

PANORAMA COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2020

PANORAMA COMMUNITY SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2020

	<u>Page</u>
<u>Officials</u>	1
<u>Independent Auditor's Report</u>	2-3
<u>Management's Discussion and Analysis</u>	4-12
<u>Basic Financial Statements:</u>	<u>Exhibit</u>
Government-wide Financial Statements:	
Statement of Net Position	A 13
Statement of Activities	B 14-15
Governmental Fund Financial Statements:	
Balance Sheet	C 16
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	D 17
Statement of Revenues, Expenditures and Changes in Fund Balances	E 18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	F 19
Proprietary Funds Financial Statements:	
Statement of Net Position	G 20
Statement of Revenues, Expenses and Changes in Fund Net Position	H 21
Statement of Cash Flows	I 22
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position	J 23
Statement of Changes in Fiduciary Net Position	K 24
Notes to Financial Statements	25-40
<u>Required Supplementary Information:</u>	
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances – Budget and Actual – All Governmental Funds and Proprietary Funds	41-42
Notes to Required Supplementary Information – Budgetary Reporting	43
Schedule of the District's Proportionate Share of the Net Pension Liability	44-45
Schedule of District Contributions	46-47
Notes to Required Supplementary Information – Pension Liability	48
Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes	49
<u>Supplementary Information:</u>	<u>Schedule</u>
Nonmajor Governmental Funds:	
Combining Balance Sheet	1 50
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	2 51
Capital Project Funds:	
Combining Balance Sheet	3 52
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	4 53
Schedule of Changes in Special Revenue Fund - Student Activity Accounts	5 54
Schedule of Revenues by Source and Expenditures by Function – All Governmental Funds	6 55-56
<u>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</u>	57-58
<u>Schedule of Findings</u>	59-62

PANORAMA COMMUNITY SCHOOL DISTRICT

OFFICIALS  
JUNE 30, 2020

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
	<u>Board of Education</u>	
Deborah Westergaard	President	2023
Deb Douglass	Vice President	2021
Lila Lutz	Board Member	2021
Damon Crandall	Board Member	2023
Cale Kastner	Board Member	2021
	<u>School Officials</u>	
Shawn Holloway	Superintendent	Indefinite
Vanessa Phillips	Board Secretary	Indefinite
Symantha Crawford	Board Treasurer/School Business Official	Indefinite
Ahlers & Cooney, P.C.	Attorney	2021
Rick Engel	Attorney	2021



ANDERSON, LARKIN & CO., P.C.  
Certified Public Accountants  
*"Your Success Is Our Business."*

Kenneth E. Crosser, CPA  
April D. Crosser, CPA  
Michael J. Podliska, CPA  
Alexander T. Barr, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Panorama Community School District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Panorama Community School District, Panorama, Iowa, as of and for the year ended June 30, 2020, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles. This includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Panorama Community School District at June 30, 2020, and the respective changes in financial position and, where applicable, its cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## Other Matters

### *Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 4 through 12 and 41 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of the 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 U.S. generally accepted auditing standards, 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 Panorama Community School District's basic financial statements. Other auditors audited, in accordance with standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 6 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary 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. Such 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 U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 27, 2020 on our consideration of Panorama Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Panorama Community School District's internal control over financial reporting and compliance.

ANDERSON, LARKIN & CO., P.C.

Ottumwa, Iowa  
November 27, 2020

*Anderson, Larkin & Co., P.C.*

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Panorama 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, 2020. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

### 2020 FINANCIAL HIGHLIGHTS

- General Fund revenues increased from \$8,455,706 in fiscal year 2019 to \$8,541,323 in fiscal year 2020, while General Fund expenditures increased from \$8,203,060 in fiscal year 2019 to \$8,273,750 in fiscal year 2020. The District's General Fund balance increased from \$1,369,788 in fiscal 2019 to \$1,641,461 in fiscal 2020, a 19.83% increase.
- The District's total net position increased from \$6,840,040 at June 30, 2019 to \$8,163,809 at June 30, 2020. Total revenues increased from \$11,657,971 in fiscal year 2019 to \$11,771,862 in fiscal year 2020, a .98% increase, while total expenses decreased from \$10,963,487 in fiscal year 2019 to \$10,448,893 in fiscal year 2020, a 4.69% decrease compared to the prior year. Revenues increased mainly due to an increase in property tax while the expenses decreased primarily in instruction and support services functional areas.

