



ANNUAL COMPREHENSIVE FINANCIAL REPORT



LINN-MAR COMMUNITY SCHOOL DISTRICT
MARION, IOWA

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

issued by: David Nicholson
Chief Financial Officer
Chief Operating Officer

Annual Comprehensive Financial Report of the

Linn-Mar Community School District
Marion, Iowa

For the Fiscal Year Ended June 30, 2022

Official Issuing Report
David Nicholson, Chief Financial Officer

Office Issuing Report
Business Office

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2999 North Tenth St.
Marion, IA 52302

Shannon Bisgard
Superintendent

Nathan Wear
Associate Superintendent

Bob Read
Associate Superintendent

David Nicholson
Chief Financial Officer/Chief
Operating Officer

Leisa Breifelder
Executive Director of
Student Services

Karla Christian
Chief HR Officer/Executive
Director of Communications

Jeri Ramos
Executive Director of
Technology Services

Brittania Morey
President
Board of Education

Inspire Learning. **Unlock Potential. Empower Achievement.**

December 20, 2022

Members of the Board of Education,
and the Citizens of Linn-Mar Community School District
Marion, Iowa

We are pleased to submit to you the Annual Comprehensive Financial Report of the Linn-Mar Community School District for the fiscal year ending June 30, 2022. This report has been prepared to conform to the guidelines recommended by the Association of School Business Officials International.

MANAGEMENT RESPONSIBILITY

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of the operations of the governmental activities, business-type activities, each major fund and aggregate of the remaining funds of the District in accordance with generally accepted accounting principles, (GAAP). It includes all funds of the entire District. The District is not included in any other reporting entity, nor are other entities included within this report. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

ACFR

The 2022 Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical and Internal Controls and Compliance.

Introductory Section- This section includes a transmittal letter, economic outlook of the community, the District's accomplishments, the Certificate of Excellence in Financial Reporting for the year ended June 30, 2021, the District's Team Leadership Network and a list of the Board of Directors and District Officials.

Financial Section- The School District's financial statements and schedules are presented in accordance with the financial reporting pyramid set forth by the Governmental Accounting Standards Board. This section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), audited basic financial statements, required supplementary information, and combining and individual fund statements and schedules. The audited basic financial statements provide both an overview and a broad long-term perspective of the School District as a whole in the government-wide financial statements. The MD&A is provided by management as a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is

Statistical Section- This section includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparison.

Compliance Section- This section includes audit reports relating to the Board's single audit over internal control, federal and state awards, Schedule of Expenditures of Federal and State Awards.

Linn-Mar Community School District

This report includes all funds of the Linn-Mar Community School District. The District provides a full range of services including instructional, administrative, transportation, food service, maintenance of sites and facilities, custodial, clerical and extra- and co-curricular activities.

The District is governed by a seven-member elected Board of Education. Board terms are four years with school elections held in November of odd numbered years. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators.

The Linn-Mar Community School District is located in Linn County in east central Iowa. The District includes portions of the Cities of Cedar Rapids, Marion and Robins, as well as unincorporated land in northern Linn County. The District originated in 1948 as Marion Rural Independent School District, and became the Marion Rural Community School District under the Community School Reorganization Act adopted in 1955. It operated under this name from 1955 to 1963 when its name was changed to Linn-Mar Community School District. The District is currently the 12th largest of Iowa's 327 public school systems. The certified enrollment taken on October 1, 2021, was approximately 7,579 students. COVID-19 reversed the district's customary increasing official enrollment trend as enrollment decreased approximately 19 students from 2020-21.

The District operates one high school, two middle schools, two intermediate buildings, seven elementary schools, an alternative High School Program, a special education transition program, a home school assistance program and an early childhood preschool program. The District provides a full range of educational services appropriate to students in early childhood and preschool through grade twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational-technical education; and numerous individualized programs such as specialized instruction for students at-risk and for limited English-speaking students.

In addition to a strong PK-12 educational program, the District works with Kirkwood Community College to offer courses for qualified high school students and a community education program for adult learners.

The District is supported financially by state aid, property taxes, state and federal grants for special projects, local revenue received for tuition and other services, and a state-wide one percent sales tax.

Economic Condition and Outlook

Linn-Mar Community School District is located in the Cedar Rapids Metropolitan Service Area (MSA). The District covers 64 square miles and encompasses the north part of the city of Marion and the NE portion of city of Cedar Rapids. Major economic features of the Cedar Rapids Metropolitan Service Area include business, medical, recreational, educational, and cultural services.

Collins Aerospace (formerly Rockwell Collins) is the largest employer, not only in the Linn-Mar District, but in the Cedar Rapids metro area, employing approximately 8,000 people in the Cedar Rapids/Iowa City area. Collins produces advanced communications and aviation electronics for both government and commercial customers. The company is a leading supplier of commercial and military aviation electronics and communications systems.

Unemployment rates in the MSA Corridor has dropped to 3.10% from 6.4% in 2021. In spite of the pandemic, the City of Marion continues to grow as does the City of Cedar Rapids. During calendar year 2021, the City of Marion issued 204 single-family dwelling building permits, 15 multi-family permits, and 24 new commercial building permits. The District's total taxable valuation for assessment year 2020 is approximately \$2.5 billion.

The District's facilities are in good condition. The oldest building, which opened in 1948 and has several additions, was repurposed in 2010 to house the central administrative offices, the district's alternative HS program, and the district's home school assistance program. Four facilities were initially built between 1959 and 1968. Each has had several additions over the years. Five school sites were built between 1995 and 2010 and have also had several additions and/or renovations. Two new intermediate buildings were opened in the Fall of 2020 to serve fifth and sixth grade students. In addition to school sites, the district has a Transportation and Operations & Maintenance facility that was completed in 2010 and an Aquatic Center that opened in 2013.

On August 10, 2020, a severe derecho windstorm came through the State of Iowa in devastating fashion. The Cedar Rapids MSA Corridor was hit particularly hard by this natural disaster causing significant property damage to businesses and residents alike. Linn-Mar sustained extensive damage to the majority of its facilities, trees, and other equipment. As of June 30, 2021, the estimated claim damage totaled approximately \$7.3 million for the district. Repairs from this storm have recently been completed.

The financial solvency ratio of the District measures movement and distribution of current assets. The financial solvency ratio represents a school district's year-end position after payment of all current and outstanding or accrued liabilities. Iowa Association of School Boards recommends a target solvency ratio within a range of 7% to 17%. Since fiscal year 2010 the District has maintained a solvency ratio within this defined range. The current solvency ratio is 12.40%, which is a decrease from 13.66% during 2020-21. Much of this increase in solvency can be attributed to additional federal relief monies received as a result of the COVID pandemic.

State revenues make up over fifty percent of the District's general fund budget. The State set the supplemental state aid growth rate at 2.50% for the 2023 fiscal year. Future supplemental state aid beyond fiscal year 2023 is not known. Even through the pandemic the State of Iowa has reported strong state dollar surpluses, so the District is hopeful funding for schools will be adequate. The District will thoughtfully plan its budget in order to maintain a solvency ratio and unspent balance ratio that is within the target range of 7% to 17%.

District Major Initiative and Achievements

The staff, board, students, and community members are to be commended for making it through the 2021-2022 school year. Some of the many accomplishments for the year include:

- Many staff members received local, regional, state and national recognition from various professional and community organizations for the dedicated work in educating our youth.
- Construction of Boulder Peak and Hazel Point Intermediate Schools was completed and these buildings opened for the 2020-21 school year.
- The District was successful in rolling out new math curriculum for K-6 students with the help of the Math Strategists we hired with ESSER III funds. The Math Strategists were also very instrumental in helping with the recovery of learning loss due to the pandemic.
- The District was recognized for its continued excellence in financial reporting with the receipt of the District's seventeenth consecutive Certificate of Excellence in Financial Reporting award for the 2020-2021 Annual Comprehensive Financial Report (ACFR).

All of the dedicated work that went into these initiatives and achievements had one main focus: supporting the learning of the District's students. For the 2021-2022 school year, the students, as a group, continued to perform at a high level. Following are a few indicators:

- Student achievement exceeded the state average for each grade span in reading, math and science as measured on the Iowa Statewide Assessment of Student Progress.
- 520 Advance Placement exams were taken with 80% of Linn-Mar students scoring 3 or higher.
- The Class of 2022 had 9 National Merit Finalist (and semi-finalists).
- Linn-Mar students continue to score higher than both the state and national averages of students that complete the ACT assessment. The 21-22 Linn-Mar Community School District composite ACT score was 23.7 with 460 students taking the assessments.

Financial Information

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties the District prepares a more detailed budget for each fund. The following information reflects the comprehensive budget for these individual funds rather than demonstrating compliance at the legal level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Independent Audit

State law and District policy require an annual audit to be made of the books of account, financial records and transactions of all funds of the District by a Certified Public Accountant selected by the Board of Directors of the District. The District has complied with this requirement. The report of the District's independent accountants, Bohnsack & Frommelt, LLP, appears in this report. Their audit of the basic financial statements was performed in accordance with auditing standards generally accepted in the United State of America and, accordingly, included a review of the District's system of budgetary and accounting controls.

Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO), awards a Certificate of Excellence in Financial Reporting. This certificate is a prestigious national award recognizing conformance with the highest standards for preparation of government financial reports.

In order to be eligible to receive the Certificate, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, (ACFR) whose

contents conform to program standards. Such ACFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

This Certificate is valid for a period of one year only. The District believes that the current ACFR conforms to the requirements for the Certificate of Excellence and therefore, is submitting to ASBO to determine its eligibility for the Certificate.

Acknowledgements

The publication of this report is a major step toward the commitment to professionalism in financial reporting and significantly increases the accountability of the District to the taxpayers. This would not have been possible without the help of several people. We would like to express our appreciation to all District, City and County employees who assisted in the preparation of this report.

Finally, sincere appreciation is extended to the Board of Education, where commitment to excellence begins. It is with great pleasure that this year's Annual Comprehensive Financial Report is submitted to the Board of Education.



David Nicholson
Chief Financial Officer
Chief Operating Officer



Shannon Bisgard
Superintendent of Schools



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Linn-Mar Community School District

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

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



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

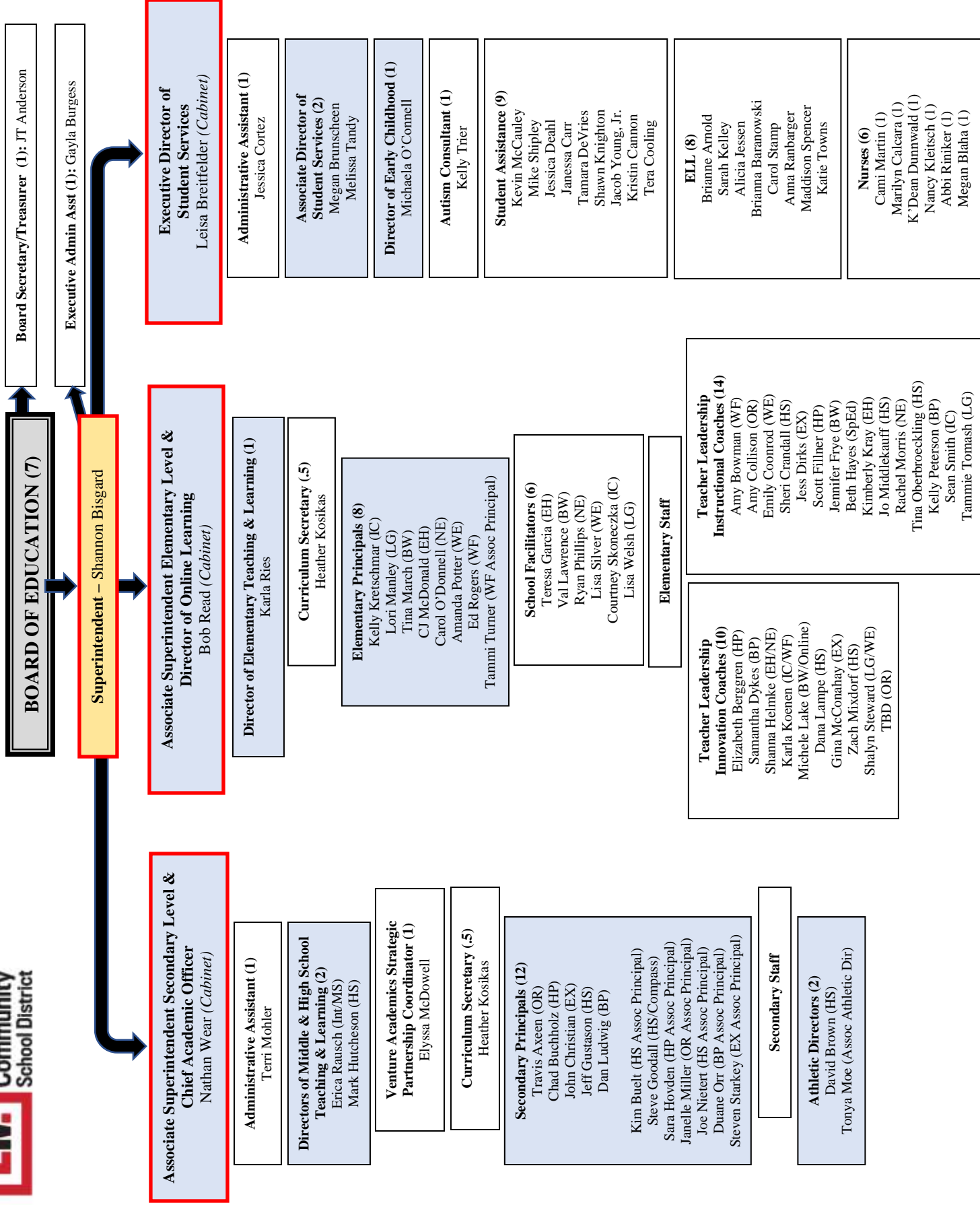
William A. Sutter
President

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

David J. Lewis
Executive Director



2021-22 District Organizational Chart





2021-22 District Organizational Chart

BOARD OF EDUCATION (7)

Superintendent – Shannon Bisgard

**Chief Financial/Operating Officer &
Board Secretary/Treasurer**
JT Anderson (*Cabinet*)

Supervisor of Business Services (1)
Cortnee Hemesath

Business Office Staff (2.8)
Sandy Clabough-AP (1)
Tracy Ramos-AR (.5)
Sarah Offerman-Admin Asst (.3)

Payroll Supervisor (.5)
Laura Fuller

Payroll Technician (1)
Jen Mittan

Nutrition Services Manager (1)
Stacy Fish

NS Administrative Assistant (1)
Andrea Fish

Total Access Assistant (.5)
Tracy Ramos

NS Staff

Aquatic Center Manager (1)
Bobby Kelley

Aquatic Center Asst Manager (1)
Parker Crow

Aquatics Staff

Transportation Manager (1)
Brian Cruise

Dispatcher (1)
Brent Wilfong

Training/Safety Specialist (1)
Wendy Toll

Transportation Staff

Buildings & Grounds Manager (1)
Chris Gates

B&G Secretary (1)
Michelle Osborn

Grounds Supervisor (1)
Andy Parke

Custodian Supervisor (1)
Devin Herzberger

HVAC Supervisor (1)
Bill Hoskins

Buildings & Grounds Staff

**Chief Human Resources Officer &
Executive Director of Public Relations**
Karla Christian (*Cabinet*)

HR Manager (1)
Phil Miller

HR Generalists (3)
Heather Jordan
Cathy Gauger
Casey Fasselius

Payroll Supervisor (.5)
Laura Fuller

HR Administrative Assistant (1)
Amy Fecht

**Community Services
Coordinator (1)**
Karla Terry

Communications & Media Coordinator (1)
Kevin Fry

Communications & Media Assistant (1)
Caitlin Wiedenheft

**Receptionist, Communications, &
Community Services Admin Asst (.3)**
Sarah Offerman

**Executive Director of
Technology Services**
Jeri Ramos (*Cabinet*)

Administrative Assistant (.3)
Sarah Offerman

Sr Systems Engineer (1)
Rod Scott

Sr Systems Administrator (1)
Ben Sanders

Systems Administrator (1)
Alex Stewart

Programmer/Data Analyst (1)
Phil Brown

Computer Technicians (4)
Dawn Cooksley
David Kenneson
Emily Pelikan
Matt Stern

Linn-Mar Community School District

Board of Education and School District Officials
Year Ended June 30, 2022

Name	Title	Term Expires
Board of Education		
Brittania Morey	President	2023
Clark Weaver	Vice President	2023
Bary Buchholz	Board Member	2023
Sondra Nelson	Board Member	2023
Matt Rollinger	Board Member	2025
Melissa Walker	Board Member	2025
Rachel Wall	Board Member	2025
School District Officials		
Shannon Bisgard	Superintendent	2022
David Nicholson	Chief Operating Officer/ Chief Financial Officer	2022
Terry Abernathy	Attorney	Indefinite
Simmons, Perrine, Moyer & Bergman, P.C.	Attorney	Indefinite
Ahlers & Cooney, P.C.	Attorney	Indefinite
Lynch Dallas	Attorney	Indefinite







Independent Auditor's Report

To the Board of Education
Linn-Mar Community School District
Marion, Iowa

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the 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 Linn-Mar Community School District, Iowa, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 16 to the financial statements, Linn-Mar Community School District adopted new accounting guidance related to Governmental Accounting Standards Board Statement No. 87, *Leases*. As a result, June 30, 2022 governmental activities net position is restated by \$13,017. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the District's total OPEB liability and related ratios, and schedule of the District's proportionate share of the net pension liability and schedule of District contributions on pages 4-15 and 55-64 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Linn-Mar Community School District's basic financial statements. The supplementary information, as listed in the table of contents and the Schedule of Expenditures of Federal Awards as required by Title 2, *U.S Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the Linn-Mar 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 Linn-Mar Community School 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 Linn-Mar Community School District's internal control over financial reporting and compliance.

Bohnsack & Frommelt LLP

Moline, Illinois
December 20, 2022



Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Linn-Mar 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, 2022. We encourage readers to consider this information in conjunction with the District's financial statements, which follow:

2021-22 Financial Highlights

- The District's net position for governmental activities was \$78,539,120 at June 30, 2022, compared to \$66,777,100 at June 30, 2021 as restated for implementation of GASB Statement No. 87, represented an increase of \$11,762,020 or 17.61 percent.
- The District's net position for business-type activities was \$2,858,581 at June 30, 2022 compared to \$1,647,059 at June 30, 2021, an increase of \$1,211,522 or 73.56 percent.
- At the end of fiscal year 2022, the total of assigned and unassigned fund balances in the General Fund was \$11,881,513 or 11.94 percent of total General Fund revenues compared to prior year's total balance of \$13,220,229 or 13.67 percent of total General Fund revenues.
- The District's long-term bonded debt and capital loan notes decreased \$12,883,700 due to the scheduled debt repayments, refundings and amortization of premiums and discounts.

Using this Annual Report

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

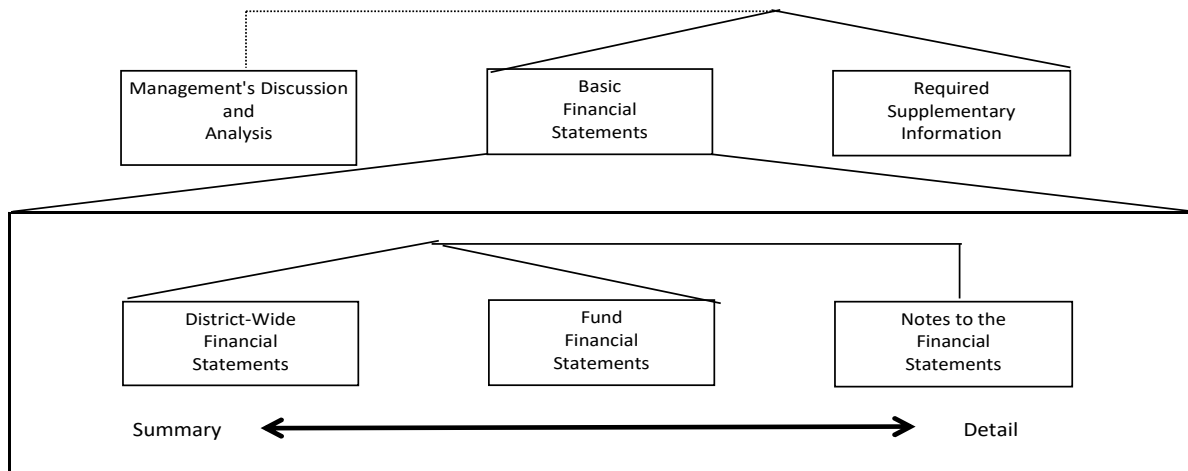
- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of Linn-Mar Community School District as a whole and present an overall view of the District's finances.
- The fund financial statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the most significant funds.
- 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 and information regarding the District's retiree health plan and pension plan.
- Other supplementary information provides detailed information about the nonmajor governmental funds and nonmajor enterprise funds.

Linn-Mar Community School District

**Management's Discussion and Analysis
Year Ended June 30, 2022**

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

Figure A-1
Linn-Mar Community School District



Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

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

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

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Reporting the District's Financial Activity

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 and 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 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 position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and condition of school buildings and other facilities.

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

Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.

Business-type activities: The District charges fees to help it cover the costs of certain services it provides. The District's food service program, aquatic center and ROAR store activities would be included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, (such as repaying its long-term debts) or to show that it is properly using certain revenues, (such as federal grants).

The District has two 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. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information in the notes to financial statements explains the relationship (or differences) between them.
- 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 Funds (one type of proprietary fund) are the same as its business-type activities but provides more detail and additional information, such as cash flows.

