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. Additionally, Boone County offered an urban revitalization tax abatement program pursuant to Chapter 404 of the Code of Iowa. With prior approval by the governing body, this program provides for an exemption of taxes based on a percentage of the actual value added by improvements. 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:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Boone	Urban Renewal and Economic Development projects	\$ 14
Boone County	Chapter 404 Tax Abatement Program	56,417
City of Luther	Urban Renewal and Economic Development projects	15,009

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, the reimbursement amounted to a total of \$10,856.

### Note 13. Construction Commitment

The District entered into contracts totaling \$301,581 for a playground improvement and north lot improvements. As of June 30, 2025, costs of \$137,013 have been incurred against the contracts. The balance of \$164,568 remaining at June 30, 2025 will be paid as the projects progress.

### Note 14. 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 Districts will be received directly by the District and none will flow through to 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.

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Note 15. Restatement**

The District implemented GASB Statement No. 101, Compensated Absences, which required the District to restate net position as of June 30, 2024, as follows:

	<u>Governmental</u> <u>Activities</u>
Net position June 30, 2024, as previously reported	\$ 9,179,437
Compensated absences liability, previously reported	-
Compensated absences liability, change in accounting principles	<u>(611,204)</u>
Net position June 30, 2024, as restated	<u>\$ 8,568,233</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

UNITED COMMUNITY SCHOOL DISTRICT

**BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES  
AND CHANGES IN BALANCES -- BUDGET AND ACTUAL --  
ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS**

Required Supplementary Information  
Year Ended June 30, 2025

	<b>Governmental Funds Actual</b>	<b>Proprietary Funds Actual</b>	<b>Total Actual</b>
<b>Revenues:</b>			
Local sources	\$ 5,370,053	\$ 351,891	\$ 5,721,944
State sources	2,441,503	1,298	2,442,801
Federal sources	143,865	85,961	229,826
<b>Total revenues</b>	<u>7,955,421</u>	<u>439,150</u>	<u>8,394,571</u>
<b>Expenditures/Expenses:</b>			
Instruction	5,333,912	179,157	5,513,069
Support services	2,332,991	-	2,332,991
Non-instructional programs	-	248,674	248,674
Other expenditures	888,422	1,571	889,993
<b>Total expenditures/expenses</b>	<u>8,555,325</u>	<u>429,402</u>	<u>8,984,727</u>
<b>Excess (deficiency) of revenues over (under) expenditures/expenses</b>	(599,904)	9,748	(590,156)
<b>Other financings sources, net</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in balances</b>	(599,904)	9,748	(590,156)
Balance, beginning of year	<u>6,127,620</u>	<u>533,974</u>	<u>6,661,594</u>
Balance, end of year	<u>\$ 5,527,716</u>	<u>\$ 543,722</u>	<u>\$ 6,071,438</u>

See notes to required supplementary information.

<b>Budgeted Amounts</b>		<b>Final to</b>
<b>Original</b>	<b>Final</b>	<b>Actual</b>
		<b>Variance</b>
\$ 5,816,938	\$ 5,816,938	\$ (94,994)
1,542,913	1,542,913	899,888
189,000	189,000	40,826
7,548,851	7,548,851	845,720
5,025,000	5,120,000	(393,069)
2,319,500	2,409,500	76,509
163,000	203,000	(45,674)
1,068,901	1,068,901	178,908
8,576,401	8,801,401	(183,326)
(1,027,550)	(1,252,550)	662,394
-	-	-
(1,027,550)	(1,252,550)	662,394
6,159,559	6,661,594	-
\$ 5,132,009	\$ 5,409,044	\$ 662,394

**UNITED COMMUNITY**

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

**Iowa Public Employees'  
For the Last Ten Years  
(In Thousands)**

**Required Supplementary**

	<b>2025</b>	2024	2023	2022
District's proportion of the net pension liability	<b>0.027099%</b>	0.025969%	0.027424%	-0.011466%
District's proportionate share of the net pension liability	<b>\$ 987</b>	\$ 1,172	\$ 1,036	\$ 40
District's covered payroll	<b>\$ 2,429</b>	\$ 2,254	\$ 2,208	\$ 2,292
District's proportionate share of the net pension liability as a percentage of its covered payroll	<b>40.63%</b>	52.00%	46.92%	1.75%
IPERS' net position as a percentage of the total pension liability	<b>92.30%</b>	90.13%	91.40%	100.81%

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

See notes to required supplementary information.