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

The Fund Financial Statements tell how governmental and business-type activities services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the government-wide financial statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which Panorama Community School District acts solely as an agent or custodian for the benefit of those outside of the District.

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

Required Supplementary Information further explains and supports the financial statements with a comparison of the District's budget for the year, the District's proportionate share of the net pension liability and related contributions, as well as presenting the schedule of changes in the District's total OPEB liability, related ratios and notes.

Supplementary Information provides detailed information about the nonmajor governmental funds as well as the Capital Projects Fund accounts.

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

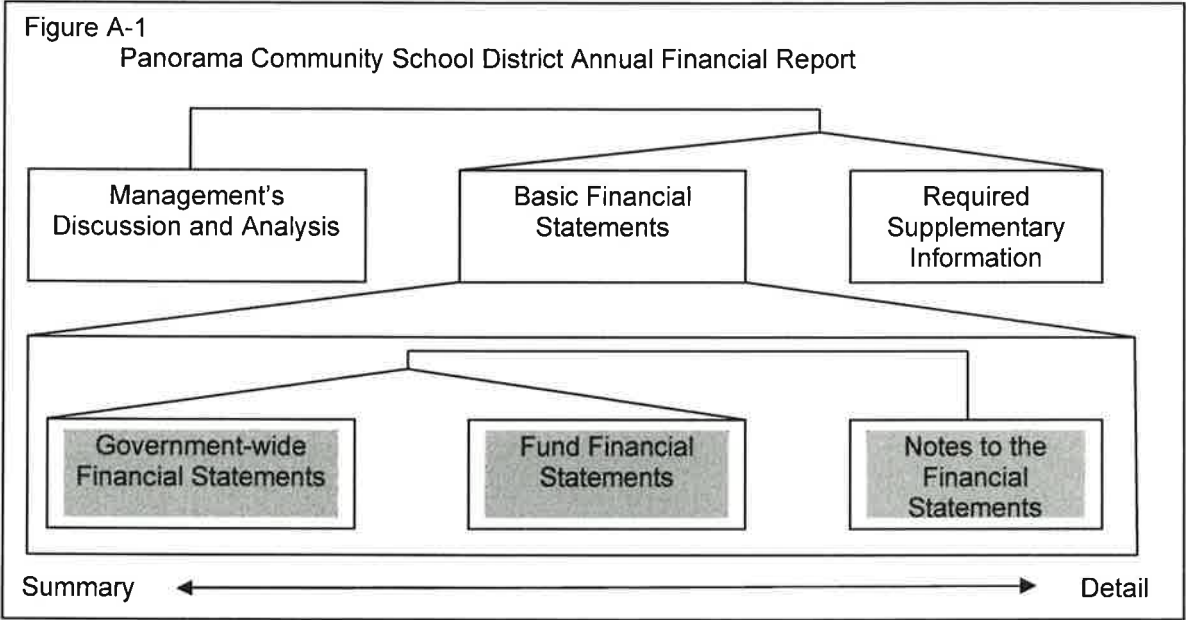




Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2 Major features of the Government-Wide and Fund Financial Statements				
	Government-wide statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food service	Instances in which the district administers resources on behalf of someone else, such as scholarship programs
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in fund net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow/inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/acquisition of fund balance that is applicable to a future reporting period	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/Acquisition of net position that is applicable to a future reporting period
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## Reporting the District's Financial Activities

### *Government-wide Financial Statements*

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

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



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

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

#### *Fund Financial Statements*

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

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

The District has three kinds of funds:

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

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

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

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

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

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

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position on June 30, 2020 compared to June 30, 2019.