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

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

Government-Wide Financial Analysis

Net position is an indicator of the fiscal health of the District. The District's net position increased by 19.0 percent, increasing from approximately \$68.42 million at June 30, 2021, to approximately \$81.39 million at June 30, 2022. Figure A-3 below provides a summary of the District's net position as of June 30, 2022 compared to June 30, 2021.

Figure A-3 Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2022	Restated 2021	2022	2021	2022	Restated 2021	2021-2022
Current and other assets	\$ 80.77	\$ 88.09	\$ 3.16	\$ 2.10	\$ 83.93	\$ 90.19	-7%
Capital assets	205.42	208.99	0.94	1.07	206.36	210.06	-2%
Total assets	286.19	297.08	4.10	3.17	290.29	300.25	-3%
Deferred outflows of resources	9.57	12.44	0.28	0.34	9.85	12.78	-23%
Long-term obligations	113.57	175.32	0.26	0.30	113.83	175.62	-35%
Other liabilities	20.41	22.17	0.24	1.50	20.65	23.67	-13%
Total liabilities	133.98	197.49	0.50	1.80	134.48	199.29	-33%
Deferred inflows of resources	83.25	45.26	1.02	0.06	84.27	45.32	86%
Net position:							
Net investment in capital assets	89.77	85.36	0.94	1.07	90.71	86.43	5%
Restricted	12.69	13.64	-	-	12.69	13.64	-7%
Unrestricted	(23.93)	(32.23)	1.92	0.58	(22.01)	(31.65)	30%
Total net position	\$ 78.53	\$ 66.77	\$ 2.86	\$ 1.65	\$ 81.39	\$ 68.42	19%

Net investment in capital assets, such as land, buildings, machinery and equipment, less any outstanding debt used to acquire those assets is approximately \$90.71 million. These assets are considered non-spendable since they represent capital assets used to provide services to students. The resources needed to pay the obligations from the debt related to these assets must be provided from other resources. Approximately \$12.69 million of net position has some external restrictions on how the funds may be used. The deficit remaining balance of approximately \$22.01 million represents unrestricted net position. Unrestricted net position remains at a deficit net position due to the District's net pension liability reporting requirements which were implemented in fiscal year 2015 and other postemployment benefit liability implemented in fiscal year 2018.

As mentioned before, restricted net position represents resources that are subject to external restrictions such as enabling legislation or constitutional provisions. The District's restricted net position decreased approximately \$0.95 million, or 7.0 percent from the prior year. The decrease is due to District expending approximately \$5.1 million on capital projects in fiscal year 2022.

Unrestricted net position represents the assets that can be used to finance day-to-day operations without constraints established by debt restrictions, enabling legislation or other legal binding requirements. Unrestricted net position increased approximately \$9.64 million due to the net pension liability and related deferrals experiencing improved investment earnings on an actuarial basis and reduced the District's net liabilities by \$9.3 million

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

The following figure shows changes in net position for the year ended June 30, 2022, compared to the year ended June 30, 2021.

Figure A-4 Changes in Net Position From Operating Results (in millions)

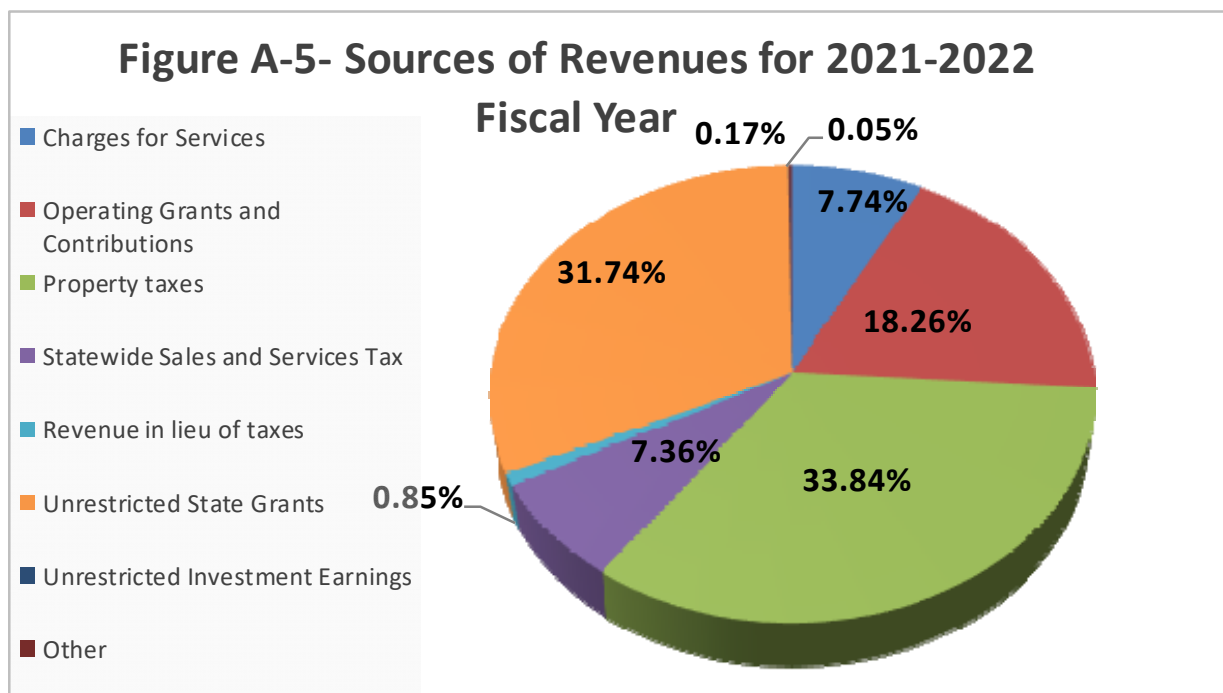
	Governmental Activities		Business-Type Activities		Total School District		Total Change
	Not restated				Not restated		
	2022	2021	2022	2021	2022	2021	2021-2022
Revenues:							
Program revenues:							
Charges for services	\$ 8.99	\$ 16.60	\$ 0.85	\$ 0.40	\$ 9.84	\$ 17.00	-42.1%
Operating grants, contributions and restricted interest	18.57	16.91	4.63	2.69	23.20	19.60	18.4%
Capital grants, contributions and restricted interest	-	-	-	-	-	-	0.0%
General revenues:							
Property taxes	43.01	41.69	-	-	43.01	41.69	3.2%
Excise taxes	0.17	0.19	-	-	0.17	0.19	-10.5%
Revenue in lieu of taxes	1.08	1.06	-	-	1.08	1.06	1.9%
Statewide sales and services tax	9.35	8.36	-	-	9.35	8.36	11.8%
Unrestricted state grants	40.33	39.57	-	-	40.33	39.57	1.9%
Investment earnings	0.06	0.21	-	-	0.06	0.21	-71.4%
Gain on sale of capital assets	0.04	-	-	-	0.04	-	0.0%
Total revenues	121.60	124.59	5.48	3.09	127.08	127.68	-0.5%
Expenses:							
Instruction	63.31	67.03	-	-	63.31	67.03	-5.5%
Support services	32.21	37.69	-	-	32.21	37.69	-14.5%
Noninstructional programs	0.10	0.10	4.27	3.35	4.37	3.45	26.7%
Other	14.21	13.47	-	-	14.21	13.47	5.5%
Total expenses	109.83	118.29	4.27	3.35	114.10	121.64	-6.2%
Increase in net position before transfer	11.77	6.30	1.21	(0.26)	12.98	6.04	114.9%
Transfers	-	(0.89)	-	0.89	-	-	100.0%
Change in net position	11.77	5.41	1.21	0.63	12.98	6.04	114.9%
Net position, beginning, restated	66.77	61.38	1.65	1.02	68.42	62.40	
Net position, ending	<u>\$ 78.54</u>	<u>\$ 66.79</u>	<u>\$ 2.86</u>	<u>\$ 1.65</u>	<u>\$ 81.40</u>	<u>\$ 68.44</u>	

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

During fiscal year 2022, property tax, excise taxes, revenue in lieu of taxes, statewide sales and services tax, and unrestricted state grants accounted for 73.9 percent of governmental activities revenue while charges for service, operating grants, contributions and restricted interest and investment earnings accounted for all of business type activities revenue.

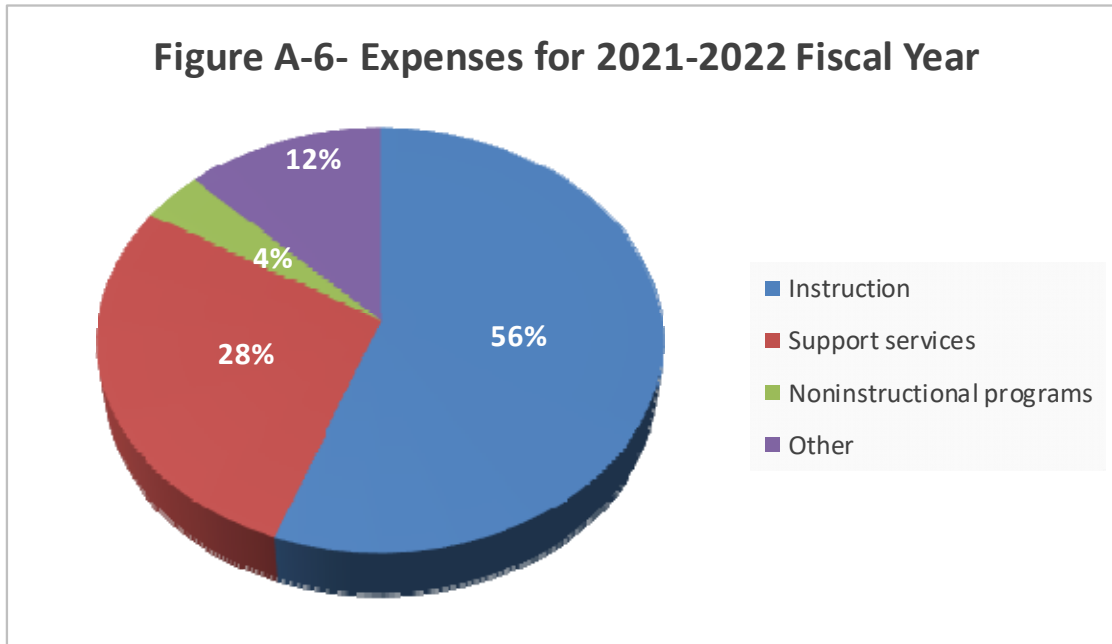
The District as a whole experienced a 0.5 percent decrease in revenue while experiencing a 6.2 percent decrease in expenses. The District's total revenue was approximately \$127.08 million of which \$121.60 million was for governmental activities, while the remaining \$5.48 million was for business-type activities. Property taxes and unrestricted state grants account for most of the District's revenue, with each contributing approximately 34 and 32 percent of the total revenue. (See figure A-5).



Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

The total cost for all programs and services decreased 6.2 percent to \$114.10 million. The District's total expenses are listed in Figure A-6. The chart shows that the majority of the District's expenses (84 percent) are devoted to instruction and student instructional support services.



Governmental Activities

Revenues for the District's governmental activities decreased 2.4 percent, while expenses decreased 7.2 percent. The decrease in revenues can be attributed to the decrease in charges for services as a result of the prior year receiving insurance proceeds from the 2020 Derecho.

The District experienced a \$8.46 million decrease in governmental activities expenses primarily due to the decrease in pension costs of 9.3 million.

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Figure A-7 presents the total and net cost of the District's four major governmental activities: instruction, support services, noninstructional programs and other expenses, for the year ended June 30, 2022 compared to the year ended June 30, 2021.

Figure A-7 Net Cost of Governmental Activities

	Total Cost of Services		Percentage Change 2021-22	Net Cost of Services		Percentage Change 2021-22
	2022	2021		2022	2021	
Instruction	\$ 63.31	\$ 67.03	-5.55%	\$ 43.20	\$ 38.32	12.73%
Support services	32.21	37.69	-14.54%	28.43	36.52	-22.15%
Non-instructional	0.10	0.10	0.00%	0.10	0.10	0.00%
Other	14.21	13.47	5.49%	10.53	9.84	7.01%
Total	\$ 109.83	\$ 118.29	-7.15%	\$ 82.26	\$ 84.78	-2.97%

For the year ended June 30, 2022:

- The cost financed of all governmental activities this year was approximately \$109.83 million.
- The cost financed by users of the District's programs was approximately \$9.00 million.
- Federal and state governments subsidized certain programs with grants and contributions as well as contributions from local sources totaling approximately \$18.57 million.
- The net cost of governmental activities was financed with approximately \$43.00 million in property tax, \$9.33 million in statewide sales, services and use tax, \$40.33 million in unrestricted state grants and \$1.37 million in unrestricted interest, gain on sale of capital assets and other income.

Business-Type Activities

Revenues of the District's business type activities increased by 77.3 percent to approximately \$5.48 million while expenses increased by 27.46 percent to approximately \$4.27 million (Refer to Figure A-4). The School Nutrition Fund, Aquatic Center Fund and ROAR Store Fund are the District's three business-type activities. The revenues in these three funds can be broken down into three main categories; charges for service, federal and state reimbursements and investment income.

The District's business type activities net position increased from approximately \$1.65 million at June 30, 2021 to approximately \$2.86 million at June 30, 2022, an increase of \$1.21 million or 73 percent. The increase in revenues is primarily due to increased federal COVID-19 funding due to the pandemic.

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Governmental Fund Highlights

At the end of fiscal year 2022, the District's governmental funds reported combined ending fund balances of \$24,181,394, a decrease of \$6,858,789 from the prior year. A closer look at each individual major governmental fund reveals the following:

- The General Fund balance decreased from approximately \$13.96 million on June 30, 2021, to approximately \$12.31 million on June 30, 2022. General Fund revenues increased from the prior year by approximately \$2.77 million. Revenues increased due to increases in assessed valuation for property taxes and increased federal funding for COVID-19 programs. General Fund expenditures increased by \$7.52 million due to increases in salaries and benefits and COVID-19 expenditures as well as increased costs of supplies.
- The Capital Projects Fund balance decreased from approximately \$13.64 million on June 30, 2021 to approximately \$8.84 million on June 30, 2022. The decrease in overall Capital Projects Fund balance can be attributed to planned spending of bond proceeds on capital projects and transfers to service debt.
- The Debt Service Fund balance decreased from approximately \$0.86 million on June 30, 2021, to approximately \$0.35 million on June 30, 2022. The \$41.6 million issued in the debt service fund was used to refund existing debt.

Proprietary Fund Highlights

The District's proprietary fund expenses exceeded revenues. At the close of fiscal year 2022, revenues exceeded expenses by \$1,211,522. Total operating expenses increased from \$3,356,671 in 2021 to \$4,278,148 in 2022 primarily due to an increase in salaries and benefits and the cost of nutrition program supplies. Operating revenues increased from \$396,846 in 2021 to \$853,303 in 2022 due to resuming normal activities with in person student attendance and swim activities in the aquatics center.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared according to U.S. Generally Accepted Accounting Principles.

A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report. Since the District does not adopt a budget for individual funds, budgets for the General Fund and major Special Revenue Funds are not presented in the budgetary comparison.

The District's total actual revenues were \$3,706,429 more than budgeted revenues, a variance of 3.0 percent from final budgeted amounts. The main contributing factor to the variance was with the District receiving more in Education Stabilization Fund funding.

By April 15th of each year, the budget must be adopted by the Board of Directors for the fiscal year beginning July 1 through June 30, which immediately follows. Because there are a number of unknowns at that time, such as State revenue allocations, insurance premiums, negotiated employee contracts, enrollment increase, and construction project invoicing, the District has the ability to amend its budget before May 31st of each year. The District had one amendment which increased budgeted expenditures by \$48,900,000 primarily to account for bond refundings.

The District exceeded budgeted expenditures in the instruction function by \$177,015.

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

Capital Asset Administration

By the end of fiscal year 2022, the District had invested, net of depreciation, approximately \$206.36 million in various capital assets including land, buildings, vehicles and equipment (See Figure A-8). This amount represents a net decrease of approximately \$3.70 million or 1.8 percent over the previous fiscal year. Additions in the current year were primarily building remodeling and roofing projects.

Figure A-8 Capital Assets (Net of Depreciation) (in hundreds)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	Restated				Restated		2021-22
	2022	2021	2022	2021	2022	2021	
Land	\$ 8,499	\$ 8,499	\$ -	\$ -	\$ 8,499	\$ 8,499	0.0%
Construction in progress	1,430	2,945	-	-	1,430	2,945	-51.4%
Buildings	177,200	178,138	-	-	177,200	178,138	-0.5%
Right to use leased building	376	446	-	-	376	446	
Land improvements	12,720	13,083	-	-	12,720	13,083	-2.8%
Machinery and equipment	5,083	5,702	935	1,068	6,018	6,770	-11.1%
Right to use leased equipment	119	178	-	-	119	178	
Total	\$ 205,427	\$ 208,991	\$ 935	\$ 1,068	\$ 206,362	\$ 210,059	-1.8%

More detailed information on capital asset activity can be found in Note 5 to the basic financial statements.

Long-Term Liabilities

At year end, the District had approximately \$121.94 million in long-term debt, a decrease of approximately \$63.62 million from the previous fiscal year. Approximately \$8.11 million of the District's long-term debt is due within one year.

Figure A-9 Outstanding Long-Term Obligations

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	Restated				Restated		2021-22
	2022	2021	2022	2021	2022	2021	
General obligation bonds	\$ 66,965	\$ 70,015	\$ -	\$ -	\$ 66,965	\$ 70,015	-4.4%
Revenue bonds	39,280	49,925	-	-	39,280	49,925	-21.3%
Capital loan notes	3,555	4,690	-	-	3,555	4,690	-24.2%
Bond premiums, net of amortization	6,230	4,293	-	-	6,230	4,293	45.1%
Bond discounts, net of amortization	-	(9)	-	-	-	(9)	-100.0%
Compensated absences	107	13	-	-	107	13	723.1%
Net pension liability	921	51,081	149	1,409	1,070	52,490	-98.0%
Net OPEB liability	4,110	3,406	111	93	4,221	3,499	20.6%
Lease obligations	508	637	-	-	508	637	-20.3%
Total	\$ 121,676	\$ 184,051	\$ 260	\$ 1,502	\$ 121,936	\$ 185,553	-34.3%

Linn-Mar Community School District

Management's Discussion and Analysis Year Ended June 30, 2022

More detailed information on the District's long-term liabilities can be found in Note 6 to the basic financial statements.

Factors Bearing on the District's Future

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

- On October 1, 2022, the District experienced a certified student enrollment increase of approximately 106 students. This is the first growth the District has experienced in two years.
- A nationwide labor shortage has made it increasingly difficult to retain and recruit qualified staff. Salaries and benefit expenditures are expected to increase at least by 3% due to the current state of inflation.
- Because of the current state of inflation, the cost of goods and services are on the rise and will impact a significant impact on our future budgets.
- American Recovery Funding resources received as a result of the pandemic will be fully expended in FY2023. This will make it difficult if not impossible to maintain the level of support given to our students to help with the recovery of learning loss due to the pandemic.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the office of the Business Administrator, Linn-Mar Community School District, 2999 10th Street, Marion, Iowa 52302.

BASIC FINANCIAL STATEMENTS



Linn-Mar Community School District

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and pooled investments	\$ 29,886,261	\$ 3,133,090	33,019,351
Receivables:			
Property tax:			
Delinquent	142,896	-	142,896
Succeeding year	43,234,921	-	43,234,921
Due from other governments	6,007,244	-	6,007,244
Accounts	17,901	10,113	28,014
Leases	184,340	-	184,340
Inventories	-	21,088	21,088
Restricted cash and pooled investments	1,296,645	-	1,296,645
Capital assets:			
Nondepreciable	9,929,091	-	9,929,091
Depreciable, net	195,497,669	935,163	196,432,832
Total assets	286,196,968	4,099,454	290,296,422
Deferred outflows of resources:			
OPEB related deferred outflows	1,015,617	26,351	1,041,968
Pension related deferred outflows	8,557,769	256,893	8,814,662
Total deferred outflows of resources	9,573,386	283,244	9,856,630

See Notes to Basic Financial Statements.