2021		2020		2019		2018		2017		2016	
0.030098%		0.030057%		0.030652%		0.028806%		0.028063%		0.026289%	
\$	2,114	\$	1,741	\$	1,940	\$	1,919	\$	1,766	\$	1,299
\$	2,388	\$	2,287	\$	2,304	\$	2,161	\$	2,010	\$	1,801
88.53%		76.13%		84.20%		88.80%		87.86%		72.13%	
82.90%		85.45%		83.62%		82.21%		81.82%		85.19%	

**UNITED COMMUNITY SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Iowa Public Employees' Retirement System**

**For the Last Ten Years**

**(In Thousands)**

**Required Supplementary Information**

	2025	2024	2023	2022
Statutorily required contribution	\$ 255	\$ 229	\$ 213	\$ 208
Contributions in relation to the statutorily required contribution	(255)	(229)	(213)	(208)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 2,701	\$ 2,429	\$ 2,254	\$ 2,208
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%

See notes to required supplementary information.

	2021	2020	2019	2018	2017	2016
\$	216	\$ 225	\$ 216	\$ 206	\$ 193	\$ 179
	(216)	(225)	(216)	(206)	(193)	(179)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	2,292	\$ 2,388	\$ 2,287	\$ 2,304	\$ 2,161	\$ 2,010
	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%

**UNITED COMMUNITY SCHOOL DISTRICT**

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

**For the Last Eight Years  
Required Supplementary Information**

	<u>2025</u>	<u>2024</u>
Service cost	\$ 107,956	\$ 145,630
Interest cost	52,960	68,972
Differences between expected and actual experience	(4,115)	(540,451)
Changes in assumptions	(119,244)	55,038
Benefit payments	(138,854)	(149,833)
Net change in total OPEB liability	<u>(101,297)</u>	<u>(420,644)</u>
Total OPEB liability beginning of year	<u>1,295,480</u>	1,716,124
Total OPEB liability end of year	<u>\$ 1,194,183</u>	<u>\$ 1,295,480</u>
Covered-employee payroll	\$ 2,481,426	\$ 2,294,946
Total OPEB liability as a percentage of covered-employee payroll	48.12%	56.45%

**Note:** GASB Statement No. 75 requires ten years of information be presented in this table. However, until a full ten-year trend is compiled, the District will present information for those years for which information is available.

See notes to required supplementary information.

	2023	2022	2021	2020	2019	2018
\$	145,152	\$ 232,202	\$ 197,570	\$ 178,285	\$ 173,937	\$ 176,046
	65,177	41,790	49,123	66,155	55,398	57,567
	(16,240)	(115,866)	(13,833)	(292,923)	-	-
	(23,665)	(319,216)	76,319	(42,130)	161,479	(6,850)
	(150,951)	(173,256)	(171,253)	(129,906)	(47,117)	(47,117)
	19,473	(334,346)	137,926	(220,519)	343,697	179,646
	1,696,651	2,030,997	1,893,071	2,113,590	1,769,893	1,590,247
\$	1,716,124	\$ 1,696,651	\$ 2,030,997	\$ 1,893,071	\$ 2,113,590	\$ 1,769,893
\$	1,999,274	\$ 2,152,344	\$ 1,951,920	\$ 1,847,970	\$ 1,860,442	\$ 1,676,648
	85.84%	78.83%	104.05%	102.44%	113.61%	105.56%

## UNITED COMMUNITY SCHOOL DISTRICT

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION Year ended June 30, 2025

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#### **Note 1. Budgets and Budgetary Information**

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. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$225,000.

During the year ended June 30, 2025, expenditures in the instruction and non-instructional programs functions exceeded the amount budgeted.