Figure A-3  
Condensed Statement of Net Position

	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2020	2019	2020	2019	2020	2019	2019 -2020
Current and other assets	\$ 11,856,104	\$ 11,373,497	\$ 146,591	\$ 130,542	\$ 12,002,695	\$ 11,504,039	4.33%
Capital assets	<u>17,341,624</u>	<u>17,695,634</u>	<u>29,163</u>	<u>34,539</u>	<u>17,370,787</u>	<u>17,730,173</u>	(2.03)
Total assets	<u>29,197,728</u>	<u>29,069,131</u>	<u>175,754</u>	<u>165,081</u>	<u>29,373,482</u>	<u>29,234,212</u>	0.48
Deferred outflows of resources	<u>924,742</u>	<u>1,173,870</u>	<u>13,942</u>	<u>32,633</u>	<u>938,684</u>	<u>1,206,503</u>	(22.15)
Long-term liabilities	14,270,110	16,170,942	114,975	137,900	14,385,085	16,308,842	(11.80)
Other liabilities	<u>1,062,914</u>	<u>1,237,991</u>	<u>56,753</u>	<u>33,653</u>	<u>1,119,667</u>	<u>1,271,644</u>	(11.95)
Total liabilities	<u>15,333,024</u>	<u>17,408,933</u>	<u>171,728</u>	<u>171,553</u>	<u>15,504,752</u>	<u>17,580,486</u>	(11.81)
Deferred inflows of resources	<u>6,625,643</u>	<u>6,009,008</u>	<u>18,762</u>	<u>11,181</u>	<u>6,644,405</u>	<u>6,020,189</u>	10.37
Net position:							
Net investment in capital assets	7,571,624	6,945,634	29,163	34,539	7,600,787	6,980,173	8.89
Restricted	3,255,120	3,166,301	-	-	3,255,120	3,166,301	2.81
Unrestricted	<u>(2,662,941)</u>	<u>(3,286,875)</u>	<u>(29,957)</u>	<u>(19,559)</u>	<u>(2,692,898)</u>	<u>(3,306,434)</u>	18.56
Total net position	\$ <u>8,163,803</u>	\$ <u>6,825,060</u>	\$ <u>(794)</u>	\$ <u>14,980</u>	\$ <u>8,163,009</u>	\$ <u>6,840,040</u>	19.34%

The District's total net position increased by 19.34%, or \$1,322,969, from the prior year. The largest portion of the District's net position is invested in capital assets (e.g., land, infrastructure, intangibles, buildings and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with resources other than capital assets.

Restricted net position represents resources subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. The District's restricted net position increased \$88,819, or 2.81% from the prior year. This increase is primarily due to the increase in fund balance of the Capital Projects: Statewide Sales, Services and Use Tax Fund from the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements – increased \$613,536, or 18.56%. This increase in unrestricted net position was primarily due to the decrease in the District's total OPEB and pension liabilities from the prior year.

Figure A-4 shows the change in net position for the year ended June 30, 2020 compared to the year ended June 30, 2019.

Figure A-4 Change in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2020	2019	2020	2019	2020	2019	2019- 2020
Revenues							
Program revenues:							
Charges for services	\$ 428,565	\$ 723,771	\$ 158,292	\$ 227,891	\$ 586,857	\$ 951,662	(38.33)%
Operating grants, contributions and restricted interest	605,930	631,179	323,573	250,100	929,503	881,279	5.47
General revenues:							
Property tax	5,555,918	5,305,235	-	-	5,555,918	5,305,235	4.73
Income surtax	232,705	242,938	-	-	232,705	242,938	(4.21)
Statewide sales, services and use tax	722,428	724,934	-	-	722,428	724,934	(0.35)
Unrestricted state grants	3,619,340	3,420,647	-	-	3,619,340	3,420,647	5.81
Unrestricted investment earnings	92,078	41,453	1,181	1,235	93,259	42,688	118.47
Other	15,550	88,409	16,302	179	31,852	88,588	(64.04)
Total revenues	11,272,514	11,178,566	499,348	479,405	11,771,862	11,657,971	0.98
Program expenses:							
Instruction	5,695,015	6,213,633	-	-	5,695,015	6,213,633	(8.35)
Support services	2,754,466	3,017,036	-	-	2,754,466	3,017,036	(8.70)
Non-instructional programs	-	-	515,122	479,743	515,122	479,743	7.37
Other expenses	1,484,290	1,253,075	-	-	1,484,290	1,253,075	18.45
Total expenses	9,933,771	10,483,744	515,122	479,743	10,448,893	10,963,487	(4.69)
Change in net position	1,338,743	694,822	(15,774)	(338)	1,322,969	694,484	90.50
Net position beginning of year	6,825,060	6,130,238	14,980	15,318	6,840,040	6,145,556	11.30
Net position end of year	\$ 8,163,803	\$ 6,825,060	\$ (794)	\$ 14,980	\$ 8,163,009	\$ 6,840,040	19.34%