Liabilities

Accounts payable	2,131,899	2,070	2,133,969
Salaries and benefits payable	9,757,782	76,183	9,833,965
Accrued interest payable	418,423	-	418,423
Unearned revenue	-	167,319	167,319
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	3,160,000	-	3,160,000
Revenue bonds payable	3,555,000	-	3,555,000
Capital loan note payable	1,160,000	-	1,160,000
Lease payable	124,438	-	124,438
Compensated absences payable	107,444	-	107,444
Portion due after one year:			
General obligation bonds payable, net premiums/discounts	70,034,807	-	70,034,807
Revenue bonds payable	35,725,000	-	35,725,000
Capital loan note payable	2,395,000	-	2,395,000
Lease obligations	383,870	-	383,870
Net pension liability	921,383	149,544	1,070,927
Net OPEB liability	4,109,826	110,834	4,220,660
Total liabilities	133,984,872	505,950	134,490,822

Deferred inflows of resources:

Succeeding year property tax	43,234,921	-	43,234,921
Leases	184,340	-	184,340
OPEB related deferred inflows	824,333	21,983	846,316
Pension related deferred inflows	39,002,768	996,184	39,998,952
Total deferred inflows of resources	83,246,362	1,018,167	84,264,529

Net Position

Net investment in capital assets	89,775,215	935,163	90,710,378
Restricted for:			
Categorical funding	431,575	-	431,575
Debt service	346,134	-	346,134
School infrastructure	5,302,921	-	5,302,921
Physical plant and equipment levy	3,926,863	-	3,926,863
Management levy	1,443,079	-	1,443,079
Student activities	804,718	-	804,718
Public education and recreation levy	435,096	-	435,096
Unrestricted	(23,926,481)	1,923,418	(22,003,063)
Total net position	\$ 78,539,120	\$ 2,858,581	\$ 81,397,701

Linn-Mar Community School District

Statement of Activities
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Instruction	\$ 63,307,419	\$ 5,862,062	\$ 14,249,812
Support services:			
Student services	4,054,858	1,102,394	491,888
Instructional staff	7,183,309	1,207,266	22,000
Administration services	8,025,718	523,018	-
Operation and maintenance of plant services	9,343,503	268,266	-
Student transportation	3,601,615	26,144	134,454
Total support services	32,209,003	3,127,088	648,342
Non-instructional programs:			
Food service operations	60,769	-	-
Community service operations	40,116	-	-
Total non-instructional programs	100,885	-	-
Long-term debt interest	4,204,471	-	-
Other expenses:			
AEA flowthrough	3,676,429	-	3,676,429
Depreciation (unallocated)*	6,329,627	-	-
Total other expenses	10,006,056	-	3,676,429
Total governmental activities	109,827,834	8,989,150	18,574,583
Business-type activities:			
School nutrition	3,906,770	410,124	4,634,021
Aquatic center	322,591	396,824	-
ROAR store	48,787	46,355	-
Total business-type activities	4,278,148	853,303	4,634,021
Total	\$ 114,105,982	\$ 9,842,453	\$ 23,208,604

General revenues:

Property tax levied for:

General purposes

Capital outlay

Debt service

Excise taxes

Revenue in lieu of taxes

Statewide sales and services tax

Unrestricted state grants

Unrestricted investment earnings

Gain on sale of capital assets

Total general revenues

Change in net position

Net position, beginning of year, as restated

Net position, end of year

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

See Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position				
Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total
\$	-	\$ (43,195,545)	\$ -	\$ (43,195,545)
	-	(2,460,576)	-	(2,460,576)
	-	(5,954,043)	-	(5,954,043)
	-	(7,502,700)	-	(7,502,700)
	-	(9,075,237)	-	(9,075,237)
	-	(3,441,017)	-	(3,441,017)
	-	(28,433,573)	-	(28,433,573)
	-	(60,769)	-	(60,769)
	-	(40,116)	-	(40,116)
	-	(100,885)	-	(100,885)
	-	(4,204,471)	-	(4,204,471)
	-	-	-	-
	-	(6,329,627)	-	(6,329,627)
	-	(6,329,627)	-	(6,329,627)
	-	(82,264,101)	-	(82,264,101)
	-	-	1,137,375	1,137,375
	-	-	74,233	74,233
	-	-	(2,432)	(2,432)
	-	-	1,209,176	1,209,176
\$	-	\$ (82,264,101)	\$ 1,209,176	\$ (81,054,925)

33,162,658	-	33,162,658
4,169,860	-	4,169,860
5,675,629	-	5,675,629
165,198	-	165,198
1,089,172	-	1,089,172
9,334,763	-	9,334,763
40,332,066	-	40,332,066
61,307	2,346	63,653
35,468	-	35,468
94,026,121	2,346	94,028,467
11,762,020	1,211,522	12,973,542
66,777,100	1,647,059	68,424,159
\$ 78,539,120	\$ 2,858,581	\$ 81,397,701

Linn-Mar Community School District

**Balance Sheet
Governmental Funds
June 30, 2022**

	General	Capital Projects	Debt Service	Nonmajor	Total
Assets					
Cash and pooled investments	\$ 19,351,250	\$ 7,507,672	\$ 327,550	\$ 2,699,789	\$ 29,886,261
Restricted cash and pooled investments	-	1,296,645	-	-	1,296,645
Receivables:					
Property tax:					
Delinquent	106,080	13,653	18,584	4,579	142,896
Succeeding year	30,642,281	4,324,854	5,637,480	2,630,306	43,234,921
Due from other governments	4,087,281	1,919,463	-	500	6,007,244
Due from other funds	-	-	-	25,043	25,043
Accounts	13,646	-	-	4,255	17,901
Leases	184,340	-	-	-	184,340
Total assets	\$ 54,384,878	\$ 15,062,287	\$ 5,983,614	\$ 5,364,472	\$ 80,795,251
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,482,453	\$ 621,079	\$ -	\$ 28,367	\$ 2,131,899
Salaries and benefits payable	9,734,876	-	-	22,906	9,757,782
Due to other funds	25,043	-	-	-	25,043
Total liabilities	11,242,372	621,079	-	51,273	11,914,724
Deferred inflows of resources:					
Statewide sales and services tax	-	1,277,075	-	-	1,277,075
Grants	2,797	-	-	-	2,797
Succeeding year property tax	30,642,281	4,324,854	5,637,480	2,630,306	43,234,921
Leases	184,340	-	-	-	184,340
Total deferred inflows of resources	30,829,418	5,601,929	5,637,480	2,630,306	44,699,133
Fund balances:					
Restricted for:					
Categorical funding	431,575	-	-	-	431,575
Debt service	-	-	346,134	-	346,134
School infrastructure	-	4,912,416	-	-	4,912,416
Physical plant and equipment levy	-	3,926,863	-	-	3,926,863
Management levy	-	-	-	1,443,079	1,443,079
Student activities	-	-	-	804,718	804,718
Public education and recreation levy	-	-	-	435,096	435,096
Assigned for specific purposes	464,960	-	-	-	464,960
Unassigned	11,416,553	-	-	-	11,416,553
Total fund balance	12,313,088	8,839,279	346,134	2,682,893	24,181,394
Total liabilities, deferred inflows of resources, and fund balances	\$ 54,384,878	\$ 15,062,287	\$ 5,983,614	\$ 5,364,472	\$ 80,795,251

See Notes to Basic Financial Statements.

Linn-Mar Community School District

**Reconciliation of the Balance Sheet -
Governmental Funds to the Statement of Net Position
June 30, 2022**

Total fund balances of governmental funds \$ 24,181,394

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. 205,426,760

Other long-term assets are not available to pay for current period
expenditures and, therefore, are unavailable in the funds. 1,279,872

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. (418,423)

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

Deferred inflows of resources related to OPEB	(824,333)	
Deferred outflows of resources related to OPEB	1,015,617	
Deferred outflows of resources related to pension	8,557,769	
Deferred inflows of resources related to pension	<u>(39,002,768)</u>	(30,253,715)

Long-term liabilities, including bonds payable and compensated
absences, are not due and payable in the current period, and,
therefore, are not reported as liabilities in the governmental funds.

General obligation bonds payable	(66,965,000)	
Revenue bonds payable	(39,280,000)	
Capital loan notes payable	(3,555,000)	
Unamortized bond premiums	(6,229,807)	
Lease liability	(508,308)	
Compensated absences	(107,444)	
Net pension liability	(921,383)	
Net OPEB liability	<u>(4,109,826)</u>	(121,676,768)
Net position of governmental activities		<u><u>\$ 78,539,120</u></u>

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

	General	Capital Projects	Debt Service	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 31,915,239	\$ 4,186,213	\$ 5,697,886	\$ 1,374,007	\$ 43,173,345
Tuition	5,862,063	-	-	-	5,862,063
Other	2,011,538	146,798	7,684	1,022,373	3,188,393
State sources	54,075,610	9,262,294	138,977	35,235	63,512,116
Federal sources	5,643,185	-	-	-	5,643,185
Total revenues	99,507,635	13,595,305	5,844,547	2,431,615	121,379,102
Expenditures:					
Current:					
Instruction, regular	66,505,187	1,500,421	-	1,092,407	69,098,015
Total instruction	66,505,187	1,500,421	-	1,092,407	69,098,015
Support services:					
Student services	4,521,234	-	-	8,638	4,529,872
Instructional staff services	7,661,886	306,470	-	7,840	7,976,196
Administration services	8,510,703	192,386	-	36,336	8,739,425
Operation and maintenance of plant services	7,471,736	153,860	-	855,185	8,480,781
Student transportation	2,812,953	215,349	-	176,667	3,204,969
Total support services	30,978,512	868,065	-	1,084,666	32,931,243
Non-instructional programs					
Food service	-	-	-	65,427	65,427
Community service	-	-	-	40,116	40,116
Total non-instructional	-	-	-	105,543	105,543
Other expenditures:					
Capital outlay	-	5,053,606	-	78,968	5,132,574
AEA flowthrough	3,676,429	-	-	-	3,676,429
Debt service:					
Principal	-	128,771	56,445,000	-	56,573,771
Interest and fiscal charges	-	11,565	4,881,184	-	4,892,749
Total other	3,676,429	5,193,942	61,326,184	78,968	70,275,523
Total expenditures	101,160,128	7,562,428	61,326,184	2,361,584	172,410,324
Excess (deficiency) of revenues over (under) expenditures	(1,652,493)	6,032,877	(55,481,637)	70,031	(51,031,222)
Other financing sources (uses):					
Proceeds from sale of equipment	35,468	-	-	-	35,468
Issuance of long-term debt	-	-	41,615,000	-	41,615,000
Premium on issuance of long-term debt	-	-	2,521,965	-	2,521,965
Interfund transfers in	-	-	10,832,592	25,043	10,857,635
Interfund transfers (out)	(25,043)	(10,832,592)	-	-	(10,857,635)
Total other financing sources (uses)	10,425	(10,832,592)	54,969,557	25,043	44,172,433
Net change in fund balance	(1,642,068)	(4,799,715)	(512,080)	95,074	(6,858,789)
Fund balances, beginning of year	13,955,156	13,638,994	858,214	2,587,819	31,040,183
Fund balances, end of year	\$ 12,313,088	\$ 8,839,279	\$ 346,134	\$ 2,682,893	\$ 24,181,394

See Notes to Basic Financial Statements.

Linn-Mar 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, 2022**

Net change in fund balances - total governmental funds \$ (6,858,789)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the Statement of Activities and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. Capital outlay expenditures and depreciation expense in the year are as follows:

Capital outlay	3,997,408	
Depreciation expense	(7,562,609)	(3,565,201)
Proceeds from sale of capital assets		(35,468)
Gain on sale of capital assets		35,468

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

Statewide sales and services tax	174,575	
Grants	709	175,284

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayments of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Current year items are as follows:

Principal repayments	56,445,000	
Issuance of long-term debt	(41,615,000)	
Premium on issuance of long-term debt	(2,521,965)	
Amortization of premiums and discounts	575,665	
Lease repayments	128,771	13,012,471

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.

112,613

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.

Change in compensated absences	(93,828)	
Change in pension expense and related deferrals	9,315,124	
Change in OPEB expense and related deferrals	(335,654)	8,885,642

Change in net position of governmental activities

\$ 11,762,020

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Statement of Net Position

Proprietary Funds

June 30, 2022

	Business-Type Activities Nonmajor Enterprise Funds
Assets	
Current:	
Cash and cash equivalents	\$ 3,133,090
Accounts receivable	10,113
Inventories	21,088
Total current assets	3,164,291
Noncurrent:	
Capital assets, net of accumulated depreciation	935,163
Total noncurrent assets	935,163
Total assets	4,099,454
Deferred Outflows of Resources:	
OPEB related deferred outflows	26,351
Pension related deferred outflows	256,893
Total deferred outflows of resources	283,244
Liabilities	
Current:	
Accounts payable	2,070
Salaries and benefits payable	76,183
Unearned revenue	167,319
Total current liabilities	245,572
Noncurrent:	
Net pension liability	149,544
Net OPEB liability	110,834
Total noncurrent liabilities	260,378
Total liabilities	505,950
Deferred Inflows of Resources:	
OPEB related deferred inflows	21,983
Pension related deferred inflows	996,184
Total deferred inflows of resources	1,018,167
Net Position	
Investment in capital assets	935,163
Unrestricted	1,923,418
Total net position	\$ 2,858,581

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended June 30, 2022

	Business-Type Activities Nonmajor Enterprise Funds
Operating revenues:	
Local sources, charges for services	\$ 853,303
Total operating revenues	853,303
Operating expenses:	
Non-instructional programs:	
Food service:	
Salaries	1,840,582
Benefits	76,009
Services	859
Supplies	1,842,017
Depreciation	144,342
Other	2,961
Total food service	3,906,770
Other enterprise	48,787
Community service:	
Salaries	225,333
Benefits	21,554
Services	10,699
Supplies	65,005
Total community service	322,591
Total operating expenses	4,278,148
Operating (loss)	(3,424,845)
Nonoperating revenues:	
State sources	26,011
Federal sources	4,608,010
Interest on investments	2,346
Total nonoperating revenues	4,636,367
Change in net position	1,211,522
Net position, beginning of year	1,647,059
Net position, end of year	\$ 2,858,581

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2022

	Business-Type Activities Nonmajor Enterprise Funds
Cash flows from operating activities:	
Cash received from food service sales	\$ 362,924
Cash received from aquatic center operations	396,824
Cash received from ROAR store operations	46,355
Cash payments to employees for services	(2,392,201)
Cash payments to suppliers for goods or services	(1,568,257)
Net cash (used in) operating activities	(3,154,355)
Cash flows from noncapital financing activities:	
State grants received	26,011
Federal grants received	4,199,092
Net cash provided by noncapital financing activities	4,225,103
Cash flows from capital and related financing activities, acquisition of capital assets	(11,163)
Cash flows from investing activities, interest on investments	2,346
Net increase in cash and cash equivalents	1,061,931
Cash and cash equivalents, beginning of year	2,071,159
Cash and cash equivalents, end of year	\$ 3,133,090
Reconciliation of operating (loss) to net cash (used in) operating activities:	
Operating loss	\$ (3,424,845)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:	
Commodities consumed	408,918
Depreciation	144,342
(Increase) in inventories	(739)
(Increase) in accounts receivable	(4,969)
(Decrease) in accounts payable	(6,108)
(Decrease) in salaries and benefits payable	(3,200)
Increase in OPEB liability and related deferrals	8,430
(Decrease) in net pension liability and related deferrals	(233,953)
(Decrease) in unearned revenue	(42,231)
Net cash (used in) operating activities	\$ (3,154,355)

Noncash from noncapital financing activities:

During the year ended June 30, 2022, the District used \$408,918 of federal commodities.

See Notes to Basic Financial Statements.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies

Linn-Mar Community School District is a political subdivision of the state of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District operates or sponsors various adult education programs. The geographic area served includes the City of Marion, Iowa, portions of the Cities of Robins and Cedar Rapids and portions of the agricultural territory in Linn County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

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

Reporting entity:

For financial reporting purposes, Linn-Mar 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. Linn-Mar Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly governed organizations: The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Linn County Assessors' Conference Board.

Basis of presentation:

District-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 three categories:

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

Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Enabling legislation did not result in any restricted net position.

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund financial statements: Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the District-wide financial statements. The District does not have any fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. Combining schedules are also included for the Capital Project Fund accounts as well as the nonmajor enterprise funds.

The District reports the following major governmental funds:

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

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

The Debt Service Fund is used for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The District reports the following nonmajor governmental funds:

The Management Levy Fund is used to account for the payment of property and insurance as well as early retirement incentive obligations owed by the District to retirees from prior fiscal years.

The Student Activity Fund is utilized to account for the various student run organizations and athletic accounts operating within the District.

The Public Education and Recreation Levy Fund is utilized to account for the resources used to establish and maintain public recreation places and playgrounds and necessary accommodations for children and adults.

Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position, and cash flows. The District has one proprietary fund type. Enterprise funds are used to account for those operations that are financed and operate in a manner similar to private businesses or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

The District reports nonmajor enterprise funds. The District's nonmajor enterprise funds include the School Nutrition Fund, the Aquatic Center Fund, and the ROAR Store Fund. The School Nutrition Fund is used to account for the food service operations of the District. The Aquatic Center Fund is used to account for the operations of the District's pool activities. The ROAR Store Fund is used to account for student store operations of the District.

Measurement focus and basis of accounting:

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 the 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 term of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

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

Linn-Mar Community School District

**Notes to Basic Financial Statements
Year Ended June 30, 2022**

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Cash, pooled investments and cash equivalents: The cash balances of most District funds are pooled and invested. Investments are stated at fair value and non-negotiable certificates of deposit which are stated at amortized cost.

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

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1 1/2 % per month penalty for delinquent payments; is based on January 1, 2020 assessed property valuations; is for the tax accrual period July 1, 2021 through June 30, 2022 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2021.

Intergovernmental receivables: Intergovernmental receivables 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 governmental commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

Capital assets: Capital assets, which include property, machinery, equipment and intangibles acquired after July 1, 1980 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. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and established useful lives in excess of two years.

Right-to-use leased assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs to place the assets in service. Subsequently, the leased assets are amortized on a straight-line basis over the shorter of the life of the lease or estimated useful life of the asset.

Asset Class	Amount
Land	\$ 5,000
Buildings	5,000
Improvements other than buildings	5,000
Intangibles	175,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	5,000

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

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

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

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.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

Salaries and benefits payable: Payroll and related expenditures for contracts corresponding to the current school year, which is payable in July and August, have been accrued as liabilities.

Deferred inflows of resources: Deferred inflows of resources represent an acquisition of net assets that applies to future year(s) and 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 period or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Unavailable revenue in the governmental funds consists of property tax, statewide sales and services tax, other local charges, and lease.

Deferred inflows of resources on the Statement of Net Position consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied, leases, and the unrecognized items not yet charged to pension expense or other postemployment benefit expense.

Unearned revenue: Proprietary funds defer revenue recognition in connection with resources that have been received but not yet earned. Unearned revenues are monies collected for meals that have not yet been served.

Compensated absences: District employees accumulate a limited amount of earned but unused vacation and sick leave for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the District-wide financial statements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2022. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Leases: The District is a lessee for noncancellable leases of buildings and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in governmental activities of the government-wide financial statements. The District recognizes lease liabilities with an initial, individual net present value of \$5,000 or more.

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

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

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

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.

Lessor: The District is a lessor for a noncancellable lease of a building space and farmland. The District recognizes a lease receivable and a deferred inflow of the resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The District uses its estimated incremental borrowing rate as the discount rate for leases
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Long-term liabilities: In the District-wide financial statements, long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

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

Nonspendable: Balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

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

Committed: Amounts which can be used only for specific purposes 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.

Assigned: Amounts are not available for appropriation but are set aside for specific purposes in the District's General Fund. The District's Board of Directors authorizes the Chief Executive Officer to assign General Fund balance amounts pursuant to Board Policy 801.4.

Unassigned: All amounts not included in other spendable classifications as well as any deficit fund balance of any other governmental fund is reported as unassigned.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 1. Summary of Significant Accounting Policies (Continued)

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

Net Position: In proprietary funds, fiduciary funds, and government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent bond proceeds of \$886,570. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net position restricted by enabling legislation as of June 30, 2022 consists of \$431,575 for categorical funding, \$1,443,079 for management levy purposes, \$3,926,863 for physical plant and equipment levy, \$5,302,921 for school infrastructure, \$1,239,814 for other special revenue purposes and \$346,134 for debt service.

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

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

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

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

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 2. Budgets and Budgetary Accounting

Budgets and budgetary control:

The budgetary comparison and related disclosures are reported as Required Supplementary Information based on the program structure of four functional areas as required by state statute for its legally adopted budget.

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

Formal and legal budgetary control for the certified budget is based upon four major classes of disbursements known as functional areas, not by fund. These four functional areas are instruction, support services, non-instructional programs and other expenditures. The Code of Iowa also provides that District disbursements in the General Fund may not exceed the amount authorized by the school finance formula. The Board of Education follows these procedures in establishing budgetary data reflected in the financial statements:

1. In accordance with the Statutes of the State of Iowa, prior to March 15, the Board Secretary submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures or expenses and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the proceeding years. This budget is submitted in summary form, with an administrative control. The legal level of control for the detailed budget is at functional area level.
2. Public hearings are required to be conducted to obtain taxpayer comment.
3. Prior to April 15, the budget is legally enacted through certification by the County Auditor.
4. Management is authorized to transfer budgeted amounts between departments within any functional area; however, any revisions that alter the total expenditures or expenses of any functional are must be approved by the Board of Education.
5. The Board of Education may amend the budget during the year without approval of the Board of Education.
6. Appropriations lapse at the end of each fiscal year.
7. The budget cannot be amended without the approval of the Board of Education.
8. Unexpected budgetary balances lapse at June 30 and are not available to finance expenditures or expenses of the following year.

During the year ending June 30, 2022, the District exceeded budgeted expenditures in the instruction function.

Note 3. Cash and Pooled Investments

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 3. Cash and Pooled Investments (Continued)

At June 30, 2022 the District had investments in the Iowa School Joint Investment Trust (ISJIT) Government Obligation Portfolio which are valued at amortized costs of \$1,296,645 pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the ISJIT investments.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized rating organization (Standard and Poor's and Moody Investor Services). The District's investment policy does not formally address credit risk.

The investment in the Iowa School Joint Investment was rated AAAM by Standard & Poor's Financial Services.

Concentration of credit risk: The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District does not have a policy specific to concentration of credit risk. At June 30, 2022, the District had no investments subject to concentration of credit risk.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that in in the possession of another party. It is the District's policy to require that time deposits in excess of FDIC insurable limits (\$250,000) be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Chapter 12C of the Code of Iowa requires all District funds be deposited into an approved depository and be either insured or collateralized.

The District's deposits in banks at June 30, 2022 were entirely covered by federal depository insurance or by State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure that there will be no loss of public funds. The District's investments are held in the name of the District and are not exposed to custodial credit risk.