#### **Note 2. Iowa Public Employee's Retirement System Pension Liability**

*Changes of benefit terms:*

There are no significant changes in benefit terms.

*Changes of assumptions:*

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

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
**Year ended June 30, 2025**

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**Note 2. Iowa Public Employee’s Retirement System Pension Liability (Continued)**

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%

**Note 3. Schedule of Changes in the District’s Total OPEB Liability and Related Ratios**

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:*

There were no significant 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, 2020	2.45%
Year ended June 30, 2024	3.97%	Year ended June 30, 2019	3.13%
Year ended June 30, 2023	3.86%	Year ended June 30, 2018	3.62%
Year ended June 30, 2022	3.69%	Year ended June 30, 2017	3.56%
Year ended June 30, 2021	1.92%		

**UNITED COMMUNITY SCHOOL DISTRICT**

**SUPPLEMENTARY INFORMATION**

UNITED COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet  
 Capital Projects Fund Accounts  
 June 30, 2025

	<b>Capital Projects</b>		
	<b>Statewide Sales, Services and Use Tax</b>	<b>Physical Plant and Equipment Levy</b>	<b>Total</b>
<b>Assets</b>			
Cash and pooled investments	\$ 981,981	\$ 1,100,328	\$ 2,082,309
Receivables:			
Property tax:			
Delinquent	-	2,281	2,281
Succeeding year	-	725,782	725,782
Due from other governments	50,420	-	50,420
Prepaid expenses	-	32,263	32,263
<b>Total assets</b>	<b>\$ 1,032,401</b>	<b>\$ 1,860,654</b>	<b>\$ 2,893,055</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 126,477	\$ 164,429	\$ 290,906
<b>Total liabilities</b>	<b>126,477</b>	<b>164,429</b>	<b>290,906</b>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	725,782	725,782
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>725,782</b>	<b>725,782</b>
Fund balances:			
Restricted for:			
School infrastructure	905,924	-	905,924
Physical plant and equipment	-	970,443	970,443
<b>Total fund balances</b>	<b>905,924</b>	<b>970,443</b>	<b>1,876,367</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,032,401</b>	<b>\$ 1,860,654</b>	<b>\$ 2,893,055</b>

**UNITED COMMUNITY SCHOOL DISTRICT**

**Combining Schedule of Revenues, Expenditures and  
Changes in Fund Balances  
Capital Projects Fund Accounts  
Year Ended June 30, 2025**

	<b>Capital Projects</b>		<b>Total</b>
	<b>Statewide Sales, Services and Use Tax</b>	<b>Physical Plant and Equipment Levy</b>	
<b>Revenues:</b>			
Local sources:			
Local tax	\$ -	\$ 687,144	\$ 687,144
Other	22,516	39,323	61,839
State sources	480,798	8,186	488,984
<b>Total revenues</b>	<b>503,314</b>	<b>734,653</b>	<b>1,237,967</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	126,327	-	126,327
Support services:			
Instructional staff	-	16,038	16,038
Administration	-	162,919	162,919
Operation and maintenance of plant	-	97,634	97,634
Transportation	-	332,002	332,002
Other expenditures:			
Facilities acquisition	11,797	280,614	292,411
<b>Total expenditures</b>	<b>138,124</b>	<b>889,207</b>	<b>1,027,331</b>
<b>Excess (deficiencies) of revenues over     (under) expenditures</b>	<b>365,190</b>	<b>(154,554)</b>	<b>210,636</b>
<b>Other financing sources (uses):</b>			
Transfers out	(187,238)	(262,394)	(449,632)
	(187,238)	(262,394)	(449,632)
<b>Change in fund balances</b>	<b>177,952</b>	<b>(416,948)</b>	<b>(238,996)</b>
Fund balances beginning of year	727,972	1,387,391	2,115,363
Fund balances end of year	<b>\$ 905,924</b>	<b>\$ 970,443</b>	<b>\$ 1,876,367</b>