In the fiscal year 2020, property tax, statewide sales and use tax and unrestricted state grants accounted for 87.80% of governmental activities revenue while charges for services and operating grants, contributions and restricted interest accounted for 96.50% of the revenue of the business-type activities.

The District's total revenues were approximately \$11.8 million, of which approximately \$11.3 million was for governmental activities and approximately \$.5 million was for business-type activities.

As shown in Figure A-4, the District as a whole experienced an .98% increase in revenues and a 4.69% decrease in expenses. Property tax increased \$250,683 from the prior year contributing to the increase in revenue. The decrease in expenses is primarily due to a decrease in instruction expenses incurred compared to the prior year.

## Governmental Activities

Revenues for governmental activities were \$11,272,514 and expenses were \$9,933,771 for the year ended June 30, 2020.

The following table (Figure A-5) presents the total and net cost of the District's major governmental activities: instruction, support services and other expenses for the year ended June 30, 2020 compared to the year ended June 30, 2019.

Figure A-5

Total and Net Cost of Governmental Activities							
<u>Total Cost of Services</u>				<u>Net Cost of Services</u>			
June 30,		Total Change		June 30,		Total Change	
	<u>2020</u>	<u>2019</u>	<u>2019-2020</u>		<u>2020</u>	<u>2019</u>	<u>2019-2020</u>
Instruction	\$ 5,695,015	\$ 6,213,633	(8.35)%	\$ 5,025,727	\$ 5,202,697		(3.40)%
Support services	2,754,466	3,017,036	(8.70)	2,688,254	2,970,737		(9.51)
Other expenses	<u>1,484,290</u>	<u>1,253,075</u>	18.45	<u>1,185,295</u>	<u>955,360</u>		24.10
Total expenses	\$ <u>9,933,771</u>	\$ <u>10,483,744</u>	<u>(5.25)%</u>	\$ <u>8,899,276</u>	\$ <u>9,128,794</u>		<u>(2.51)%</u>

For the year ended June 30, 2020:

- The cost financed by users of the District's programs was \$428,565.
- Federal and state governments along with contributions from local sources subsidized certain programs with grants and contributions totaling \$605,930.
- The net cost of governmental activities was financed with \$5,788,623 in property and other taxes, \$722,428 in statewide sales, services and use tax, \$3,619,340 in unrestricted state grants, \$92,078 in unrestricted investment earnings, and \$15,550 in other general revenues.

## Business Type Activities

Revenues of the District's business-type activities for the year-end June 30, 2020 totaled \$499,348 representing a 4.16% increase from the prior year, while expenses totaled \$515,122, a 7.37% increase from the prior year. The District's business-type activities include the School Nutrition Fund. Revenues of these activities were comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

## INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balance of \$4,778,049, an increase over last year's ending combined fund balances of \$4,374,818. The increase is primarily due to increases in fund balances of the Capital Projects Fund and the General Fund.

## Governmental Fund Highlights

- The District's General Fund balance from \$1,369,788 at June 30, 2019 to \$1,641,461 at June 30, 2020. An increase in local sources revenue was the primary reason for the increase in General Fund revenues from the previous year. Expenses increased mainly in the instruction area compared to the prior year.