Restricted cash, cash equivalents and investments is comprised of \$1,296,645 for capital projects.

Note 4. Interfund Transfers

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

Transfer To	Transfer From	Amount
Nonmajor fund, Student Activity Fund	General Fund	\$ 25,043
Debt Service Fund	Capital Projects Fund	10,832,592
		<u>\$ 10,857,635</u>

The transfer from the General Fund to the Student Activity Fund was to repay the Student Activity Fund for safety equipment purchased during the year as approved by the Board of Education.

The transfer from the Capital Projects to the Debt Service Fund was for repayment of principal and interest on the District's revenue bond indebtedness as well as for general obligation bond debt relief and capital loan note indebtedness.

Linn-Mar Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2022

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2022 is as follows:

	(Restated) Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,499,293	\$ -	\$ -	\$ 8,499,293
Construction in progress	2,945,189	3,585,907	5,101,298	1,429,798
Total capital assets not being depreciated	11,444,482	3,585,907	5,101,298	9,929,091
Capital assets being depreciated:				
Buildings	232,456,143	4,251,554	-	236,707,697
Right to use leased building	554,952	-	-	554,952
Land improvements	24,306,348	845,630	-	25,151,978
Machinery and equipment	15,206,611	415,615	55,897	15,566,329
Right to use leased equipment	291,051	-	-	291,051
Total capital assets being depreciated	272,815,105	5,512,799	55,897	278,272,007
Less accumulated depreciation for:				
Buildings	54,318,316	5,190,118	-	59,508,434
Right to use leased building	109,189	69,791	-	178,980
Land improvements	11,223,070	1,209,049	-	12,432,119
Machinery and equipment	9,504,299	1,034,218	55,897	10,482,620
Right to use leased equipment	112,752	59,433	-	172,185
Total accumulated depreciation and amortization	75,267,626	7,562,609	55,897	82,774,338
Total capital assets being depreciated, net	197,547,479	(2,049,810)	-	195,497,669
Governmental activities capital assets, net	\$ 208,991,961	\$ 1,536,097	\$ 5,101,298	\$ 205,426,760
Business-type activities:				
Machinery and equipment	\$ 2,641,079	\$ 11,163	\$ 4,663	\$ 2,647,579
Less accumulated depreciation	1,572,737	144,342	4,663	1,712,416
Business-type activities capital assets, net	\$ 1,068,342	\$ (133,179)	\$ -	\$ 935,163

Linn-Mar Community School District

Notes to Basic Financial Statements **Year Ended June 30, 2022**

Note 5. Capital Assets (Continued)

Depreciation and amortization expense was charged by the District to the following functions:

Governmental activities:

Instruction:

Regular	\$	234,677
Special		3,096
Other		148,609

Support services:

Administration		18,576
Operation and maintenance of plant		214,244
Transportation		613,780
Unallocated depreciation		6,329,627

Total governmental activities depreciation and amortization expense	\$	<u>7,562,609</u>
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Business-type activities, food service operations	\$	<u>144,342</u>
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Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	(Restated) Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 70,015,000	\$ -	\$ 3,050,000	\$ 66,965,000	\$ 3,160,000
Premiums on GO bonds	4,292,582	2,521,965	584,740	6,229,807	-
Discounts on GO bonds	(9,075)	-	(9,075)	-	-
Revenue bonds	26,870,000	41,615,000	29,205,000	39,280,000	3,555,000
Compensated absences	13,616	107,444	13,616	107,444	107,444
Net pension liability	51,081,174	-	50,159,791	921,383	-
Net OPEB liability	3,405,684	704,142	-	4,109,826	-
Lease obligations	637,079	-	128,771	508,308	124,438
Direct borrowings and direct placements:					
Revenue bonds	23,055,000	-	23,055,000	-	-
Capital loan notes	4,690,000	-	1,135,000	3,555,000	1,160,000
Total	\$ 184,051,060	\$ 44,948,551	\$ 107,322,843	\$ 121,676,768	\$ 8,106,882
Business-type activities					
Net pension liability	\$ 1,409,324	\$ -	\$ 1,259,780	\$ 149,544	\$ -
Net OPEB liability	93,149	17,685	-	110,834	-
Total	\$ 1,502,473	\$ 17,685	\$ 1,259,780	\$ 260,378	\$ -

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 6. Long-Term Liabilities (Continued)

Compensated absences, net pension liability, and net OPEB liability are generally liquidated from the General Fund for governmental activities and the respective enterprise fund for business-type activities.

General obligation bonds: As of June 30, 2022, the District had general obligation bonds outstanding of \$66,965,000 which had been issued for capital facility construction/building improvement purposes. The general obligation bonds will be paid with property taxes collected in the Debt Service Fund. Details of the District's June 30, 2022 general obligation bonded indebtedness are as follows:

Year Ending June 30	March 8, 2017			December 20, 2018		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2023	5.00	\$ 3,160,000	\$ 196,500	3.50	\$ -	\$ 358,250
2024	5.00	770,000	38,500	3.50	-	358,250
2025		-		3.50	-	358,250
2026		-		3.50	-	358,250
2027		-		3.50	-	358,250
2028-2032		-		3.50	-	1,791,250
2033-2037		-		3.50-3.63	7,750,000	1,341,500
2038		-		3.75	2,250,000	84,375
Total		\$ 3,930,000	\$ 235,000		\$ 10,000,000	\$ 5,008,375

Year Ending June 30	July 23, 2019			Total		
	Interest Rate	Principal	Interest	Principal	Interest	Total
2023	5.00	\$ -	\$ 1,921,150	\$ 3,160,000	\$ 2,475,900	\$ 5,635,900
2024	5.00	2,340,000	1,921,150	3,110,000	2,317,900	5,427,900
2025	5.00	3,270,000	1,804,150	3,270,000	2,162,400	5,432,400
2026	5.00	3,430,000	1,640,650	3,430,000	1,998,900	5,428,900
2027	5.00	3,605,000	1,469,150	3,605,000	1,827,400	5,432,400
2028-2032	3.00-4.00	20,365,000	4,994,850	20,365,000	6,786,100	27,151,100
2033-2037	3.00	16,050,000	2,005,500	23,800,000	3,347,000	27,147,000
2038	3.00	3,975,000	149,250	6,225,000	233,625	6,458,625
Total		\$ 53,035,000	\$ 15,905,850	\$ 66,965,000	\$ 21,149,225	\$ 88,114,225

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 6. Long-Term Liabilities (Continued)

Revenue bonds: As of June 30, 2022, the District had statewide sales, services and use tax bonds of \$39,280,000, which had been issued for capital facility construction/building improvement projects. These bonds will be paid with statewide sales, services and use tax revenues collected in the Capital Projects: Statewide Sales, Services and Use Tax Account. Details of the District's June 30, 2022 statewide sales, services and use tax revenue bonded indebtedness are as follows:

Year Ending June 30	August 24, 2021			June 22, 2022		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2023	5.00	\$ 1,760,000	\$ 665,988	5.00	\$ 1,795,000	\$ 755,938
2024	5.00	1,805,000	577,988	5.00	1,905,000	647,750
2025	5.00	1,880,000	487,738	5.00	2,000,000	552,500
2026	5.00	1,960,000	393,738	5.00	2,100,000	452,500
2027	3.00	2,025,000	295,738	5.00	2,205,000	347,500
2028-2022	0.25-2.00	10,520,000	945,888	5.00	4,745,000	358,750
2033-2035	2.00	4,580,000	137,900		-	-
Total		\$ 24,530,000	\$ 3,504,978		\$ 14,750,000	\$ 3,114,938

Year Ending June 30	Total	
	Principal	Interest
2023	\$ 3,555,000	\$ 1,421,926
2024	3,710,000	1,225,738
2025	3,880,000	1,040,238
2026	4,060,000	846,238
2027	4,230,000	643,238
2028-2032	15,265,000	1,304,638
2033-2035	4,580,000	137,900
Total	\$ 39,280,000	\$ 6,619,916

On August 24, 2021, the District issued \$26,865,000 School Infrastructure Sales Services & Use Tax Revenue Refunding Bonds Series 2021. The bonds were issued to current refund \$6,990,000 School Infrastructure Sales Services and Use Tax Bonds Series 2012, \$6,220,000 School Infrastructure Sales Services and Use Tax Bonds Series 2013, \$2,105,000 School Infrastructure Sales Services and Use Tax Bonds Series 2014E, and \$14,410,000 School Infrastructures Sales Services and Use Tax Bonds Series 2020. The Series 2021 bonds interest rates range from 0.25 percent to 5.0 percent with interest payable semi-annually on January 1 and July 1 commencing January 1, 2022. Principal is payable each July 1 ranging from \$1,760,000 to \$2,315,000 commencing July 1, 2022 until maturity on July 1, 2034. The District refunded the Series 2012, Series 2013, Series 2014E, and Series 2020 bonds to reduce its total debt service payments over the next thirteen years by \$1,813,551 and to obtain an economic gain of \$1,679,914.

On June 22, 2022, the District issued \$14,750,000 School Infrastructure Sales Services & Use Tax Revenue Refunding Bonds Series 2022. The bonds were issued to current refund \$12,220,000 School Infrastructure Sales Services and Use Tax Bonds Series 2010 and \$5,345,000 School Infrastructure Sales Services and Use Tax Bonds Series 2015. The Series 2022 bonds have a 5 percent rate and require semi-annual interest payments on January 1 and July 1 commencing January 1, 2023. Principal is payable each July 1 ranging from \$1,795,000 to \$2,430,000 commencing July 1, 2023 until maturity on July 1, 2029. The District refunded the Series 2010 and Series 2015 bonds to reduce its total debt service payments over the next seven years by \$608,198 and to obtain an economic gain of \$657,091.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 6. Long-Term Liabilities (Continued)

The District has pledged future statewide sales, services and use tax revenues to repay the bonds issued in August 2021 and June 2022. The bonds were issued for the purpose of financing a portion of the costs of several ongoing projects or to refund prior year revenue bond issuances. 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 fiscal year 2035. The bonds are not general obligations of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require approximately 78 percent of the statewide sales, services, and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$45,899,916.

During the year ended June 30, 2022, principal of \$52,260,000 and interest of \$1,552,467 was paid on the revenues bonds. Statewide Sales and Use Tax revenues were \$9,160,188.

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

1. \$1,296,645 of the proceeds from the issuance of revenue bonds have been deposited in reserve accounts at Farmer's State Bank, Marion, Iowa to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available.
2. All proceeds from the statewide sales, services and use tax will be retained by the District in District bank accounts and be disbursed to the proper paying agents at the time principal and interest payments are due.

Direct borrowings and direct placement: As of June 30, 2022, the District had capital loan notes outstanding of \$3,555,000 which was issued for capital facility construction/improvements during fiscal year 2016. The capital loan notes will be paid with property taxes collected in the Capital Projects Fund: Physical Plant, and Equipment Levy Account. Details of the District's June 30, 2022 capital loan noted indebtedness is as follows:

Year Ending June 30	Direct Borrowings and Direct Placements			
	Capital Loan Note			
	January 7, 2016			
	Interest Rate	Principal	Interest	Total
2023	1.95	\$ 1,160,000	\$ 69,273	\$ 1,229,273
2024	1.95	1,185,000	46,703	1,231,703
2025	1.95	1,210,000	23,595	1,233,595
Total		\$ 3,555,000	\$ 139,571	\$ 3,694,571

The Revenue Bonds Series 2021, Revenue Bonds Series 2022E, and Capital Loan Notes are collateralized by the high school project.

Linn-Mar Community School District

Notes to Basic Financial Statements **Year Ended June 30, 2022**

Note 6. Long-Term Liabilities (Continued)

Lease Obligations: The District has entered into leases for equipment and buildings. The leases expire between June 30, 2024 and June 30, 2030. Details of the leases are as follows:

Year ending June 30:	Culver Storage Building			Success Center Building		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 28,214	\$ 911	\$ 29,125	\$ 35,778	\$ 6,222	\$ 42,000
2024	28,147	353	28,500	36,500	5,500	42,000
2025	2,371	4	2,375	39,355	4,745	44,100
2026	-	-	-	40,150	3,140	43,290
2027	-	-	-	40,960	3,140	44,100
2028-2030	-	-	-	134,721	4,194	138,915
Total	\$ 58,732	\$ 1,268	\$ 60,000	\$ 327,464	\$ 26,941	\$ 354,405

Year ending June 30:	2019 DeLage Equipment			2020 DeLage Equipment		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 54,283	\$ 1,697	\$ 55,980	\$ 6,163	\$ 193	\$ 6,356
2024	55,378	602	55,980	6,288	68	6,356
Total	\$ 109,661	\$ 2,299	\$ 111,960	\$ 12,451	\$ 261	\$ 12,712

Year ending June 30:	Total		
	Principal	Interest	Total
2023	\$ 124,438	\$ 9,023	\$ 133,461
2024	126,313	6,523	132,836
2025	41,726	4,749	46,475
2026	40,150	3,140	43,290
2027	40,960	3,140	44,100
2028-2030	134,721	4,194	138,915
Total	\$ 508,308	\$ 30,769	\$ 539,077

Legal debt margin: The June 30, 2022 debt outstanding by the District did not exceed its legal debt margin computed as follows:

Total assessed valuation	<u>\$ 3,987,850,617</u>
Debt limit, 5% of total assessed valuation	199,392,531
Amount of debt applicable to debt limit:	
Bonded debt	73,194,807
Capital loan note	3,555,000
Lease obligations	508,308
Excess of debt limit over bonded debt	<u>\$ 122,134,416</u>

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

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 Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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

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

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before 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 that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

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

The District's contributions to IPERS for the year ended June 30, 2022 were \$6,197,344.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 7. Pension Plan (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2022, the District reported a liability of \$1,070,927 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2021, the District's proportion was -0.310210 percent, which was a decrease of 1.057434 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense (income) of (\$3,351,734). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 814,827	\$ 818,135
Changes of assumptions	700,480	-
Net difference between projected and actual earnings on pension plan investments	-	38,801,491
Changes in proportion and differences between District contributions and proportionate share of contributions	1,102,011	379,326
District contributions subsequent to the measurement date	6,197,344	-
Total	\$ 8,814,662	\$ 39,998,952

\$6,197,344 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2023	\$ (9,127,312)
2024	(9,270,412)
2025	(8,676,526)
2026	(10,427,751)
2027	120,367
Thereafter	-
Total	\$ (37,381,634)

There were no non-employer contributing entities to IPERS.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 7. Pension Plan (Continued)

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

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018. Mortality rates used in the 2021 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments

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

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 7. Pension Plan (Continued)

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 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability (asset)	\$ 37,903,675	\$ 1,070,927	\$ (29,797,254)

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

Payables to the Pension Plan – At June 30, 2022, the District reported payables to IPERS of \$0 for legally required employer contributions and \$0 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 8. Other Postemployment Benefits (OPEB)

Plan description: The District's defined benefit OPEB plan, Linn-Mar Community School District Postemployment Plan Other Than Pensions (the Plan), provides postemployment benefits for eligible participants enrolled in its plans. This plan provides medical and prescription drug benefits for eligible employees and retirees and their spouses.

Benefits provided: The medical/prescription drug coverage is provided through a self-insured 28E organization plan with Metro Interagency Insurance Program. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees. The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

The full monthly premium rates as of June 30, 2022 for each plan are as shown below:

Rate Tier	PPO Premier	PPO Choice	HMO Essential	HMO Basic
Single	\$ 636	\$ 578	\$ 473	\$ 353
Employee + Spouse	1,299	1,183	963	721
Employee + Children	1,207	1,099	896	671
Family	1,946	1,771	1,444	1,079

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 8. Other Postemployment Benefits (OPEB) (Continued)

Employees covered by benefit terms: At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	25
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,026
Total	1,051

Total OPEB Liability

The District's total OPEB liability of \$4,220,660 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00% per annum
Salary increases	3.00% per annum
Discount rate	3.54% per annum
Retirees' share of benefit-related costs	100%
Health care cost trend rate	6.50%
	The trend rate is reduced by 0.25% each year until reaching the ultimate trend rate of 4.00%

The discount rate was based on the Bond Buyer 20-Bond GO index. Mortality rates were based on the Pub-2010 generational table scaled using MP-2021 and applied on a gender-specific and job class basis. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period 2010– 2021.

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2021	\$ 3,498,833	\$ -	\$ 3,498,833
Changes for the year:			
Service cost	372,361	-	372,361
Interest	82,395	-	82,395
Changes of benefit terms	-	-	-
Differences between expected and actual experience	759,815	-	759,815
Changes in assumptions or other inputs	(379,407)	-	(379,407)
Benefit payments	(113,337)	-	(113,337)
Net changes	721,827	-	721,827
Balance at June 30, 2022	\$ 4,220,660	\$ -	\$ 4,220,660

Linn-Mar Community School District

Notes to Basic Financial Statements **Year Ended June 30, 2022**

Note 8. Other Postemployment Benefits (OPEB) (Continued)

There were no changes as a result of changes in benefit terms. Changes of assumptions or other inputs reflect a change in the discount rate from 2.16% per annum in 2021 to 3.54% per annum in 2022. In addition, the mortality table scaling was updated from generational scale MP-2019 to generational scale MP-2021.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 4,596,170	\$ 4,220,660	\$ 3,877,090

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

	1% Decrease (5.5% decreasing to 3.0%)	Healthcare Cost Trend Rates (6.5% decreasing to 4.0%)	1% Increase (7.5% decreasing to 5.0%)
Total OPEB liability	\$ 3,708,477	\$ 4,220,660	\$ 4,830,596

For the year ended June 30, 2022, the District recognized OPEB expense of \$457,421. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 715,333	\$ (449,647)
Changes of assumptions or other inputs	326,635	(396,669)
Net difference between projected and actual investments	-	-
Total	\$ 1,041,968	\$ (846,316)

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

Year ended June 30:	
2023	\$ 2,666
2024	2,666
2025	2,666
2026	2,666
2027	2,666
Thereafter	182,322
Total	\$ 195,652

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 9. Risk Management

The District is a member of a joint venture with five other local government units. The joint venture, the Metro Interagency Insurance Program (MIIP), was incorporated in 1990 under a joint powers agreement in accordance with Chapter 28E of the Code of Iowa. The program provides services necessary and appropriate for the establishment, operation and maintenance of an insurance program for employee health and medical claims. MIIP is not intended to function as an insurance company for the participants; rather it is a means of combining the administration of claim and obtaining lower insurance rates from commercial insurance. Although premiums billed to the participants are determined on an actuarial basis, ultimate liability for claims remains with the respective participant and accordingly, the insurance risks are not transferred to MIIP. In the event that the member withdraws from MIIP, the withdrawn members continues to be responsible for its share of cost arising from events occurring when it was a participating member. If the withdrawn member at any time has a negative equity balance, the withdrawn member is immediately liable and obligated to MIIP for that amount.

The Districts contribute to the self-insurance plan an amount equal to 125% of Wellmark Blue Cross/Blue Shield projections of the rating period. The fund reinsures for stop-loss insurance for claims in excess of \$200,000 per year per individual. An insurance carrier is paid an administrative fee to process the claims.

At June 30, 2022, the District is an active member of MIIP and has a positive equity balance of \$7,475,767. The total premium paid into the plan by all six members from July 1, 2021 to June 30, 2022 was approximately \$45,300,000 of which \$8,308,541 was paid by Linn-Mar Community School District.

MIIP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Metro Interagency Insurance Program, 1120 33rd Avenue, SW, Cedar Rapids, Iowa, 52404.

In addition, 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 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$3,676,429 for the year ended June 30, 2022 and is recorded in the General Fund.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 11. Categorical Funding

The District's restricted fund balance for categorical funding at June 30, 2022 is comprised of the following programs:

Program	Amount
Home school assistance	\$ 76,525
Teacher leadership	265,302
Professional development	23,394
Four year old preschool	66,354
Total	\$ 431,575

Note 12. Construction Commitments

The District has entered into contracts totaling \$3,716,426 for various construction projects throughout the District. As of June 30, 2022, costs of \$1,174,873 had been incurred against these contracts. The remaining balance of \$2,541,553 at June 30, 2022 will be paid as work on the projects progresses.

Note 13. Due from Other Governments

Amount due from other governments by fund as of June 30, 2022 are as follows:

	General Fund	Nonmajor	Capital Projects Fund	Total
Local appropriations:				
Tuition	\$ 2,852,550	\$ -	\$ -	\$ 2,852,550
Other	16,478	500	-	16,978
Total local appropriations	2,869,028	500	-	2,869,528
State appropriations				
Statewide Sales, Services and Use Tax	-	-	1,919,463	1,919,463
Nonpublic Transportation	128,321	-	-	128,321
Foster care	8,160	-	-	8,160
District Court	19,217	-	-	19,217
Total state appropriations	155,698	-	1,919,463	2,075,161
Federal appropriations				
Title I	291,205	-	-	291,205
Title II- Federal Teacher Quality	50,555	-	-	50,555
COVID-19 Education Stabilization Fund, ESSER III	720,795	-	-	720,795
Total federal appropriations	1,062,555	-	-	1,062,555
Total	\$ 4,087,281	\$ 500	\$ 1,919,463	\$ 6,007,244

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 14. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2022 under tax abatement agreements of other entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Marion	Urban renewal and economic development projects	\$ 303,484
City of Cedar Rapids	Urban renewal and economic development projects	212,749
City of Robins	Urban renewal and economic development projects	432

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2022, this reimbursement amounted to \$224,641.

Note 15. Governmental Accounting Standards Board (GASB) Statements

The District adopted the following statements during the year ended June 30, 2022

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The District restated governmental activities net position from \$66,790,117 to \$66,777,100 as a result of implementing GASB Statement No. 87.