**UNITED COMMUNITY SCHOOL DISTRICT**

**Schedule of Revenues by Source and Expenditures by Function -  
All Governmental Funds  
For the Last Ten Years**

	<b>2025</b>	2024	2023	2022
<b>Revenues:</b>				
Local sources:				
Local tax	\$ 3,912,183	\$ 3,805,244	\$ 3,869,705	\$ 3,890,089
Tuition	1,218,911	1,275,689	1,301,933	1,245,676
Other	238,959	127,037	95,018	100,921
State sources	2,441,503	2,450,464	2,281,628	2,320,987
Federal sources	143,865	135,329	239,951	199,679
<b>Total revenues</b>	<b>\$ 7,955,421</b>	<b>\$ 7,793,763</b>	<b>\$ 7,788,235</b>	<b>\$ 7,757,352</b>
<b>Expenditures:</b>				
Instruction:				
Regular	\$ 4,207,287	\$ 3,355,599	\$ 3,475,162	\$ 3,209,406
Special	783,144	787,029	712,076	730,617
Other	343,481	427,536	433,320	455,214
Support services:				
Student	127,914	98,636	76,395	114,874
Instructional staff	300,246	387,762	409,256	328,278
Administration	727,776	675,150	646,866	492,678
Operation and maintenance of plant	591,662	517,762	458,488	365,004
Transportation	585,393	282,972	281,575	197,674
Noninstructional programs:				
Community service operations	-	-	-	5,790
Other expenditures:				
Facilities acquisition	292,411	355,201	226,912	2,999,385
Long-term debt:				
Principal	386,838	386,388	387,964	365,000
Interest and fiscal charges	62,794	51,255	51,273	51,955
AEA flowthrough	146,379	177,078	175,684	175,918
<b>Total expenditures</b>	<b>\$ 8,555,325</b>	<b>\$ 7,502,368</b>	<b>\$ 7,334,971</b>	<b>\$ 9,491,793</b>

<b>Modified Accrual Basis</b>						
	2021	2020	2019	2018	2017	2016
\$	4,170,132	\$ 4,030,095	\$ 2,932,648	\$ 2,813,588	\$ 2,393,142	\$ 2,243,378
	1,145,110	1,321,010	1,123,704	1,109,272	1,138,537	972,292
	60,491	92,445	45,616	69,730	64,485	86,555
	2,354,956	2,365,667	2,237,313	2,013,568	1,842,071	1,716,575
	174,038	155,534	143,809	116,411	105,484	137,379
\$	7,904,727	\$ 7,964,751	\$ 6,483,090	\$ 6,122,569	\$ 5,543,719	\$ 5,156,179
\$	2,884,019	\$ 3,617,446	\$ 2,993,069	\$ 2,943,319	\$ 2,786,198	\$ 2,607,722
	984,529	1,116,812	941,310	930,113	799,962	764,749
	378,804	-	380,019	297,694	269,907	319,236
	128,099	106,776	153,123	100,815	97,112	113,088
	393,669	208,199	286,646	225,279	226,688	298,898
	525,149	635,390	538,703	505,789	470,811	398,186
	388,182	357,102	352,063	323,742	406,740	307,950
	169,224	297,540	298,670	323,491	234,062	235,447
	-	14,562	1,969	-	3,313	2,871
	1,553,954	1,025,231	110,843	243,680	1,020,043	167,064
	-	-	-	-	-	-
	48,600	-	-	-	-	-
	178,183	168,464	157,132	148,622	132,507	130,587
\$	7,632,412	\$ 7,547,522	\$ 6,213,547	\$ 6,042,544	\$ 6,447,343	\$ 5,345,798

**UNITED COMMUNITY SCHOOL DISTRICT**



**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  
United Community School District  
Boone, Iowa

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 United 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 March 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered United 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 United Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of United 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 which 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 have not been identified. We identified a deficiency in internal control, described in Part II of the accompanying Schedule of Findings and Questioned Costs 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 United 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, non-compliance 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 non-compliance or other matters which are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part III of the accompanying Schedule of Findings and Questioned Costs.

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

## United Community School District's Responses to Findings

*Government Auditing Standards* requires the auditor to perform limited procedures on United Community School District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. United 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.