## Governmental Fund Highlights (Continued)

- The Capital Projects Fund balance increased from \$2,553,796 at June 30, 2019 to \$2,642,702 at June 30, 2020. Revenues were relatively unchanged from the prior year and capital outlay expenses increased from the prior year. However, revenue still outpaced expenditures leading to the increase in fund balance compared to the prior year.
- The Debt Service Fund balance decreased from \$34,841 at June 30, 2019 to 34,428 at June 30, 2020. This decrease was due to an decrease in local tax revenue compared to the prior year.

## Proprietary Fund Highlights

The School Nutrition Fund net position decreased from \$14,980 at June 30, 2019 to \$(794) at June 30, 2020, representing a decrease of 105.3%. This decrease in net position was due mainly to an increase in operating expenses in the program compared to the prior year.

## BUDGETARY HIGHLIGHTS

Over the course of the year, Panorama Community School District made one amendment to its annual budget to reflect additional expenditures associated with other expenditures.

The District's revenues were \$81,797 less than budgeted revenues, a variance of .69%. The most significant variance resulted from the District receiving less in local source revenues than originally anticipated.

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

In spite of the District's budgetary practice, expenditures in the other expenditures functional areas exceeded the amounts budgeted due to the timing of expenditures at year-end without sufficient time to amend the certified budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2020, the District had invested \$17,370,787 net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net decrease of .003% from last year. More detailed information about the District's capital assets is available in Note 3 to the financial statements. Depreciation expense for the year was \$792,376.

The original cost of the District's capital assets was \$26,668,929. Governmental activities account for \$26,466,693 with the remainder of \$202,236 accounted for in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in the machinery and equipment which totaled \$355,257 at June 30, 2020, compared to \$289,313 reported at June 30, 2019. This increase resulted primarily from fixed asset purchases net of depreciation.

Figure A-6  
Capital Assets, Net of Depreciation

	Governmental Activities		Business Type Activities		Total District		Total Change	
	June 30,		June 30,		June 30,			
	2020	2019	2020	2019	2020	2019	2019-2020	
Land	\$ 207,582	\$ 207,582	\$ -	\$ -	\$ 207,582	\$ 207,582	-	%
Buildings	13,603,779	14,014,246	-	-	13,603,779	14,014,246	(2.93)	
Land improvements	3,204,169	3,219,032	-	-	3,204,169	3,219,032	(.46)	
Machinery and equipment	326,094	254,774	29,163	34,539	355,257	289,313	22.79	
Total	\$ 17,341,624	\$ 17,695,634	\$ 29,163	\$ 34,539	\$ 17,370,787	\$ 17,730,173	(2.03)	%

## Long-Term Debt

At June 30, 2020, the District had \$9,770,000 in total long-term debt outstanding. This represents a decrease of 9.11% from last year. (See Figure A-7) Additional information about the District's long-term liability is available in Note 4 to the financial statements.

The District had outstanding general obligation bonded indebtedness of \$6,675,000 at June 30, 2020.

The District had total outstanding revenue bonded indebtedness payable from the Capital Projects: Statewide Sales, Services and Use Tax Fund of \$3,095,000 at June 30, 2020.

Figure A-7 Outstanding Long-term Obligations				
	Total District June 30,		Total Change	
	2020	2019	2019-2020	
General obligation bonds	\$ 6,675,000	\$ 7,450,000	(10.40)	%
Revenue bonds	<u>3,095,000</u>	<u>3,300,000</u>	<u>(6.21)</u>	
Total long-term obligation	\$ <u>9,770,000</u>	\$ <u>10,750,000</u>	<u>(9.11)</u>	%

## ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District experienced a decline in enrollment. Certified enrollment for the 2019-2020 school year decreased by 2 students.
- The District's unspent balance remains healthy in fiscal year 2020. The District will continue to monitor the unspent balance and make adjustments to spending as needed in the future to maintain a healthy unspent balance.
- Continued concerns at the state level regarding state supplement aid will continue to play an important factor in meeting the needs of our District.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the central office, Superintendent or Board Secretary/Treasurer of the Panorama Community School District, 701 W. Main Street, Panora, Iowa, 50216.