GASB Statement No. 89, Accounting for Interest Cost before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that was previously accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or an enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including leases, intra-entity transfers, assets accumulated for postemployment benefits, applicability of Statement No. 84 to postemployment benefit arrangements, measurement of liabilities related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, nonrecurring fair value measurements of assets or liabilities, and terminology to refer to derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This statement provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifies the hedge accounting termination provisions when a hedge item is amended to replace the reference rate, clarifies the uncertainty related to the continued availability of IBORS, removes LIBOR as an appropriate benchmark interest rate for qualitative evaluation, identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifies the definition of reference rate, as it is used in Statement 53, as amended.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 3*. The primary objective of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Other than the restatement for the implementation of GASB Statement No. 87, the implementation of the above statements did not have a material impact on the District's Financial Statements.

As of June 30, 2022, GASB had issued several statements not yet required to be implemented by the District. The Statements which might impact the District are as follows:

GASB Statement No. 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements association with conduit debt obligations; and improving required note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

Linn-Mar Community School District

Notes to Basic Financial Statements Year Ended June 30, 2022

Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020, will be effective for the District beginning with its fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription assets- an intangible asset- and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA.

GASB Statement No. 99, *Omnibus 2022*, issued April 2022, will be effective for the District beginning with its fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections- An Amendment of GASB Statement No. 62*, issued June 2022, will be effective for the District beginning with its fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

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

Linn-Mar Community School District

Notes to Basic Financial Statements
Year Ended June 30, 2022

Note 16. Restatement

Governmental Accounting Standards Board Statement No. 87, *Leases*, was implemented as of the beginning of the year ended June 30, 2022. The requirements of this statement apply to financial statements of all state and local governments and establishes standards of accounting and financial reporting for leases by lessees and lessors. Beginning net position for governmental activities was restated to retroactively recognize the beginning lease liability and the intangible right-to-use lease asset when the District is the lessee or if the District is the lessor, to recognize the lease receivable and deferred inflow of resources.

	Governmental Activities	General Fund
Net position June 30, 2021 as previously reported	\$ 66,790,117	\$ 13,955,156
Right to use lease equipment	291,051	-
Right to use lease building	554,952	-
Right to use lease equipment accumulated amortization	(112,752)	-
Right of use lease building accumulated amortization	(109,189)	-
Lease receivable	-	223,784
Deferred inflows of resources, lease	-	(223,784)
Lease obligation	(637,079)	-
Net position June 30, 2021 as restated	<u>\$ 66,777,100</u>	<u>\$ 13,955,156</u>



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REQUIRED SUPPLEMENTARY INFORMATION



Linn-Mar Community School District

Required Supplementary Information

**Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -
Budget and Actual - All Governmental Funds and Enterprise Fund
Year Ended June 30, 2022**

	Governmental Funds - Actual	Enterprise Fund - Actual	Total Actual
Revenues:			
Local sources	\$ 52,223,801	\$ 855,649	\$ 53,079,450
State sources	63,512,116	26,011	63,538,127
Federal sources	5,643,185	4,608,010	10,251,195
Total revenues	121,379,102	5,489,670	126,868,772
Expenditures/expenses:			
Instruction	69,098,015	-	69,098,015
Support services	32,931,243	-	32,931,243
Non-instructional programs	105,543	4,278,148	4,383,691
Other expenditures	70,275,523	-	70,275,523
Total expenditures	172,410,324	4,278,148	176,688,472
Excess (deficiency) of revenues over (under) expenditures	(51,031,222)	1,211,522	(49,819,700)
Total other financing sources, net	44,172,433	-	44,172,433
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(6,858,789)	1,211,522	(5,647,267)
Balance, beginning of year	31,040,183	1,647,059	32,687,242
Balance, end of year	<u>\$ 24,181,394</u>	<u>\$ 2,858,581</u>	<u>\$ 27,039,975</u>

See Notes to Required Supplementary Information.

Budgeted Amounts		Final to Actual	
Original	Final	Variance	
\$ 54,178,682	\$ 54,178,682	\$	(1,099,232)
62,387,998	\$ 62,387,998		1,150,129
6,595,663	6,595,663		3,655,532
123,162,343	123,162,343		3,706,429
66,921,000	68,921,000		(177,015)
32,850,600	33,150,600		219,357
4,351,000	4,951,000		567,309
26,160,916	72,160,916		1,885,393
130,283,516	179,183,516		2,495,044
(7,121,173)	(56,021,173)		6,201,473
18,565	25,000		44,147,433
\$ (7,102,608)	\$ (55,996,173)	\$	50,348,906

Linn-Mar Community School District

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

	2022	2021
Total OPEB liability		
Changes for the year:		
Service cost	\$ 372,361	\$ 361,772
Interest	82,395	76,313
Changes of benefit terms	-	-
Differences between expected and actual experience	759,815	-
Changes in assumptions or other inputs	(379,407)	15,284
Benefit payments	(113,337)	(91,702)
Net changes in total OPEB liability	721,827	361,667
Total OPEB liability - beginning	3,498,833	3,137,166
Total OPEB liability - ending	<u>\$ 4,220,660</u>	<u>\$ 3,498,833</u>
Covered employee payroll	\$ 52,337,492	\$ 50,788,000
Total OPEB liability as a percentage of covered employee payroll	8%	7%

Notes to Schedule:

Changes of benefit terms:

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

Changes of assumption:

Changes of assumptions or other inputs reflect a change in the discount rate.

The following are the discount rates used in each period.	3.54%	2.16%
---	-------	-------

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

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

See Notes to Required Supplementary Information.

2020	2019	2018
<hr/>		
\$ 287,498	\$ 278,769	\$ 268,383
116,898	114,169	106,335
-	-	-
(607,860)	-	-
338,044	98,643	(70,450)
(99,730)	(121,214)	(103,611)
34,850	370,367	200,657
3,102,316	2,731,949	2,531,292
<u>\$ 3,137,166</u>	<u>\$ 3,102,316</u>	<u>\$ 2,731,949</u>
<hr/>		
\$ 49,308,809	\$ 46,570,000	\$ 44,995,142
6%	7%	6%
2.21%	3.50%	3.87%

Linn-Mar Community School District

Required Supplementary Information

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

Iowa Public Employees' Retirement System

Last Eight Fiscal Years

	2022*	2021*	2020*
District's proportion of the net pension liability	-0.310210%	0.747224%	0.767621%
District's proportionate share of the net pension liability	\$ 1,070,927	\$ 52,490,498	\$ 44,450,304
District's covered payroll	\$ 62,056,614	\$ 59,365,114	\$ 58,391,459
District's proportionate share of the net pension liability as a percentage of its employee covered payroll	1.73%	88.42%	76.12%
Plan fiduciary net pension as a percentage of the total pension liability	100.81%	82.90%	85.45%

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

Note: The schedule is intended to present information for ten years.
Information prior to 2015 is not available.

See Notes to Required Supplementary Information.

2019*	2018*	2017*	2016*	2015*
0.748404%	0.730830%	0.728902%	0.717733%	0.689442%
\$ 47,360,843	\$ 48,682,515	\$ 45,872,128	\$ 35,459,499	\$ 27,342,634
\$ 56,337,809	\$ 54,605,986	\$ 52,340,257	\$ 49,198,902	\$ 45,121,232
84.07%	89.15%	87.64%	72.07%	60.61%
83.62%	82.21%	81.82%	85.19%	87.61%

Linn-Mar Community School District

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

	2022	2021	2020	2019
Statutorily required contribution	\$ 6,197,344	\$ 5,852,268	\$ 5,604,066	\$ 5,512,154
Contributions in relation to the statutorily required contribution	(6,197,344)	(5,852,268)	(5,604,066)	(5,512,154)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 65,769,488	\$ 62,056,614	\$ 59,365,114	\$ 58,391,459
Contributions as a percentage of covered payroll	9.42%	9.43%	9.44%	9.44%

See Notes to Required Supplementary Information.

2018		2017		2016		2015		2014		2013	
\$	5,030,968	\$	4,876,316	\$	4,673,985	\$	4,393,462	\$	4,029,326	\$	3,806,084
(5,030,968)		(4,876,316)		(4,673,985)		(4,393,462)		(4,029,326)		(3,806,084)	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	56,337,809	\$	54,605,986	\$	52,340,257	\$	49,198,902	\$	45,121,232	\$	43,899,469
8.93%		8.93%		8.93%		8.93%		8.93%		8.67%	



Linn-Mar Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

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 internal service, private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis.

Formal and legal budgetary control for the certified budget is based upon four major classes or expenditures known as functions, not by fund or fund type. These four functions are instruction, support services, noninstructional 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 that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the fiscal year, the District adopted one budget amendment increasing budgeted expenditures by \$48,900,000 primarily due to the refunding of bonds.

Note 2. Pension Liability

There are no significant changes in benefit terms.

Changes of assumptions:

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

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

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

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

Linn-Mar Community School District

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Note 2. Pension Liability (Continued)

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

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

SUPPLEMENTARY INFORMATION





NONMAJOR GOVERNMENTAL FUNDS
AND CAPITAL PROJECT FUNDS BY ACCOUNT



Linn-Mar Community School District

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue			
	Management Levy	Student Activity	Public Education and Recreation Levy	Total
Assets				
Cash and pooled investments	\$ 1,444,069	\$ 812,939	\$ 442,781	\$ 2,699,789
Receivables:				
Property tax:				
Delinquent	3,510	-	1,069	4,579
Succeeding year	2,299,998	-	330,308	2,630,306
Due from other governments	-	500	-	500
Due from other funds	-	25,043	-	25,043
Accounts	-	4,255	-	4,255
Total assets	\$ 3,747,577	\$ 842,737	\$ 774,158	\$ 5,364,472
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 4,500	\$ 19,579	\$ 4,288	\$ 28,367
Salaries and benefits payable	-	18,440	4,466	22,906
Total liabilities	4,500	38,019	8,754	51,273
Deferred inflows of resources, unavailable revenue:				
Succeeding year property tax	2,299,998	-	330,308	2,630,306
Fund balances restricted for:				
Management levy purposes	1,443,079	-	-	1,443,079
Student activities	-	804,718	-	804,718
Public education and recreation levy purposes	-	-	435,096	435,096
Total fund balances	1,443,079	804,718	435,096	2,682,893
Total liabilities, deferred inflows of resources and fund balances	\$ 3,747,577	\$ 842,737	\$ 774,158	\$ 5,364,472

Linn-Mar Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue			
	Management Levy	Student Activity	Public Education and Recreation Levy	Total
Revenues:				
Local sources:				
Local tax	\$ 1,053,213	\$ -	\$ 320,794	\$ 1,374,007
Other	38,113	983,454	806	1,022,373
State sources	27,009	-	8,226	35,235
Total revenues	1,118,335	983,454	329,826	2,431,615
Expenditures:				
Current:				
Instruction:				
Regular	160,938	931,469	-	1,092,407
Support services:				
Student	8,638	-	-	8,638
Instructional staff	7,840	-	-	7,840
Administration services	36,336	-	-	36,336
Operation and maintenance of plant services	800,409	-	54,776	855,185
Student transportation	176,667	-	-	176,667
Non-instructional programs:				
Food service operations	65,427	-	-	65,427
Community service operations	-	-	40,116	40,116
Capital outlay	-	-	78,968	78,968
Total expenditures	1,256,255	931,469	173,860	2,361,584
Excess of revenues over (under) expenditures	(137,920)	51,985	155,966	70,031
Other financing sources, transfers in	-	25,043	-	25,043
Net change in fund balances	(137,920)	77,028	155,966	95,074
Fund balances, beginning of year	1,580,999	727,690	279,130	2,587,819
Fund balances, end of year	\$ 1,443,079	\$ 804,718	\$ 435,096	\$ 2,682,893

Linn-Mar Community School District

Schedule of Combining Balance Sheet
Capital Projects Fund - By Account
June 30, 2022

	Capital Projects Fund Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects Fund	Total
Assets				
Cash and pooled investments	\$ 3,141,624	\$ 4,092,387	\$ 273,661	\$ 7,507,672
Restricted cash and investments	-	-	1,296,645	1,296,645
Receivables:				
Property tax:				
Delinquent	-	13,653	-	13,653
Succeeding year	-	4,324,854	-	4,324,854
Due from other governments	1,919,463	-	-	1,919,463
Total assets	\$ 5,061,087	\$ 8,430,894	\$ 1,570,306	\$ 15,062,287
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities, accounts payable	\$ 31,827	\$ 179,177	\$ 410,075	\$ 621,079
Deferred inflows of resources, unavailable revenue:				
Statewide sales and services tax	1,277,075	-	-	1,277,075
Succeeding year property tax	-	4,324,854	-	4,324,854
Total deferred inflows of resources	1,277,075	4,324,854	-	5,601,929
Fund Balances:				
Restricted for:				
School infrastructure	3,752,185	-	1,160,231	4,912,416
Physical plant and equipment	-	3,926,863	-	3,926,863
Total fund balances	3,752,185	3,926,863	1,160,231	8,839,279
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,061,087	\$ 8,430,894	\$ 1,570,306	\$ 15,062,287

Linn-Mar Community School District

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Capital Projects Fund - By Account
Year Ended June 30, 2022

	Capital Projects Fund Accounts			
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Capital Projects Fund	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 4,186,213	\$ -	\$ 4,186,213
Other	14,622	130,742	1,434	146,798
State sources	9,160,188	102,106	-	9,262,294
Total revenues	9,174,810	4,419,061	1,434	13,595,305
Expenditures:				
Current:				
Instruction, regular	1,494,803	5,618	-	1,500,421
Support services:				
Instructional staff	306,470	-	-	306,470
Administration	-	192,386	-	192,386
Operation and maintenance of plant services	-	153,860	-	153,860
Student transportation	-	215,349	-	215,349
Capital outlay	510,560	3,595,712	947,334	5,053,606
Debt service:				
Principal	-	128,771	-	128,771
Interest	-	11,565	-	11,565
Total expenditures	2,311,833	4,303,261	947,334	7,562,428
Excess of revenues over (under) expenditures	6,862,977	115,800	(945,900)	6,032,877
Other financing (uses):				
Transfers out	(9,606,137)	(1,226,455)	-	(10,832,592)
Total other financing (uses)	(9,606,137)	(1,226,455)	-	(10,832,592)
Net change in fund balance	(2,743,160)	(1,110,655)	(945,900)	(4,799,715)
Fund balance, beginning of year	6,495,345	5,037,518	2,106,131	13,638,994
Fund balance, end of year	\$ 3,752,185	\$ 3,926,863	\$ 1,160,231	\$ 8,839,279



NONMAJOR ENTERPRISE FUNDS



Linn-Mar Community School District

Combining Statement of Net Position

Nonmajor Enterprise Funds

June 30, 2022

	School Nutrition	Aquatic Center	ROAR Store	Total
Assets				
Current:				
Cash and cash equivalents	\$ 2,791,238	\$ 315,066	\$ 26,786	\$ 3,133,090
Accounts receivable	10,113	-	-	10,113
Inventories	21,088	-	-	21,088
Total current assets	2,822,439	315,066	26,786	3,164,291
Noncurrent:				
Capital assets, net of accumulated depreciation	935,163	-	-	935,163
Total noncurrent assets	935,163	-	-	935,163
Total assets	3,757,602	315,066	26,786	4,099,454
Deferred Outflows of Resources:				
OPEB related deferred outflows	25,180	1,171	-	26,351
Pension related deferred outflows	243,909	12,984	-	256,893
	269,089	14,155	-	283,244
Liabilities				
Current:				
Accounts payable	1,941	122	7	2,070
Salaries and benefits payable	22,175	54,008	-	76,183
Unearned revenue	167,319	-	-	167,319
Total current liabilities	191,435	54,130	7	245,572
Noncurrent:				
Net pension liability	135,644	13,900	-	149,544
Net OPEB liability	103,626	7,208	-	110,834
Total noncurrent liabilities	239,270	21,108	-	260,378
Total liabilities	430,705	75,238	7	505,950
Deferred Inflows of Resources:				
OPEB related deferred inflows	20,548	1,435	-	21,983
Pension related deferred inflows	978,573	17,611	-	996,184
Total deferred inflows	999,121	19,046	-	1,018,167
Net Position				
Investment in capital assets	935,163	-	-	935,163
Unrestricted	1,661,702	234,937	26,779	1,923,418
Total net position	\$ 2,596,865	\$ 234,937	\$ 26,779	\$ 2,858,581

Linn-Mar Community School District

Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended June 30, 2022

	School Nutrition	Aquatic Center	ROAR Store	Total
Operating revenues:				
Local sources, charges for services	\$ 410,124	\$ 396,824	\$ 46,355	\$ 853,303
Total operating revenues	410,124	396,824	46,355	853,303
Operating expenses:				
Non-instructional programs:				
Food service:				
Salaries	1,840,582	-	-	1,840,582
Benefits	76,009	-	-	76,009
Services	859	-	-	859
Supplies	1,842,017	-	-	1,842,017
Depreciation	144,342	-	-	144,342
Other	2,961	-	-	2,961
Total food service	3,906,770	-	-	3,906,770
Other enterprise	-	-	48,787	48,787
Community service:				
Salaries	-	225,333	-	225,333
Benefits	-	21,554	-	21,554
Services	-	10,699	-	10,699
Supplies	-	65,005	-	65,005
Total community service	-	322,591	-	322,591
Total operating expenses	3,906,770	322,591	48,787	4,278,148
Operating income (loss)	(3,496,646)	74,233	(2,432)	(3,424,845)
Nonoperating revenues:				
State sources	26,011	-	-	26,011
Federal sources	4,608,010	-	-	4,608,010
Interest on investments	2,346	-	-	2,346
Total nonoperating revenues	4,636,367	-	-	4,636,367
Change in net position	1,139,721	74,233	(2,432)	1,211,522
Net position, beginning of year	1,457,144	160,704	29,211	1,647,059
Net position, end of year	\$ 2,596,865	\$ 234,937	\$ 26,779	\$ 2,858,581

Linn-Mar Community School District

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2022

	School Nutrition	Aquatic Center	ROAR Store	Total
Cash flows from operating activities:				
Cash received from food service sales	\$ 362,924	\$ -	\$ -	\$ 362,924
Cash received from aquatic center operations	-	396,824	-	396,824
Cash received from ROAR store operations	-	-	46,355	46,355
Cash payments to employees for services	(2,166,171)	(226,030)	-	(2,392,201)
Cash payments to suppliers for goods or services	(1,442,497)	(75,766)	(49,994)	(1,568,257)
Net cash provided by (used in) operating activities	(3,245,744)	95,028	(3,639)	(3,154,355)
Cash flows from noncapital financing activities:				
State grants received	26,011	-	-	26,011
Federal grants received	4,199,092	-	-	4,199,092
Net cash provided by noncapital financing activities	4,225,103	-	-	4,225,103
Cash flows from capital and related financing activities, acquisition of capital assets	(11,163)	-	-	(11,163)
Cash flows from investing activities, interest on investments	2,346	-	-	2,346
Net increase (decrease) in cash and cash equivalents	970,542	95,028	(3,639)	1,061,931
Cash and cash equivalents, beginning of year	1,820,696	220,038	30,425	2,071,159
Cash and cash equivalents, end of year	\$ 2,791,238	\$ 315,066	\$ 26,786	\$ 3,133,090

(Continued)

Linn-Mar Community School District

Combining Statement of Cash Flows (Continued)

Nonmajor Enterprise Funds

Year Ended June 30, 2022

Reconciliation of operating income (loss)

to net cash provided by (used in)

operating activities:

Operating income (loss)	\$ (3,496,646)	\$ 74,233	\$ (2,432)	\$ (3,424,845)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Commodities consumed	408,918	-	-	408,918
Depreciation	144,342	-	-	144,342
(Increase) in inventories	(739)	-	-	(739)
(Increase) in accounts receivable	(4,969)	-	-	(4,969)
(Decrease) in accounts payable	(4,839)	(62)	(1,207)	(6,108)
Increase (decrease) in salaries and benefits payable	(28,660)	25,460	-	(3,200)
Increase in OPEB liability and related deferrals	8,258	172	-	8,430
(Decrease) in net pension liability and related deferrals	(229,178)	(4,775)	-	(233,953)
(Decrease) in unearned revenue	(42,231)	-	-	(42,231)
Net cash provided by (used in) operating activities	\$ (3,245,744)	\$ 95,028	\$ (3,639)	\$ (3,154,355)

From noncapital financing activities:

During the year ended June 30, 2022, the District used \$408,918 of federal commodities.