*TrustPoint, LLP*

Ames, Iowa  
March 27, 2026

**UNITED COMMUNITY SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025**

**Part I: Summary of Independent Auditor's Results:**

- (a) Unmodified opinions were issued on the financial statements prepared in accordance with accounting principles generally accepted in the United States of America.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

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

**Internal Control Deficiencies:**

2025-001      Segregation of Duties

(Prior Year Comment 2024-001)      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: One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual has control over one or more of the following areas for the District:

1. Cash – handling and recording cash, posting and reconciling.
2. Investments – investing, recordkeeping, custody of investments and reconciling earnings.
3. Inventories – ordering, receiving, issuing and storing.
4. Receipts – collecting, recording, depositing, journalizing, posting and reconciling.
5. Disbursements – purchase order processing, check preparation, mailing and recording.
6. Capital assets – recording and reconciling.
7. Payroll – recordkeeping, preparation, posting, and distribution.
8. Financial reporting – preparing, reconciling and approving.
9. Computer systems – performing all general accounting functions and controlling all data input and output.
10. Journal entries – writing, approving and posting.

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.

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2025**

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

2025-001     Segregation of Duties (continued)

Recommendation: We realize segregation of duties is difficult with a limited number of office employees. However, the District should review its procedures to obtain the maximum internal control possible under the circumstances utilizing currently available staff, including elected officials.

Response and Corrective Action Planned: We will continue to review our procedures and implement additional controls where possible.

Conclusion: Response accepted.

**Part III: Other Findings Related To Required Statutory Reporting:**

2025-A     Certified Budget: Expenditures for the year ended June 30, 2025 exceeded the certified budget amounts in the instructional and non-instructional programs functions.

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

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

Conclusion: Response accepted.

2025-B     Questionable Expenditures: We noted no expenditures that failed to meet the requirements of public purpose as defined in an Attorney General's opinion, dated April 25, 1979.

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 were noted as follows:

<b>Name, Title and Business Connection</b>	<b>Transaction Description</b>	<b>Amount</b>
Kacey Davis, daughter-in-law of Board Member	Preschool Associate	\$ 35,474

In accordance with Chapter 279.7A of the Code of Iowa the above transaction with a Board Member's relative does 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.

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2025**

**Part III: Other Findings Related To Required Statutory Reporting (continued):**

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: Certain board minutes were not publish timely as required by Chapter 279.35 of the Code of Iowa.

Recommendation: The Board Secretary should furnish a copy of the Board proceedings to be published within two weeks of each meeting.

Response: Procedures will be reviewed to ensure the minutes are published as required.

Conclusion: Response accepted.

2025-H Certified Enrollment: Variances in the basic enrollment data certified to the Iowa Department of Education were noted.

Recommendation: The District should review the policies and student registration procedures for certifying basic enrollment to ensure the certified enrollment is accurate.

Response: We will review policies and student registration procedures to improve the accuracy of reporting.

Conclusion: Response accepted.

2025-I Supplementary Weighting: A variance in the supplementary weighting certified to the Iowa Department of Education was noted.

Recommendation: The District should contact the Iowa Department of Education to resolve this matter.

Response: The District's auditors will contact the Iowa Department of Education of behalf of the District 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 (CAR): The Certified Annual Report was timely certified to the Iowa Department of Education.

2025-L Categorical Funding: No instances of categorical funding being used to supplant rather than supplement other funds were noted.

**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2025**

**Part III: Other Findings Related To Required Statutory Reporting (continued):**

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 following information includes the amounts the District reported for the statewide sales, services and use tax revenue in the District's CAR, including adjustments identified during the fiscal year 2025 audit:

Beginning balance		\$	727,972
Statewide sales, services and use tax	<b>\$ 480,798</b>		
Other local revenues	<b>22,516</b>		<b>503,314</b>
			<b>1,231,286</b>
Expenditures/transfers out:			
Equipment	<b>126,327</b>		
Facilities acquisition	<b>11,797</b>		
Transfer to debt service fund	<b>187,238</b>		<b>325,362</b>
			<b>325,362</b>
Ending balance		<b>\$</b>	<b>905,924</b>

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