## BASIC FINANCIAL STATEMENTS

## PANORAMA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION  
JUNE 30, 2020

	Governmental Activities	Business Type Activities	Total
<b>ASSETS:</b>			
Cash, cash equivalents and pooled investments	\$ 5,486,315	\$ 111,212	\$ 5,597,527
Receivables:			
Property tax:			
Delinquent	52,223	-	52,223
Succeeding year	5,831,879	-	5,831,879
Income surtax	211,765	-	211,765
Accounts	47,542	-	47,542
Due from other governments	226,380	33,075	259,455
Inventories	-	2,304	2,304
Capital assets not being depreciated:			
Land	207,582	-	207,582
Capital assets, net of accumulated depreciation:			
Buildings, land improvements and machinery and equipment	17,134,042	29,163	17,163,205
<b>TOTAL ASSETS</b>	<b>29,197,728</b>	<b>175,754</b>	<b>29,373,482</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pension related deferred outflows	924,742	13,942	938,684
<b>LIABILITIES:</b>			
Accounts payable	95,479	28,211	123,690
Salaries and benefits payable	883,085	-	883,085
Accrued interest payable	28,503	-	28,503
Deferred revenue	55,847	28,542	84,389
Long-term liabilities:			
Portion due within one year:			
General obligation bonds payable	790,000	-	790,000
Revenue bonds payable	310,000	-	310,000
Compensated absences payable	30,793	1,787	32,580
Portion due after one year:			
General obligation bonds payable	5,885,000	-	5,885,000
Revenue bonds payable	2,785,000	-	2,785,000
Net pension liability	3,718,435	94,172	3,812,607
Total OPEB liability	750,882	19,016	769,898
<b>TOTAL LIABILITIES</b>	<b>15,333,024</b>	<b>171,728</b>	<b>15,504,752</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable property tax revenue	5,831,879	-	5,831,879
Pension related deferred inflows	793,764	18,762	812,526
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>6,625,643</b>	<b>18,762</b>	<b>6,644,405</b>
<b>NET POSITION:</b>			
Net investment in capital assets	7,571,624	29,163	7,600,787
Restricted for:			
Categorical funding	118,532	-	118,532
Debt service	34,428	-	34,428
Management levy purposes	390,700	-	390,700
Student activities	68,758	-	68,758
School infrastructure	2,475,541	-	2,475,541
Physical plant and equipment	167,161	-	167,161
Unrestricted	(2,662,941)	(29,957)	(2,692,898)
<b>TOTAL NET POSITION</b>	<b>\$ 8,163,803</b>	<b>\$ (794)</b>	<b>\$ 8,163,009</b>

PANORAMA COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

		<u>Program Revenues</u>	
		<u>Charges for</u>	<u>Operating Grants,</u>
	<u>Expenses</u>	<u>Services</u>	<u>Contributions</u>
			<u>and Restricted</u>
			<u>Interest</u>
<u>FUNCTIONS/PROGRAMS:</u>			
Governmental activities:			
Instruction:			
Regular	\$ 3,479,699	\$ 336,598	\$ -
Special	1,079,903	-	32,472
Other	1,135,413	91,278	208,940
	<u>5,695,015</u>	<u>427,876</u>	<u>241,412</u>
Support services:			
Student	291,960	-	-
Instructional staff	479,916	-	-
Administration	754,493	-	-
Operation and maintenance of plant	753,964	-	-
Transportation	474,133	689	65,523
	<u>2,754,466</u>	<u>689</u>	<u>65,523</u>
Long-term debt interest	<u>271,719</u>	<u>-</u>	<u>-</u>
Capital outlay	242,972	-	-
Other expenditures:			
AEA flow through	298,995	-	298,995
Depreciation (unallocated)*	670,604	-	-
	<u>969,599</u>	<u>-</u>	<u>298,995</u>
Total governmental activities	<u>9,933,771</u>	<u>428,565</u>	<u>605,930</u>
Business type activities:			
Non-instructional programs:			
Food service operations	515,122	158,292	323,573
Total business type activities	<u>515,122</u>	<u>158,292</u>	<u>323,573</u>
Total	\$ <u>10,448,893</u>	\$ <u>586,857</u>	\$ <u>929,503</u>