Statistical Section

(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends	74-89
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	90-96
These schedules contain trend information to help the reader assess the factors affecting the District's ability to generate its property taxes.	
Debt Capacity	97-102
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt.	
Demographic and Economic Information	103-108
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	109-117
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

Linn-Mar Community School District

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 28,177,257	\$ 41,210,373	\$ 48,003,951	\$ 48,606,036
Restricted	29,254,906	21,066,774	21,066,774	22,710,019
Unrestricted	7,658,223	7,271,405	(23,819,849)	(22,456,176)
Total governmental activities net position	\$ 65,090,386	\$ 69,548,552	\$ 45,250,876	\$ 48,859,879
Business-type activities				
Net investment in capital assets	\$ 707,568	\$ 609,640	\$ 603,369	\$ 541,797
Unrestricted	934,357	1,164,312	562,343	715,536
Total business-type activities net position	\$ 1,641,925	\$ 1,773,952	\$ 1,165,712	\$ 1,257,333

Source: School District Financial Records

2017	2018	2019	2020	2021	2022
\$ 62,549,123	\$ 70,504,714	\$ 76,718,101	\$ 83,108,503	\$ 84,736,354	\$ 89,775,215
14,982,592	12,005,864	10,550,211	10,666,215	13,640,492	12,690,386
(25,221,400)	(28,085,387)	(30,704,589)	(32,389,777)	(31,586,729)	(23,926,481)
\$ 52,310,315	\$ 54,425,191	\$ 56,563,723	\$ 61,384,941	\$ 66,790,117	\$ 78,539,120
\$ 742,173	\$ 666,154	\$ 574,630	\$ 496,271	\$ 1,068,342	\$ 935,163
421,375	441,240	658,775	523,351	578,717	1,923,418
\$ 1,163,548	\$ 1,107,394	\$ 1,233,405	\$ 1,019,622	\$ 1,647,059	\$ 2,858,581

Linn-Mar Community School District

Expenses, Program Revenues and Net (Expense) Revenue Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

	2013	2014	2015	2016
Expenses:				
Governmental activities:				
Instruction	\$ 45,065,586	\$ 48,037,307	\$ 48,140,423	\$ 51,168,392
Support services:				
Student	3,456,656	3,542,985	3,663,955	3,677,997
Instructional staff	2,888,367	3,105,544	5,455,726	6,368,459
Administration	6,369,253	5,655,085	5,673,933	6,874,302
Operation and maintenance of plant	5,152,985	6,407,078	6,564,417	6,402,268
Transportation	2,000,716	2,615,258	2,754,810	2,749,936
Non-instructional programs	110,098	121,088	130,525	128,979
Long-term debt interest and fiscal charges	3,212,643	3,131,174	2,802,823	3,031,161
Other expenses:				
AEA flowthrough	2,620,028	2,777,361	2,923,429	3,055,116
Depreciation (unallocated)	2,171,171	3,807,359	4,010,529	4,133,605
Total governmental activities	73,047,503	79,200,239	82,120,570	87,590,215
Business-type activities:				
School nutrition	2,900,675	3,084,733	3,113,499	3,357,540
Aquatic center	-	46,519	161,128	239,212
ROAR store	-	-	7,353	12,426
Total business-type activities	2,900,675	3,131,252	3,281,980	3,609,178
Total primary government expenses	75,948,178	82,331,491	85,402,550	91,199,393
Program revenues:				
Governmental activities:				
Charges for services:				
Instruction	4,514,187	4,735,812	5,516,329	6,407,571
Support services	12,607	18,181	93,335	12,868
Operating grants and contributions	9,439,571	10,866,887	5,991,216	6,047,560
Capital grants and contributions	49,058	-	10,000	18,989
Total governmental activities	14,015,423	15,620,880	11,610,880	12,486,988
Business-type activities:				
Charges for services:				
School nutrition	2,029,545	2,030,952	2,165,481	2,185,826
Aquatic center	-	53,211	239,569	273,967
ROAR store	-	-	9,555	12,335
Operating grants and contributions	1,007,836	1,177,210	1,170,943	1,226,303
Capital grants and contributions	-	-	-	-
Total business-type activities	3,037,381	3,261,373	3,585,548	3,698,431
Total primary government revenues	17,052,804	18,882,253	15,196,428	16,185,419
Net (expense) revenues:				
Governmental activities	(59,032,080)	(63,579,359)	(70,509,690)	(75,103,227)
Business-type activities	136,706	130,121	303,568	89,253
Total primary government revenues	\$ (58,895,374)	\$ (63,449,238)	\$ (70,206,122)	\$ (75,013,974)

Source: School District Financial Records

	2017		2018		2019		2020		2021		2022
\$	56,707,418	\$	58,931,656	\$	61,473,758	\$	63,560,855	\$	67,026,119	\$	63,307,419
	4,355,525		4,484,173		4,299,379		4,213,237		4,252,852		4,054,858
	5,775,910		6,346,603		6,282,247		6,747,058		7,743,761		7,183,309
	6,582,752		7,468,634		7,553,924		7,655,203		7,829,769		8,025,718
	6,663,099		7,109,445		9,049,914		6,773,032		14,154,775		9,343,503
	2,813,289		3,093,011		3,559,751		3,590,979		3,713,690		3,601,615
	123,241		98,548		93,551		98,560		100,174		100,885
	3,153,088		2,513,240		2,599,276		4,335,073		3,998,911		4,204,471
	3,107,129		3,239,555		3,339,090		3,469,718		3,631,522		3,676,429
	4,204,016		4,570,877		4,752,841		4,836,671		5,835,887		6,329,627
	93,485,467		97,855,742		103,003,731		105,280,386		118,287,460		109,827,834
	3,664,633		3,626,056		3,579,698		3,383,351		3,233,525		3,906,770
	258,173		288,691		316,352		275,634		94,216		322,591
	31,857		39,299		37,071		36,875		28,930		48,787
	3,954,663		3,954,046		3,933,121		3,695,860		3,356,671		4,278,148
	97,440,130		101,809,788		106,936,852		108,976,246		121,644,131		114,105,982
	6,745,753		7,818,599		8,173,922		8,264,085		15,423,309		5,862,062
	24,166		27,459		1,862,441		1,311,115		1,173,853		3,127,088
	6,581,814		14,462,348		13,126,850		13,565,519		16,911,925		18,574,583
	25,500		36,900		-		-		-		-
	13,377,233		22,345,306		23,163,213		23,140,719		33,509,087		27,563,733
	2,244,925		2,301,977		2,266,321		1,698,882		164,830		410,124
	293,629		295,531		351,434		145,122		187,230		396,824
	31,494		43,078		46,990		34,784		44,786		46,355
	1,287,140		1,271,317		1,376,878		1,587,600		2,690,701		4,634,021
	-		-		-		-		-		-
	3,857,188		3,911,903		4,041,623		3,466,388		3,087,547		5,487,324
	17,234,421		26,257,209		27,204,836		26,607,107		36,596,634		33,051,057
	(80,108,234)		(75,510,436)		(79,840,518)		(82,139,667)		(84,778,373)		(82,264,101)
	(97,475)		(42,143)		108,502		(229,472)		(269,124)		1,209,176
\$	(80,205,709)	\$	(75,552,579)	\$	(79,732,016)	\$	(82,369,139)	\$	(85,047,497)	\$	(81,054,925)

Linn-Mar Community School District

General Revenues and Total Change in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	2013	2014	2015	2016
Net (expense) revenues:				
Governmental activities	\$ (63,579,359)	\$ (70,509,690)	\$ (75,103,227)	\$ (80,108,234)
Business-type activities	130,121	303,568	89,253	(97,475)
Total primary government net expense	(63,449,238)	(70,206,122)	(75,013,974)	(80,205,709)
General revenues and other changes in net position:				
Governmental activities:				
Property taxes levied for:				
General purposes	23,421,086	23,907,617	23,949,253	25,236,614
Capital outlay	3,133,993	3,285,473	3,105,578	3,188,525
Debt service	3,766,765	3,744,536	4,033,671	3,800,343
Revenues in lieu of taxes	-	-	-	-
Sales tax	5,600,634	5,979,539	6,587,426	6,811,318
Unrestricted grants and contributions	28,870,083	29,979,713	39,054,690	41,329,762
Nonspecific program federal revenues	187,358	-	-	-
Investment earnings	134,959	92,990	79,221	104,072
Miscellaneous	1,083,700	1,047,657	590,682	532,864
Total governmental activities	66,198,578	68,037,525	77,400,521	81,003,498
Business-type activities:				
Investment earnings	1,839	1,892	2,180	2,368
Miscellaneous	56,966	14	414	-
Total business-type activities	58,805	1,906	2,594	2,368
Total primary government	66,257,383	68,039,431	77,403,115	81,005,866
Change in net position:				
Governmental activities	2,619,219	(2,472,165)	2,297,294	895,264
Business-type activities	188,926	305,474	91,847	(95,107)
Total primary government	\$ 2,808,145	\$ (2,166,691)	\$ 2,389,141	\$ 800,157

Source: School District Financial Records

2017	2018	2019	2020	2021	2022
\$ (75,510,436) (42,143)	\$ (75,510,436) (42,143)	\$ (79,840,518) 108,502	\$ (82,139,667) (229,472)	\$ 33,509,087 3,087,547	\$ (82,264,101) 1,209,176
(75,552,579)	(75,552,579)	(79,732,016)	(82,369,139)	36,596,634	(81,054,925)
25,921,202	27,750,578	29,270,203	30,057,518	32,127,472	33,162,658
3,272,294	3,430,959	3,628,213	3,761,188	3,981,114	4,169,860
3,841,998	3,519,010	3,576,418	5,629,795	5,574,919	5,675,629
-	948,662	1,034,904	1,061,475	1,063,781	1,089,172
6,889,195	7,158,956	7,645,473	7,849,426	8,361,729	9,334,763
42,547,658	35,235,868	36,137,495	37,602,906	39,566,400	40,332,066
-	-	-	-	-	-
121,291	186,668	460,739	806,991	210,254	61,307
965,032	380,492	225,605	191,586	191,090	200,666
83,558,670	78,611,193	81,979,050	86,960,885	91,076,759	94,026,121
3,560	8,596	17,201	15,714	3,104	2,346
130	5,270	308	222	-	-
3,690	13,866	17,509	15,936	3,104	2,346
83,562,360	78,625,059	81,996,559	86,976,821	91,079,863	94,028,467
8,048,234	3,100,757	2,138,532	4,821,218	5,405,176	11,762,020
(38,453)	(28,277)	126,011	(213,536)	627,190	1,211,522
\$ 8,009,781	\$ 3,072,480	\$ 2,264,543	\$ 4,607,682	\$ 6,032,366	\$ 12,973,542

Linn-Mar Community School District

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	2013	2014	2015	2016
General Fund:				
Restricted	\$ 1,706,507	\$ 1,739,691	\$ 1,793,043	\$ 1,363,797
Assigned	443,261	484,639	521,726	445,301
Unassigned	9,512,398	8,797,941	8,091,108	8,317,146
Total General Fund	11,662,166	11,022,271	10,405,877	10,126,244
All other governmental funds:				
Restricted for:				
Capital projects funds	21,454,673	7,954,093	11,960,248	15,467,494
Debt service fund	-	-	-	-
Special revenue funds	6,093,726	11,372,990	6,363,405	7,126,623
Total other governmental funds	27,548,399	19,327,083	18,323,653	22,594,117
Total governmental funds	\$ 39,210,565	\$ 30,349,354	\$ 28,729,530	\$ 32,720,361

Source: School District Financial Records

2017	2018	2019	2020	2021	2022
\$ 1,513,994	\$ 1,153,042	\$ 1,067,117	\$ 1,142,203	\$ 734,927	\$ 431,575
476,285	446,136	421,121	435,330	424,306	464,960
8,407,084	8,372,478	8,371,898	9,481,809	12,795,923	11,416,553
10,397,363	9,971,656	9,860,136	11,059,342	13,955,156	12,313,088
7,494,765	6,985,042	13,141,970	18,286,390	13,638,994	8,839,279
4,339,699	4,078,964	4,207,934	4,614,250	858,214	346,134
3,232,304	3,438,057	3,839,507	3,387,024	2,587,819	2,682,893
15,066,768	14,502,063	21,189,411	26,287,664	17,085,027	11,868,306
\$ 25,464,131	\$ 24,473,719	\$ 31,049,547	\$ 37,347,006	\$ 31,040,183	\$ 24,181,394

Linn-Mar Community School District

Governmental Funds Revenues

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2013	2014	2015	2016
Local sources:				
Property taxes	\$ 30,321,844	\$ 30,937,626	\$ 31,088,502	\$ 32,225,482
Tuition	2,989,998	3,350,347	3,604,028	4,266,217
Other revenues	2,855,684	2,607,885	2,773,333	2,844,683
Total local sources	36,167,526	36,895,858	37,465,863	39,336,382
Intermediate sources	-	-	-	-
State sources:				
Statewide sales and services tax	5,600,634	5,979,539	6,587,426	6,811,318
State grants	36,219,406	44,565,250	42,737,570	45,294,013
Total state sources	41,820,040	50,544,789	49,324,996	52,105,331
Federal sources	2,277,606	2,197,297	2,220,542	2,048,773
Total revenues	\$ 80,265,172	\$ 89,637,944	\$ 89,011,401	\$ 93,490,486

Source: School District Financial Records

	2017	2018	2019	2020	2021	2022
\$	33,035,494	\$ 34,700,547	\$ 36,849,199	\$ 39,710,620	\$ 41,928,435	\$ 43,173,345
	4,869,613	5,259,122.00	5,282,546	5,483,555	5,801,651	5,862,063
	3,057,301	3,012,082	3,347,584	3,643,355	9,994,702	3,188,393
	40,962,408	42,971,751	45,479,329	48,837,530	57,724,788	52,223,801
	8,000	-	-	-	-	-
	6,889,195	6,808,180	7,645,473	7,827,053	7,659,411	9,160,188
	46,582,216	47,656,336	48,990,802	50,994,455	53,373,190	54,351,928
	53,471,411	54,464,516	56,636,275	58,821,508	61,032,601	63,512,116
	2,494,084	2,788,965	2,944,639	2,406,666	5,124,051	5,643,185
\$	96,935.903	\$ 100,225.232	\$ 105,060,243	\$ 110,065,704	\$ 123,881,440	\$ 121,379,102

Linn-Mar Community School District

Governmental Funds Expenditures and Debt Service Ratio

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2013	2014	2015	2016
Instruction	\$ 45,215,491	\$ 48,230,224	\$ 49,047,463	\$ 52,864,635
Support services:				
Student services	3,469,352	3,564,347	3,673,553	3,704,754
Instructional staff support services	2,971,449	3,072,281	5,112,761	5,382,209
Administrative services	6,221,704	6,333,244	6,608,157	6,932,883
Plant operation and maintenance	5,625,511	6,263,679	6,464,301	6,567,506
Transportation services	2,550,324	2,691,915	2,763,461	2,782,122
Non-instructional programs	167,064	121,088	130,525	128,979
Capital outlay	8,560,965	8,992,938	8,626,662	19,381,436
AEA flowthrough	2,620,028	2,777,361	2,923,429	3,055,116
Debt service:				
Principal	6,381,134	30,663,356	6,405,675	5,780,000
Interest and fiscal charges	3,145,633	3,328,577	2,743,913	2,933,691
Total expenditures	\$ 86,928,655	\$ 116,039,010	\$ 94,499,900	\$ 109,513,331
Debt service as a percentage of noncapital expenditures	12.16%	31.75%	10.65%	24.49%

Source: School District Financial Records

	2017	2018	2019	2020	2021	2022
\$	54,341,263	\$ 57,269,830	\$ 61,785,512	\$ 61,121,222	\$ 64,622,740	\$ 69,098,015
	4,322,032	4,301,729	4,183,675	3,999,730	4,090,362	4,529,872
	5,622,911	6,151,635	6,137,836	6,458,399	7,503,729	7,976,196
	6,999,671	7,104,822	7,379,834	7,322,820	7,902,558	8,739,425
	6,499,306	6,692,844	6,866,139	6,633,353	8,004,715	8,480,781
	2,829,377	3,020,658	3,049,862	3,025,804	3,069,944	3,204,969
	123,241	98,406	92,559	96,490	98,866	105,543
	9,448,106	3,251,094	5,899,443	58,181,188	18,177,773	5,132,574
	3,107,129	3,239,555	3,339,090	3,469,718	3,631,522	3,676,429
	23,870,000	7,165,000	7,140,000	20,915,000	8,330,000	56,573,771
	3,098,806	2,960,809	2,759,588	5,152,986	4,568,499	4,892,749
\$	120,261,842	\$ 101,256,382	\$ 108,633,538	\$ 176,376,710	\$ 130,000,708	\$ 172,410,324
	24.34%	10.33%	9.67%	22.10%	11.00%	36.50%

Linn-Mar Community School District

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	2013	2014	2015	2016
Excess (deficiency) of revenues over (under) expenditures	\$ (6,663,483)	\$ (32,380,605)	\$ (5,488,499)	\$ (16,022,845)
Other financing sources (uses):				
Transfer in	16,193,578	16,099,513	8,246,454	6,001,233
Transfer out	(16,193,578)	(16,099,513)	(8,246,454)	(6,001,233)
Sale of equipment	5,795	53,819	-	13,676
Compensation for loss on capital assets	-	-	-	-
Sale of real property	-	-	203,675	-
Capital loan note issuance	-	-	-	10,000,000
Revenue bond issuance	20,000,000	22,800,000	3,665,000	10,000,000
General obligation refunding bonds issued	-	-	-	-
General obligation bonds issued	-	-	-	-
Net premiums/discounts on bond issuances	(213,571)	665,575	-	-
Total other financing sources (uses)	19,792,224	23,519,394	3,868,675	20,013,676
Net change in fund balances	\$ 13,128,741	\$ (8,861,211)	\$ (1,619,824)	\$ 3,990,831

Source: School District Financial Records

2017	2018	2019	2020	2021	2022
\$ (23,325,939)	\$ (1,031,150)	\$ (3,573,295)	\$ (66,311,006)	\$ (6,119,268)	\$ (51,031,222)
7,173,507	6,277,163	6,267,600	6,277,875	7,287,302	10,857,635
(7,173,507)	(6,277,163)	(6,267,600)	(6,277,875)	(7,487,932)	(10,857,635)
49,624	40,738	55,820	18,565	13,075	35,468
71,872	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	15,000,000	-	41,615,000
14,125,000	-	-	-	-	-
-	-	10,000,000	53,580,000	-	-
1,823,213	-	93,303	4,009,900	-	2,521,965
16,069,709	40,738	10,149,123	72,608,465	(187,555)	44,172,433
\$ (7,256,230)	\$ (990,412)	\$ 6,575,828	\$ 6,297,459	\$ (6,306,823)	\$ (6,858,789)

Linn-Mar Community School District

General Fund Expenditures By Function and Other Financing Uses

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year Ended June 30,	Instruction	Support Services	Non- Instructional Programs	Other Expenditures	Total Expenditures	Other Financing Uses
2022	\$ 66,505,187	\$ 30,978,512	\$ -	\$ 3,676,429	\$ 101,160,128	\$ 25,043
2021	61,679,263	28,324,556	-	3,631,522	93,635,341	217,311
2020	58,656,871	25,623,259	-	3,469,718	87,749,848	16,419
2019	57,302,699	26,049,740	-	3,339,090	86,691,529	18,378
2018	54,761,167	25,888,505	-	3,239,555	83,889,227	26,974
2017	51,922,604	24,630,371	-	3,107,129	79,660,104	12,281
2016	49,997,441	23,747,703	-	3,055,116	76,800,260	-
2015	46,964,048	23,133,985	-	2,923,429	73,021,462	-
2014	45,416,152	20,307,702	-	2,777,361	68,501,215	-
2013	43,073,258	19,597,510	-	2,620,028	65,290,796	-

Source: School District Financial Records

Linn-Mar Community School District

General Fund Revenues By Function and Other Financing Sources

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

Fiscal Year Ended June 30,	Local Tax	State	Federal	Miscellaneous	Total Revenues	Other Financing Sources
2022	\$ 31,915,239	\$ 54,075,610	\$ 5,643,185	\$ 7,873,601	\$ 99,507,635	\$ 35,468
2021	31,233,343	53,105,425	5,124,051	7,272,572	96,735,391	13,075
2020	29,167,045	50,716,753	2,386,666	6,676,444	88,946,908	18,565
2019	28,141,026	48,779,896	2,944,639	6,677,006	86,542,567	18,378
2018	26,546,671	47,435,997	2,788,965	6,678,123	83,449,756	40,738
2017	24,785,704	46,347,416	2,494,084	6,253,052	79,880,256	63,248
2016	23,986,903	45,028,110	2,048,773	5,443,165	76,506,951	13,676
2015	22,754,909	42,577,642	2,220,542	4,843,746	72,396,839	8,229
2014	22,705,206	38,582,952	2,197,297	4,367,577	67,853,032	8,288
2013	22,570,032	36,216,767	2,277,606	4,058,710	65,123,115	58,878

Source: School District Financial Records

Linn-Mar Community School District

**Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

Assessment Year	Collection Year	Actual Value			Less Exemptions	Total Taxable Value	Total Direct Rate
		Residential Property	Commercial Property	Other Property			
2020	2021-22	2,993,446,620	673,573,424	317,751,102	1,485,959,449	2,498,811,697	17.86914
2019	2020-21	2,937,227,110	644,924,054	309,826,169	1,498,299,701	2,393,677,632	18.01155
2018	2019-20	2,745,045,400	601,843,697	299,287,927	1,366,612,361	2,279,564,663	18.01522
2017	2018-19	2,669,255,000	586,958,767	284,640,379	1,356,598,618	2,184,255,528	17.37262
2016	2017-18	2,523,208,100	494,562,506	275,862,298	1,244,913,378	2,048,719,526	17.37544
2015	2016-17	2,436,608,100	484,766,546	267,382,298	1,233,351,437	1,955,405,507	17.37723
2014	2015-16	2,353,842,868	548,360,758	183,971,846	1,182,203,330	1,903,972,142	17.37861
2013	2014-15	2,284,210,354	548,493,780	169,642,588	1,139,926,871	1,862,419,851	17.00411
2012	2013-14	2,238,748,147	537,214,072	139,152,794	1,096,153,062	1,818,961,951	17.2678
2011	2012-13	2,204,092,586	520,222,182	135,423,932	1,125,070,806	1,734,667,894	17.73099

Source: Linn County Auditor

Linn-Mar Community School District

Property Tax Levies And Collections

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Levy	Collected within the Levy Year		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of the Levy		Amount	Percentage of the Levy
2022	\$ 43,038,251	\$ 43,080,640	100.10%	\$ -	\$ 43,080,640	100.10%
2021	41,855,488	41,570,586	99.32%	-	41,570,586	99.32%
2020	39,890,612	39,626,560	99.34%	-	39,626,560	99.34%
2019	36,643,522	36,515,841	99.65%	129,612	36,645,453	100.01%
2018	34,611,614	34,548,420	99.82%	75,617	34,624,036	100.04%
2017	32,941,467	32,848,881	99.72%	82,864	32,931,745	99.97%
2016	32,160,080	32,050,116	99.66%	100,781	32,150,896	99.97%
2015	31,124,849	30,907,422	99.30%	87,250	30,994,672	99.58%
2014	30,873,621	30,751,540	99.60%	96,070	30,847,610	99.92%
2013	30,246,623	30,083,367	99.46%	101,105	30,184,472	99.79%

Source: School District Financial Records

Linn-Mar Community School District

**Property Tax Rates Per \$1,000 Assessed Valuation
All Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)**

Levy Year	Collection Year	City of Cedar Rapids	City of Marion	City of Robins
2020	2021-22			
	County	6.24304	6.24304	6.24304
	Schools	17.86914	17.86914	17.86914
	City	15.8762	14.19976	7.77354
	Miscellaneous	1.63416	1.63363	1.63363
	Total Levy	41.62254	39.94557	33.51935
Ratio of Linn-Mar Community School District to Total		42.93%	44.73%	53.31%
2019	2020-21			
	County	6.40442	6.40442	6.40442
	Schools	18.01155	18.01155	18.01155
	City	15.6562	14.21502	7.77077
	Miscellaneous	1.58522	1.58314	1.58314
	Total Levy	41.65739	40.21413	33.76988
Ratio of Linn-Mar Community School District to Total		43.24%	44.79%	53.34%
2018	2019-20			
	County	5.83902	5.83902	5.83902
	Schools	18.01522	18.01522	18.01522
	City	15.43621	14.22338	7.71136
	Miscellaneous	1.52375	1.55618	1.55618
	Total Levy	40.8142	39.6338	33.12178
Ratio of Linn-Mar Community School District to Total		44.14%	45.45%	54.39%
2017	2018-19			
	County	5.83902	5.83902	5.83902
	Schools	17.37262	17.37262	17.37262
	City	15.21621	14.22338	7.92171
	Miscellaneous	1.55739	1.55364	1.55364
	Total Levy	39.98524	38.98866	32.68699
Ratio of Linn-Mar Community School District to Total		43.45%	44.56%	53.15%

(Continued)

Linn-Mar Community School District

**Property Tax Rates Per \$1,000 Assessed Valuation
All Direct and Overlapping Governments (continued)
Last Ten Fiscal Years
(Unaudited)**

Levy Year	Collection Year	City of Cedar Rapids	City of Marion	City of Robins
2016	2017-18			
	County	6.14108	6.14108	6.14108
	Schools	17.37544	17.37544	17.37544
	City	15.21621	13.98943	7.67714
	Miscellaneous	1.51391	1.50398	1.50398
	Total Levy	40.24664	39.00993	32.69764
Ratio of Linn-Mar Community School District to Total		43.17%	44.54%	53.14%
2015	2016-17			
	County	6.14108	6.14108	6.14108
	Schools	17.37723	17.37723	17.37723
	City	15.21621	13.82108	7.96103
	Miscellaneous	1.48018	1.45693	1.45693
	Total Levy	40.2147	38.79632	32.93627
Ratio of Linn-Mar Community School District to Total		43.21%	44.79%	52.76%
2014	2015-16			
	County	6.14225	6.14225	6.14225
	Schools	17.37861	17.37861	17.37861
	City	15.21621	13.58625	7.97127
	Miscellaneous	1.44038	1.47354	1.47354
	Total Levy	40.17745	38.58065	32.96567
Ratio of Linn-Mar Community School District to Total		43.25%	45.04%	52.72%
2013	2014-15			
	County	6.14191	6.14191	6.14191
	Schools	17.00411	17.00411	17.00411
	City	15.21621	13.12953	7.9306
	Miscellaneous	1.43456	1.47869	1.47869
	Total Levy	39.79679	37.75424	32.55531
Ratio of Linn-Mar Community School District to Total		42.73%	45.04%	52.23%

(Continued)

Linn-Mar Community School District

**Property Tax Rates Per \$1,000 Assessed Valuation
All Direct and Overlapping Governments (continued)
Last Ten Fiscal Years
(Unaudited)**

Levy Year	Collection Year	City of Cedar Rapids	City of Marion	City of Robins
2012	2013-14			
	County	6.11191	6.11191	6.11191
	Schools	17.26780	17.26780	17.26780
	City	15.21621	13.15637	7.77881
	Miscellaneous	1.46096	1.32167	1.32167
	Total Levy	40.05688	37.85775	32.48019
Ratio of Linn-Mar Community School District to Total		43.11%	45.61%	53.16%
2011	2012-2013			
	County	6.11191	6.11191	6.11191
	Schools	17.73099	17.73099	17.73099
	City	15.21621	13.62416	8.02375
	Miscellaneous	1.35108	1.64296	1.64296
	Total Levy	40.41019	39.11002	33.50961
Ratio of Linn-Mar Community School District to Total		43.88%	45.34%	52.91%

Source: Linn County Auditor

Linn-Mar Community School District

**Property Tax Rates By Fund Per \$1,000 Assessed Valuation
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ending 30-Jun	General	Management	Board Physical Plant and Equipment	Playground	Board Physical Plant and Equipment	Debt Service	Total
2022	13.34786	0.44324	0.33000	0.13500	1.34000	2.27304	17.86914
2021	13.51903	0.34895	0.33000	0.13500	1.34000	2.33857	18.01155
2020	13.34617	0.36405	0.33000	0.13500	1.34000	2.50000	18.01522
2019	13.41665	0.50486	0.33000	0.13500	1.34000	1.64611	17.37262
2018	13.38276	0.47490	0.33000	0.13500	1.34000	1.71278	17.37544
2017	13.14183	0.47075	0.33000	0.13500	1.34000	1.95965	17.37723
2016	13.03448	0.54742	0.33000	0.13500	1.34000	1.99171	17.37861
2015	12.50639	0.52341	0.33000	0.13500	1.34000	2.16931	17.00411
2014	12.73201	0.67647	0.33000	0.13500	1.34000	2.05432	17.2678
2013	13.26000	0.50000	0.33000	0.13500	1.34000	2.16599	17.73099

Source: School District Financial Records

Linn-Mar Community School District

**Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)**

Taxpayer	2020 Value 1-1-20 Valuation	Percentage of Total Taxable Value Valuation *	2011 Taxable Value 1-1-11 Valuation	Percentage of Total Taxable Value Valuation **
Lindale Mall LLC	\$ 44,907,300	1.80%	-	-
Rockwell Collins Inc	34,326,177	1.37%	31,346,726	1.81%
JE Pense LLC	19,298,250	0.77%	-	-
Cedar Rapids Senior Living LLC	18,116,123	0.72%	-	-
Northtowne Market Lot 7 LLC	14,950,620	0.60%	-	-
Wal-mart Real Estate Business Trust	12,000,600	0.48%	10,850,705	0.63%
The Shops at Collins Square LLC	11,686,860	0.47%	11,503,077	0.66%
CR-Collins LLC	11,230,290	0.45%	-	-
Apple Ten Hospitality Ownership Inc.	9,993,960	0.40%	10,170,047	0.59%
Target Corporation T-1768	9,800,820	0.39%	8,419,751	0.49%
National Retail Properites LP	9,651,420	0.39%	-	-
Atrium Finance I LP	8,460,000	0.34%	9,101,367	0.52%
Map Realty Co LLC	8,460,000	0.34%	-	-
Atlas Limited Partnership	7,761,661	0.31%	-	-
Quagliano Michel	7,623,810	0.31%	-	-
SDG Macerich Properties	-		35,388,978	2.04%
OPM LLC	-		13,380,274	0.77%
Developers Diversitied Realty Corp.	-		12,147,087	0.70%
Timerland Partners	-		11,004,345	0.63%
Total	<u>\$ 228,267,891</u>	7.08%	<u>\$ 153,312,357</u>	8.61%

* 2020 Total District Taxable Valuation is \$2,498,811,697

** 2011 Total District Taxable Valuation was \$1,734,667,897

Note: The 2020 valuation was reported because the taxes collected during the 2022 fiscal year was based on the 2020 valuation.

Source: Linn County Auditor

Linn-Mar Community School District

**Ratio of Bonded Debt to Assessed Values
And Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Assessed Values of Property	General Obligation Bonds	Ratio of Bonded Debt To Assessed Value	Bonded Debt Per Capita
2022	\$ 3,987,850,617	\$ 73,194,807	1.84%	\$ 1,054
2021	3,888,893,753	74,298,508	1.91%	994
2020	3,643,041,588	77,632,489	2.13%	1,132
2019	3,540,854,146	33,556,048	0.95%	494
2018	3,293,632,904	25,000,000	0.76%	385
2017	3,188,756,944	27,305,000	0.86%	428
2016	3,086,175,472	32,335,000	1.05%	503
2015	3,002,346,722	35,585,000	1.19%	555
2014	2,915,115,013	38,805,000	1.33%	603
2013	2,859,738,700	42,260,000	1.48%	668

Source: District Financial Records, Woods & Poole Economics

Notes: Percentage personal Income and Per Capita figures are based upon Cedar Rapids Metropolitan Statistical Area Data from the corresponding calendar year.

Linn-Mar Community School District

**Outstanding Debt By Type
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Loan Notes	Leases	Total Primary Government	Ratio Of Bonded Debt To Personal Income *	Per Capita*
2022	\$ 73,194,807	\$39,280,000	\$ 3,555,000	\$ 508,308	\$ 116,538,115	0.85%	\$ 424
2021	74,298,508	49,925,000	4,690,000	-	128,913,508	0.84%	471
2020	77,632,489	54,295,000	5,800,000	-	137,727,489	0.95%	505
2019	33,556,048	45,990,000	6,885,000	-	86,431,048	0.60%	313
2018	25,000,000	49,490,000	7,945,000	-	82,435,000	0.60%	306
2017	27,305,000	53,310,000	8,985,000	-	89,600,000	0.67%	335
2016	32,335,000	57,010,000	10,000,000	-	99,345,000	0.78%	372
2015	35,585,000	49,540,000	-	-	85,125,000	0.68%	320
2014	38,805,000	49,005,000	-	55,675	87,865,675	0.73%	332
2013	42,260,000	53,360,000	-	109,031	95,729,031	0.81%	365

Source: School District Financial Records.

* See Micellaneous Demographic Statistics on page 103. These ratios are calculated using personal income and population for the prior calendar year.

Linn-Mar Community School District

Pledged Revenue Coverage Last Ten Fiscal Years (Unaudited)

Fiscal Year	Local Option Sales Tax Revenue Bonds				Capital Loan Notes			
	Revenue	Debt Service		Coverage	Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2022	\$ 9,160,188	\$ 52,260,000	\$ 1,552,467	0.17	\$ 4,186,213	\$ 1,135,000	\$ 91,455	3.41
2021	7,659,411	4,370,000	1,675,024	1.27	4,007,742	1,110,000	113,100	3.28
2020	7,827,053	6,695,000	1,988,995	0.99	3,788,158	1,085,000	134,258	3.11
2019	7,618,440	3,500,000	1,492,138	1.53	3,665,765	1,060,000	154,927	3.00
2018	6,808,180	3,820,000	1,583,105	1.26	3,403,026	1,040,000	175,208	2.80
2017	6,889,195	3,700,000	1,677,229	1.28	3,364,875	1,015,000	195,000	3.00
2016	6,811,318	2,530,000	1,634,525	1.64	3,290,745	-	-	n/a
2015	6,587,426	3,130,000	1,415,579	1.45	3,164,958	-	-	n/a
2014	5,979,539	2,710,000	855,871	1.68	3,045,026	-	-	n/a
2013	5,600,634	3,225,000	1,417,702	1.21	2,905,197	-	-	n/a

Source: School District Financial Records

Linn-Mar Community School District

**Computation of Legal Debt Margin
Last Ten Fiscal Years
(Unaudited)**

	2021-2022	2020-2021	2019-2020	2018-2019
Total Assessed Valuation	\$ 3,987,850,617	\$ 3,888,893,753	\$ 3,643,041,588	\$ 3,540,854,146
Bonded Debt Limit *				
5% of assessed valuation	199,392,531	194,444,688	182,152,079	177,042,707
Bonded Debt at end of fiscal year	77,258,115	124,630,000	132,960,000	86,431,048
Debt Margin at end of fiscal year	\$122,134,416	\$69,814,688	\$49,192,079	\$90,611,659
Legal Debt Margin as a Percentage of debt limit	61.25%	35.90%	27.01%	51.18%

* Code of Iowa Section 296.1

Source: Linn County Auditor
School District Financial Records

2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
\$ 3,293,632,904	\$ 3,188,756,944	\$ 3,086,175,472	\$ 3,002,346,722	\$ 2,915,115,013	\$ 2,859,738,700
164,681,645	159,437,847	154,308,774	150,117,336	145,755,751	142,986,935
82,435,000	89,600,000	99,345,000	85,125,000	87,865,675	95,729,031
\$82,246,645	\$69,837,847	\$54,963,774	\$64,992,336	\$57,890,076	\$47,257,904
49.94%	43.80%	35.62%	43.29%	39.72%	33.05%

Linn-Mar Community School District

Computation of Direct and Overlapping Debt Last Ten Fiscal Years (Unaudited)

	Gross General Obligation Debt Outstanding	Percentage Applicable to Governmental Unit *	Linn-Mar Community School District Share of Debt
Direct:			
Linn-Mar Community School District	\$ 66,695,000	100%	\$ 66,695,000
Overlapping:			
City of Cedar Rapids	334,460,000	11.77%	39,365,942
City of Marion	79,100,000	72.11%	57,039,010
City of Robbins	5,025,000	25.04%	1,258,260
Kirkwood Community College	70,315,000	8.44%	5,934,586
Linn County	57,139,354	19.21%	10,976,470
Total Overlapping	546,039,354		114,574,268
Total Direct and Overlapping Debt	<u>\$ 612,734,354</u>		<u>\$ 181,269,268</u>

Source: Linn County Auditor

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

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

Linn-Mar Community School District

Miscellaneous Demographic Statistics

Last Ten Fiscal Years

(Unaudited)

Calendar Year	Population	Personal Income	Per Capita Income	Cedar Rapids Retail Sales (In Millions)	Marion Retail Sales (In Millions)	Linn-County Unemployment Rate	State Unemployment Rate
2021	275,043	\$ 13,691,370,000	57,428	\$ 3,495	\$ 465	3.10%	2.60%
2020	273,885	15,329,730,000	52,032	3,254	407	6.40%	5.30%
2019	273,032	14,509,845,000	53,143	3,216	386	3.10%	2.90%
2018	272,295	14,205,142,000	52,168	3,205	375	3.40%	2.50%
2017	269,330	13,655,838,990	50,703	3,215	371	3.50%	3.10%
2016	267,447	13,375,291,917	50,011	3,191	364	3.70%	3.50%
2015	266,998	12,816,704,994	48,003	3,526	457	3.90%	3.80%
2014	265,624	12,429,078,208	46,792	3,044	351	4.40%	4.00%
2013	264,346	11,973,287,724	45,294	2,973	340	5.00%	4.40%
2012	262,534	11,870,474,810	45,215	2,931	341	5.20%	4.90%

Source : Cedar Rapids Chamber of Commerce, Woods & Poole Economics
Iowa Department of Employment Services, Iowa Retail Sales & Use Tax Report

Note: The information provided in this chart is collected on a calendar year basis,
so data for 2021 is not yet available.

Linn-Mar Community School District

**New Commercial and Industrial Building Permits
Last Ten Fiscal Years
(Unaudited)**

Year	City of Cedar Rapids New Commerical		City of Marion New Commerical	
	# of Permits	Valuation	# of Permits	Valuation
2021	64	\$ 245,534,637	24	\$ 19,158,158
2020	37	110,416,893	51	32,141,887
2019	68	151,217,754	19	93,465,481
2018	54	130,642,804	13	22,230,151
2017	59	118,816,581	25	39,427,284
2016	65	95,888,669	16	12,384,735
2015	38	75,376,545	14	6,420,879
2014	45	49,446,998	12	2,369,744
2013	64	85,971,266	18	9,608,347
2012	26	44,088,780	6	3,260,541

Year	City of Cedar Rapids New Industrial		City of Marion New Industrial	
	# of Permits	Valuation	# of Permits	Valuation
2021	0	\$ -	0	\$ -
2020	0	-	0	-
2019	0	-	0	-
2018	0	-	0	-
2017	0	-	0	-
2016	0	-	0	-
2015	0	-	9	16,380,099
2014	0	-	2	3,445,873
2013	0	-	0	-
2012	5	1,402,760	0	-

Source: City of Cedar Rapids Building Department
City of Marion

Note: The information provided in this chart is collected on a calendar year basis, so data for 2022 is not yet available.

Linn-Mar Community School District

**New Single and Multi Family Dwelling Permits
Last Ten Fiscal Years
(Unaudited)**

Year	City of Cedar Rapids Single-Family		City of Marion Single-Family		Valuation
	# of Permits	Valuation	# of Permits	Valuation	
2021	154	\$ 40,501,632	204	\$ 24,175,903	
2020	126	23,599,349	187	22,935,544	
2019	145	24,545,867	145	18,245,222	
2018	134	14,866,721	160	19,448,950	
2017	214	22,667,477	171	21,027,035	
2016	219	22,354,265	164	19,773,834	
2015	268	23,607,356	202	26,212,686	
2014	325	34,621,397	145	17,599,562	
2013	246	24,631,630	184	22,646,922	
2012	253	26,111,686	157	18,988,018	

Year	City of Cedar Rapids Multi-Family		City of Marion Multi-Family		Valuation
	# of Permits	Valuation	# of Permits	Valuation	
2021	15	\$ 6,462,110	15 (52 units)	\$ 5,074,570	
2020	28	9,682,284	15	5,621,330	
2019	44(n/a)	13,919,886	8(n/a)	6,798,297	
2018	31(n/a)	5,083,622	21 (n/a)	7,193,136	
2017	42(n/a)	7,455,378	29(n/a)	8,638,905	
2016	46(n/a)	6,783,769	27(n/a)	7,329,250	
2015	31(n/a)	5,342,262	13(n/a)	11,019,666	
2014	27(n/a)	10,432,216	15(n/a)	4,233,891	
2013	24(n/a)	4,370,772	12(n/a)	3,713,484	
2012	29(n/a)	6,935,533	24(n/a)	6,193,893	

Source: City of Cedar Rapids Building Department
City of Marion

Note: The information provided in this chart is collected on a calendar year basis, so data for 2022 is not yet available.



Linn-Mar Community School District

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2022		2013	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Collins Aerospace	9,000	33.57%	9,470	36.64%
UnityPoint Health - St. Luke's Hospital	3,670	13.69%	3,184	12.32%
Mercy Medical Center	2,900	10.82%	2,312	8.94%
Cedar Rapids Community School District	2,320	8.65%	-	
City of Cedar Rapids	1,300	4.85%	-	
Nordstrom	1,100	4.10%	-	
UFG Insurance	1,100	4.10%	-	
Linn-Mar Community School District	1,079	4.03%	-	
Quaker Foods & Snacks a Division of Pepsico Inc.	1,000	3.73%	-	
Transamerica Companies	925	3.45%	3,872	14.98%
College Community School District	813	3.03%	-	
Tata Consultancy Services (TCS)	800	2.98%	-	
BAE Systems	800	2.98%	-	
Whirlpool Corporation	-		2,225	8.61%
Kirkwood Community Collge	-		1,944	7.52%
Pearson	-		1,490	5.76%
Veterans Halth Administration	-		1,351	5.23%
Total	26,807	100.00%	25,848	100.00%

Source: Cedar Rapids Area Chamber of Commerce

Linn-Mar Community School District

**Full-Time-Equivalent District Employees By Type
Last Ten Fiscal Years
(Unaudited)**

	Fiscal Year			
	2013	2014	2015	2016
Administration				
Superintendent	1.0	1.0	1.0	1.0
Associate Superintendent	1.0	1.0	1.0	1.0
Principals	10.0	10.0	10.0	10.0
Assistant Principals	8.0	8.0	9.0	9.0
Deans	2.0	2.0	1.0	1.0
School Admin. Manager	7.0	7.0	7.0	7.0
Other Administrators	4.0	5.0	5.0	5.0
Supervisors	7.0	7.0	7.0	8.0
Instructors				
Regular Program Teachers	377.5	376.5	402.5	419.4
Special Education Teachers	62.0	62.0	65.0	65.0
Student Services				
Guidance Counselors	18.0	19.0	19.0	18.0
Media Specialists	10.0	10.0	10.0	10.0
Curriculum Coordinators	4.0	4.0	5.0	5.0
Other Licensed Staff	6.0	6.0	6.0	7.0
Other Coordinators	8.0	9.0	9.0	9.0
Support Personnel				
Nurse	4.0	4.0	4.0	4.5
Clerical	43.5	42.4	42.4	42.5
Paraeducators	187.5	192.4	195.0	212.5
Custodial & Maintenance	73.0	70.1	73.0	70.1
Food Service	52.5	51.0	53.0	54.0
Bus Drivers	26.8	27.7	28.0	30.0
Total	912.8	915.1	952.9	989.0

Source: District Personnel Records

Fiscal Year					
2017	2018	2019	2020	2021	2022
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	2.0
10.0	10.0	10.0	10.0	12.0	12.0
9.0	9.0	10.0	9.0	9.0	9.0
2.0	2.0	2.0	2.0	2.0	2.0
7.0	7.0	7.0	7.0	7.0	6.0
5.0	4.0	4.0	4.0	4.0	4.0
7.0	7.0	6.0	7.0	10.0	9.0
417.2	433.7	438.2	449.2	461.8	468.3
65.5	63.0	63.5	64.0	70.0	74.5
19.0	19.0	20.0	20.0	21.0	22.0
10.0	10.0	10.0	10.0	12.0	12.0
5.0	6.0	6.0	6.0	7.0	6.0
7.0	9.0	9.5	10.0	11.0	9.0
9.0	12.0	12.0	11.0	9.0	9.0
5.5	4.5	5.5	5.5	6.0	6.0
41.0	39.5	41.6	41.6	44.6	44.6
224.7	248.0	267.5	278.9	256.1	280.5
70.5	71.3	69.2	67.2	78.6	78.6
54.0	57.8	53.5	52.4	56.9	70.0
30.0	30.9	32.2	33.8	33.5	27.3
1,000.4	1,045.6	1,069.7	1,090.6	1,113.5	1,152.8

Linn-Mar Community School District

**Property Values, Construction and Bank Deposits
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30,		Insured Property Value		Expenditures For Construction		Bank Deposit *
2022	\$	306,375,386	\$	4,258,631	\$	22,496,082
2021		309,750,827		18,052,849		25,340,418
2020		249,044,798		58,181,188		21,973,487
2019		242,049,566		5,899,442		20,609,541
2018		213,573,152		3,239,412		19,668,746
2017		213,076,371		9,448,106		20,017,152
2016		208,651,988		19,381,435		19,619,302
2015		202,429,166		8,626,662		19,430,788
2014		198,472,285		8,954,338		20,056,826
2013		150,587,691		8,539,938		20,021,889

* School District's General Fund & Management Fund bank deposits at June 30 amounts do not include investments.