GENERAL REVENUES:

Property tax levied for:	
General purposes	
Capital outlay	
Debt service	
Income surtax	
Statewide sales, services and use tax	
Unrestricted state grants	
Unrestricted investment earnings	
Other	
Total general revenues	

Changes in net position

Net position - Beginning of year

Net position - End of year

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

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business Type Activities	Total
\$ (3,143,101)	\$ -	\$ (3,143,101)
(1,047,431)	-	(1,047,431)
(835,195)	-	(835,195)
<u>(5,025,727)</u>	<u>-</u>	<u>(5,025,727)</u>
(291,960)	-	(291,960)
(479,916)	-	(479,916)
(754,493)	-	(754,493)
(753,964)	-	(753,964)
<u>(407,921)</u>	<u>-</u>	<u>(407,921)</u>
<u>(2,688,254)</u>	<u>-</u>	<u>(2,688,254)</u>
(271,719)	-	(271,719)
(242,972)	-	(242,972)
-	-	-
<u>(670,604)</u>	<u>-</u>	<u>(670,604)</u>
<u>(670,604)</u>	<u>-</u>	<u>(670,604)</u>
<u>(8,899,276)</u>	<u>-</u>	<u>(8,899,276)</u>
-	(33,257)	(33,257)
-	(33,257)	(33,257)
<u>(8,899,276)</u>	<u>(33,257)</u>	<u>(8,932,533)</u>
4,094,928	-	4,094,928
494,409	-	494,409
966,581	-	966,581
232,705	-	232,705
722,428	-	722,428
3,619,340	-	3,619,340
92,078	1,181	93,259
15,550	16,302	31,852
<u>10,238,019</u>	<u>17,483</u>	<u>10,255,502</u>
1,338,743	(15,774)	1,322,969
<u>6,825,060</u>	<u>14,980</u>	<u>6,840,040</u>
\$ <u>8,163,803</u>	\$ <u>(794)</u>	\$ <u>8,163,009</u>

## PANORAMA COMMUNITY SCHOOL DISTRICT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General	Capital Projects	Debt Service	Nonmajor	Total
<b>ASSETS</b>					
Cash, cash equivalents and pooled investments	\$ 2,427,673	\$ 2,575,749	\$ 25,793	\$ 457,100	\$ 5,486,315
Receivables:					
Property tax:					
Delinquent	36,330	4,600	8,935	2,358	52,223
Succeeding year	3,788,552	516,315	1,277,013	249,999	5,831,879
Income surtax	211,765	-	-	-	211,765
Accounts	47,542	-	-	-	47,542
Due from other funds	-	2,531	-	-	2,531
Due from other governments	165,550	60,830	-	-	226,380
<b>TOTAL ASSETS</b>	<b>\$ 6,677,412</b>	<b>\$ 3,160,025</b>	<b>\$ 1,311,741</b>	<b>\$ 709,457</b>	<b>\$ 11,858,635</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 94,171	\$ 1,008	\$ 300	\$ -	\$ 95,479
Salaries and benefits payable	883,085	-	-	-	883,085
Due to other funds	2,531	-	-	-	2,531
<b>TOTAL LIABILITIES</b>	<b>979,787</b>	<b>1,008</b>	<b>300</b>	<b>-</b>	<b>981,095</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenues:					
Succeeding year property tax	3,788,552	516,315	1,277,013	249,999	5,831,879
Income surtax	211,765	-	-	-	211,765
Other	55,847	-	-	-	55,847
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,056,164</b>	<b>516,315</b>	<b>1,277,013</b>	<b>249,999</b>	<b>6,099,491</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Categorical funding	118,532	-	-	-	118,532
Debt service	-	-	34,428	-	34,428
Management levy purposes	-	-	-	390,700	390,700
Student activities	-	-	-	68,758	68,758
School infrastructure	-	2,475,541	-	-	2,475,541
Physical plant and equipment	-	167,161	-	-	167,161
Unassigned:					
General	1,522,929	-	-	-	1,522,929
<b>TOTAL FUND BALANCES</b>	<b>1,641,461</b>	<b>2,642,702</b>	<b>34,428</b>	<b>459,458</b>	<b>4,778,049</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 6,677,412</b>	<b>\$ 3,160,025</b>	<b>\$ 1,311,741</b>	<b>\$ 709,457</b>	<b>\$ 11,858,635</b>