Source: Bouslog Insurance, Inc.
True North Insurance
District Financial Records

Linn-Mar Community School District

**Operating Cost Per Pupil
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Total Costs *	Average Daily Attendance	Operating Costs Per Pupil
2021-2022	\$ 101,160,128	6,909	14,641
2020-2021	93,852,652	7,265	12,919
2019-2020	87,749,848	7,315	11,996
2018-2019	86,709,904	7,232	11,990
2017-2018	83,889,227	7,224	11,613
2016-2017	79,674,924	7,140	11,158
2015-2016	76,800,261	7,001	10,970
2014-2015	73,021,462	6,845	10,668
2013-2014	68,501,215	6,714	10,203
2012-2013	65,290,796	6,695	9,752

* Includes all General Fund expenditures and transfers out

Source: School District financial and attendance reports

Linn-Mar Community School District

**School Building Information
Last Ten Fiscal Years
(Unaudited)**

School	2013	2014	2015	2016
Elementary				
Bowman Woods				
Square Feet	50,906	50,906	50,906	50,906
Capacity	500	550	550	550
Enrollment	408	419	484	484
Echo Hill				
Square Feet	78,000	78,000	78,000	78,000
Capacity	600	600	600	600
Enrollment	502	512	567	612
Indian Creek				
Square Feet	49,200	49,200	49,200	49,200
Capacity	450	500	500	500
Enrollment	502	502	509	516
Linn Grove				
Square Feet	78,000	78,000	78,000	78,000
Capacity	600	600	600	600
Enrollment	454	466	491	562
Novak				
Square Feet	78,000	78,000	78,000	78,000
Capacity	600	600	600	600
Enrollment	504	518	454	529
Westfield				
Square Feet	58,000	58,000	58,000	58,000
Capacity	500	500	500	500
Enrollment	453	452	426	437
Wilkins				
Square Feet	48,800	48,800	48,800	48,800
Capacity	500	500	500	500
Enrollment	432	440	479	465

Notes: Over time some of the buildings capacity have actualy decreased due to the inclusion of additonal special programs

Source: School District Financial Records

2017	2018	2019	2020	2021	2022
50,906	50,906	50,906	50,906	50,906	50,906
550	550	550	550	550	550
482	456	456	543	431	433
78,000	78,000	78,000	78,000	78,000	78,000
600	600	600	600	600	600
610	564	564	528	503	533
49,200	49,200	49,200	49,200	49,200	49,200
500	500	500	500	500	500
529	564	564	540	421	427
78,000	78,000	78,000	78,000	78,000	78,000
600	600	600	600	600	600
568	530	530	557	460	447
78,000	78,000	78,000	78,000	78,000	78,000
600	600	600	600	600	600
547	591	591	539	397	404
66,763	66,763	66,763	66,763	66,763	66,763
600	600	600	600	600	600
427	552	552	605	515	477
48,800	48,800	48,800	48,800	48,800	48,800
500	500	500	500	500	500
446	423	423	432	368	380

Linn-Mar Community School District

School Building Information (Continued)
Last Ten Fiscal Years
(Unaudited)

School	2013	2014	2015	2016
Middle School/Intermediate ^a				
Boulder Peak				
Square Feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Hazel Point				
Square Feet	-	-	-	-
Capacity	-	-	-	-
Enrollment	-	-	-	-
Excelsior ^a				
Square Feet	126,700	126,700	126,700	126,700
Capacity	1,100	1,100	1,100	1,100
Enrollment	927	938	928	947
Oak Ridge ^c				
Square Feet	105,383	105,383	105,383	117,013
Capacity	750	750	750	800
Enrollment	678	681	713	756
High School/Junior High ^b				
Square Feet	305,000	315,478	315,478	315,478
Capacity	1,800	2,200	2,200	2,200
Enrollment	1,928	1,934	1,979	2,012

Notes: Over time some of the buildings capacity have actualy decreased due to the inclusion of additonal special programs

^a Excelsior Middle School opened back in 1995 as an intermediate school and was added onto 1999 and converted into a middle school.

^b The High school started out as two separate buildings; the high school and junior high. Over time they were both added onto and are now one large building.

^c With the opening of Echo Hill elementary school at the start of the 2008-2009 school year, Oak Ridge school was converted from a PreK-8 school to a middle school.

Source: School District Financial Records

2017	2018	2019	2020	2021	2022
-	-	-	-	135,203	135,203
-	-	-	-	800	800
-	-	-	-	639	613
-	-	-	-	135,203	135,203
-	-	-	-	800	800
-	-	-	-	529	551
126,700	126,700	126,700	126,700	126,700	126,700
1,100	1,100	1,100	1,100	1,100	1,100
974	953	953	946	634	635
119,712	119,712	119,712	119,712	119,712	119,712
800	800	800	800	800	800
753	768	768	831	540	542
302,704	302,704	302,704	302,704	302,704	302,704
2,400	2,400	2,400	2,400	2,400	2,400
2,061	2,168	2,168	2,218	2,222	2,250

Linn-Mar Community School District

Solvency Ratio Last Ten Fiscal Years (Unaudited)

School Year	Unassigned & Assigned General Fund Balance	Actual Revenues	Financial Solvency Ratio
2021-2022	\$ 11,881,513	99,507,635	12.40%
2020-2021	13,220,229	96,748,466	13.66%
2019-2020	9,917,139	88,946,908	11.15%
2018-2019	8,793,020	86,598,385	10.15%
2017-2018	8,818,614	83,490,494	10.56%
2016-2017	8,880,831	79,943,505	11.11%
2015-2016	8,762,447	76,520,627	11.45%
2014-2015	8,612,834	72,405,068	11.90%
2013-2014	9,282,581	67,860,878	13.68%
2012-2013	9,955,659	65,181,993	15.27%

* Financial Solvency Ratio =
$$\frac{\text{Unassigned \& Assigned General Fund Balance}}{\text{Actual Revenues - less AEA Flowthrough}}$$

The financial solvency ratio measures movement and distribution of current assets. The financial solvency ratio represents a school district's year end position after payment of all current and outstanding or accrued liabilities.

Ranges utilized are:

TARGETED SOLVENCY POSITION:

Financial Solvency Ratio ranging from 7% to 17% of actual revenues. A school district is able to meet unforeseen financing requirements and presents a sound risk for the timely repayment of short-term obligations.

ACCEPTABLE SOLVENCY POSITION:

Financial Solvency Ratio ranging from 0% to 4.99% of actual revenues. Fund balance is considered adequate for short-term credit purposes as long as other local economic trends, such as property tax collections and enrollment are sound.

SOLVENCY ALERT:

A solvency alert exists if the school corporation has a negative solvency ratio up to -3.0% of actual revenues. A negative solvency position in this range warrants prompt management response but could be caused by operating revenue/expenditure fluctuations within one budget year.

SOLVENCY CONCERN:

A solvency concern exists if the school corporation has a negative solvency ratio in excess of -3.0% of actual revenues.

Source: School District Financial Records

Linn-Mar Community School District

**Schedule of Average Daily Membership (ADM), Average
Daily Attendance (ADA) and Ratio of ADA to ADM
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ending June 30,	Average Daily Membership (ADM)	Average Daily Attendance (ADA)	Ratio of ADA to ADM
2022	7,462	6,909	92.60%
2021	7,518	7,265	96.64%
2020	7,665	7,315	95.43%
2019	7,574	7,232	95.48%
2018	7,568	7,224	95.45%
2017	7,478	7,140	95.49%
2016	7,241	7,001	96.68%
2015	7,146	6,845	95.78%
2014	6,986	6,714	96.11%
2013	6,985	6,695	95.85%

Source: District Enrollment Records

Linn-Mar Community School District

**Open Enrolled Students
Last Ten Fiscal Years
(Unaudited)**

School Year	Open Enrollment In	Open Enrollment Out	Net Gain (Loss)
2022	665.2	690.5	(25)
2021	645.2	714.2	(69)
2020	622.3	657.9	(36)
2019	605.6	648	(42)
2018	608.6	599	10
2017	589.9	554.5	35
2016	565.5	571.4	(6)
2015	498.2	532.7	(35)
2014	474.8	513	(38)
2013	442	538	(96)

Source: School District Certified Enrollment Records

SINGLE AUDIT SECTION





Linn-Mar Community School District

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Indirect:				
U.S. Department of Agriculture:				
Pass-Through Iowa Department of Education:				
Child Nutrition Cluster Programs:				
School Breakfast Program	10.553	FY22 4552	\$ -	\$ 457,779
National School Lunch Program	10.555	FY22 4553	-	3,736,516
COVID-19 National School Lunch Program	10.555	FY22 4553	-	1,734
Commodities-DOD (Noncash)	10.555	FY22	-	174,993
Commodities (Noncash)	10.555	FY22	-	233,925
			-	4,147,168
Total Child Nutrition Cluster			-	4,604,947
COVID-19 Pandemic EBT Administrative Costs	10.649	FY22 4046	-	3,063
Total U.S. Department of Agriculture			-	4,608,010
U.S. Department of Education:				
Pass-Through Iowa Department of Education:				
Title I Grants to Local Educational Agencies	84.010	FY22 4501	-	669,704
Special Education Cluster (IDEA),				
Special Education Grants to States (IDEA, Part B)	84.027	FY22 4525	-	20,190 (1)
Career and Technical Education-				
Basic Grants to States	84.048	FY22 4531	-	57,814
Supporting Effective Instruction State Grants				
Federal Teacher Quality Program	84.367	FY22 4643	-	138,798
Student Support and Academic Enrichment Program	84.424	FY22 4669	-	39,133
Education Stabilization Fund:				
COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants				
	84.425B	FY22 4053	-	30,831
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund				
	84.425D	FY22 4055	-	3,776
COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund				
	84.425D	FY22 4048	-	512,414
			-	516,190
COVID-19 ARP- Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)				
	84.425U	FY22 4043	-	932,536
COVID-19 ARP- Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)				
	84.425U	FY22 4045	-	1,409,806
COVID-19 ARP- Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)				
	84.425U	FY22 4048	-	39,830
			-	2,382,172
COVID-19 ARP-Elementary and Secondary School Emergency Relief Homeless Children and Youth (ARP-HCY)				
	84.425W	FY22 4044		24,066
Total Education Stabilization Fund			-	2,953,259

Linn-Mar Community School District

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Pass-Through Grant Wood Area Education Agency:				
Special Education Cluster,				
Special Education Grants to States (IDEA, Part B)	84.027	FY22 4521	-	346,206 (1)
COVID-19 ARP-Special Education- Grants to States (IDEA, Part B)	84.027X	FY22 4031	-	53,411 (1)
			-	399,617
English Language Acquisition State Grants	84.365	FY22 4644	-	4,745
Total U.S. Department of Education				4,283,260
Total expenditures of federal awards			\$ -	\$ 8,891,270

(1) Total Federal Assistance Listing Number No. 84.027 and 84.027X \$419,807.

See notes to schedule of expenditures of federal awards.

Linn-Mar Community School District

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2022

Note 1. Basis of Presentation

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

Note 2. Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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





2999 North Tenth St.
Marion, IA 52302

Shannon Bisgard
Superintendent

Nathan Wear
Associate Superintendent

Dave Nicholson
Chief Financial Officer/Chief
Operating Officer

Leisa Breitfelder
Executive Director of
Student Services

Karla Christian
Chief HR Officer/Executive
Director of Communications

Jeri Ramos
Executive Director of
Technology Services

Sondra Nelson
President
Board of Education

Inspire Learning. Unlock Potential. **Empower Achievement.**

Linn-Mar Community School District

Summary Schedule of Prior Audit Findings Year Ended June 30, 2022

	Findings	Status	Reason For Recurrence and Corrective Action Plan
Findings Pertaining to the Financial Statements:			
2021-001	The District has insufficient	Not corrected.	The District has had personnel changes in the Business Office. See response and corrective action plan at 2022-001.
2020-001	segregation of duties over the		
2019-002	disbursement process.		
2018-001			
Findings Pertaining to Statutory Reporting:			
IV-D-21	The District did not obtain written bids, and did not obtain board approval to exempt purchase from board policy.	Not corrected.	The District has had personnel changes in the Business Office. See response and corrective action plan at IV-D-22.
IV-H-21	There were variances in certified enrollment certified to the state in October 2020.	Not corrected.	Student changes were not timely. See response and corrective action plan at IV-H-22.





**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
Linn-Mar Community School District
Marion, 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 Linn-Mar Community School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2022.

Our report included an emphasis of matter paragraph for the implementation of GASB Statement No. 87, *Leases*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Linn-Mar 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 Linn-Mar Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Linn-Mar Community School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about Linn-Mar Community School District's operations for the year ended June 30, 2022 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.

Linn-Mar Community School District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Linn-Mar 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bohnsack & Frommelt LLP

Moline, Illinois
December 20, 2022



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

To the Board of Education
Linn-Mar Community School District
Marion, Iowa

Opinion on Each Major Federal Program

We have audited Linn-Mar Community School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Linn-Mar Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Bohnsack & Frommelt LLP

Moline, Illinois
December 20, 2022



Linn-Mar Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

I. Summary of the Independent Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?

☐ Yes ☒ No

- Significant deficiency identified?

☒ Yes ☐ None Reported

- Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?

☐ Yes ☒ No

- Significant deficiency identified?

☐ Yes ☒ None Reported

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

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
Education Stabilization Fund:	
84.425B	COVID-19 Discretionary Grants: Rethink K-12 Education Models Grants
84.425D	COVID-19 Elementary and Secondary School Emergency Relief (ESSER II) Fund
84.425U	COVID-19 ARP-Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)
84.425W	COVID-19 ARP-Elementary and Secondary School Emergency Relief Homeless Children and Youth (ARP-HCY)

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

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

(Continued)

Linn-Mar Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2022

Part II: Findings Related to the Basic Financial Statements

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

2022-001

Finding: The District has insufficient segregation of duties over the disbursement process.

Condition: Employees that process disbursements also have access to edit the vendor master file, generate quick purchase orders, generate the checks, and prepare and upload the positive pay file to the bank.

Context: A good internal control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to its completion.

Effect: Misappropriations of assets or errors could occur and not be detected in a timely basis.

Cause: A limited number of personnel are involved in the disbursement function.

Recommendation: In general, authorization of new vendors, entering invoices into the accounting system, and processing of checks should be segregated from each other. We provide the following recommendations to strengthen the District's internal control system:

- We recommend the District remove the access to the vendor master file and remove access to generate quick purchase orders from employees processing invoices.
- We recommend that check sequence be formally logged and tracked by someone independent of the cash disbursement function to ensure all checks are appropriately approved and accounted for. Any gaps in sequence should be investigated and documented. The person accounting for check sequence should also ensure that all checks accounted for are listed on the listing sent to the Board for review each month, including any manual checks written between Board meetings or payroll deduction checks written on expenditure check stock.
- We recommend the warrants paid listing be provided to the Board of Education in check number order.

Response and Corrective Action Plan: The District will review current processes and realign duties and system access levels to improve internal controls within the design of the disbursement system.

Linn-Mar Community School District

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2022**

Part III: Findings and Questioned Costs for Federal Awards

Instances of noncompliance:

No matters were reported.

Internal control deficiencies:

No matters were reported.

Part IV: Other Findings Related to Statutory Reporting

IV-A-22

Certified Budget –

Finding 1: Expenditures for the year ended June 30, 2022 exceeded the amended certified budget in the instruction function.

Recommendation: The certified budget should be amended before expenditures are allowed to exceed the budget.

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

Conclusion: Response accepted.

Finding 2: The District exceeded its budget prior to passing its amendment in the other expenditure function, specifically due to debt expenditures relating to the current year bond refinancing.

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

Response and Corrective Action Plan: The District will amend future budgets in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion: Response accepted.

IV-B-22

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

IV-C-22

Travel Expense – No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

(Continued)

Linn-Mar Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2022

IV-D-22

Business Transactions – No business transactions between the District and District officials or employees were noted except for the following:

Finding: The District entered into a contract with Solution Tree, Inc. for professional development for \$33,700 during the year ended June 30, 2021. The District paid Solution Tree, Inc. \$6,740 during the 2021 fiscal year as a deposit upon execution of the agreement. The remaining balance of \$26,960 was paid in fiscal year 2022. This finding is a result of the following:

- The District's Associate Superintendent and Chief Academic Officer are employees of both the District and Solution Tree, Inc. The Associate Superintendent signed the agreement with Solution Tree, Inc. on April 12, 2021.
- Board Policy 803.1 states, "For goods and services costing more than \$25,000 and less than \$50,000, the superintendent (or designee) will receive quotes of the goods and services to be purchased prior to board approval...The board may elect to exempt certain professional services contracts from the thresholds and procedures outlined above." The Associate Superintendent and Chief Academic Officer did not obtain written bids from other vendors and did not obtain Board approval to exempt the purchase from District board policy.

Recommendation: We recommend the District require all contracts entered into resulting in \$25,000 or more of purchased goods and services follow Board Policy 803.1. We recommend the District implement a conflict of interest annual form that requires management employees and board members to annually list relationships or other employment that would represent a conflict of interest. We recommend the District require management employees or board members with a conflict of interest to abstain from purchasing goods and services from the vendor creating the conflict of interest.

Response and Corrective Action Plan: The District will review the current contracts with the vendor for proprietary and will review current processes to ensure compliance with District policy.

Conclusion: Response accepted.

IV-E-22

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

IV-F-22

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

IV-G-22

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

(Continued)

Linn-Mar Community School District

Schedule of Findings and Questioned Costs Year Ended June 30, 2022

IV-H-22

Certified Enrollment:

Finding: The Department of Management identified variances in certified enrollment certified to the state in October 2021.

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

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

Conclusion: Response accepted.

IV-I-22

Supplementary Weighting- No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-J-22

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

IV-K-22

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

IV-L-22

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

IV-M-22

Statewide Sales and Services Tax – No instances of noncompliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales and services tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2022, the District did not reduce tax levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

Beginning balance	\$ 6,495,345
Revenue / transfers in:	
Statewide sales and services tax revenue	9,160,188
Transfers in/other	14,622
Expenditures/transfers out:	
Transfers out	(9,606,137)
Capital outlay for facilities and property and equipment	(2,311,833)
Ending balance	<u><u>\$ 3,752,185</u></u>





2999 North Tenth St.
Marion, IA 52302

Shannon Bisgard
Superintendent

Nathan Wear
Associate Superintendent

David Nicholson
Chief Financial Officer/Chief
Operating Officer

Leisa Breitfelder
Executive Director of
Student Services

Karla Christian
Chief HR Officer/Executive
Director of Communications

Jeri Ramos
Executive Director of
Technology Services

Sondra Nelson
President
Board of Education

Inspire Learning. **Unlock Potential. Empower Achievement.**

Linn-Mar Community School District

Corrective Action Plan Year Ended June 30, 2022

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
Findings Pertaining to the Financial Statements:				
2022-001	The District has insufficient segregation of duties over the disbursement process.	See response and corrective action plan at 2022-001.	June 30, 2023	David Nicholson
Findings Pertaining to Statutory Reporting:				
IV-A-22	Expenditures for the year ended June 30, 2022 exceeded the amended certified budget in the instruction function.	See response and corrective action plan at IV-A-22	June 30, 2023	David Nicholson
	The District exceeded its budget prior to passing its amendment in the other expenditures function.	See response and corrective action plan at IV-A-22	June 30, 2023	David Nicholson
IV-D-22	The District did not obtain written bids, and did not obtain board approval to exempt purchase from board policy.	See response and corrective action plan at IV-D-22.	June 30, 2023	Shannon Bisgard
IV-H-22	There were variances in certified enrollment certified to the state in October 2021.	See response and corrective action plan at IV-H-22	June 30, 2023	David Nicholson