PANORAMA COMMUNITY SCHOOL DISTRICT

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020

<u>TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS</u>	\$	4,778,049
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.		17,341,624
Accounts receivable income surtax, is not available to finance current year expenditures and, therefore, is recognized as deferred inflows of resources in the governmental funds.		211,765
Accrued interest payable on long-term liabilities is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.		(28,503)
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources	\$	924,742
Deferred inflows of resources		<u>(793,764)</u>
		130,978
Long-term liabilities, including bonds payable, compensated absences, total OPEB liability, and net pension liability are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		<u>(14,270,110)</u>
<u>NET POSITION OF GOVERNMENTAL ACTIVITIES</u>	\$	<u>8,163,803</u>



## PANORAMA COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Total</u>
<u>REVENUES:</u>					
Local sources:					
Local tax	\$ 4,071,031	\$ 494,631	\$ 960,908	\$ 248,850	\$ 5,775,420
Tuition	388,828	-	-	-	388,828
Other	131,886	66,741	-	207,511	406,138
State sources	3,803,279	725,346	5,673	1,880	4,536,178
Federal sources	146,299	-	-	-	146,299
Total revenues	<u>8,541,323</u>	<u>1,286,718</u>	<u>966,581</u>	<u>458,241</u>	<u>11,252,863</u>
<u>EXPENDITURES:</u>					
Current:					
Instruction:					
Regular	3,446,079	56,053	-	70,639	3,572,771
Special	1,152,811	-	-	-	1,152,811
Other	950,459	-	-	210,013	1,160,472
	<u>5,549,349</u>	<u>56,053</u>	<u>-</u>	<u>280,652</u>	<u>5,886,054</u>
Support services:					
Student	300,486	-	-	-	300,486
Instructional staff	280,657	237,985	-	-	518,642
Administration	793,098	-	-	-	793,098
Operation and maintenance of plant	653,645	6,168	-	109,110	768,923
Transportation	397,520	47,226	-	25,414	470,160
	<u>2,425,406</u>	<u>291,379</u>	<u>-</u>	<u>134,524</u>	<u>2,851,309</u>
Capital outlay	-	562,880	-	-	562,880
Long-term debt:					
Principal	-	-	980,000	-	980,000
Interest and fiscal charges	-	-	274,494	-	274,494
	-	-	<u>1,254,494</u>	-	<u>1,254,494</u>
Other expenditures:					
AEA flow through	298,995	-	-	-	298,995
Total expenditures	<u>8,273,750</u>	<u>910,312</u>	<u>1,254,494</u>	<u>415,176</u>	<u>10,853,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>267,573</u>	<u>376,406</u>	<u>(287,913)</u>	<u>43,065</u>	<u>399,131</u>
Other financing sources (uses):					
Transfer in	-	-	287,500	-	287,500
Transfer out	-	(287,500)	-	-	(287,500)
Sale of equipment	4,100	-	-	-	4,100
Total other financing sources (uses)	<u>4,100</u>	<u>(287,500)</u>	<u>287,500</u>	<u>-</u>	<u>4,100</u>
Change in fund balances	271,673	88,906	(413)	43,065	403,231
<u>FUND BALANCES</u> - Beginning of year	<u>1,369,788</u>	<u>2,553,796</u>	<u>34,841</u>	<u>416,393</u>	<u>4,374,818</u>
<u>FUND BALANCES</u> - End of year	<u>\$ 1,641,461</u>	<u>\$ 2,642,702</u>	<u>\$ 34,428</u>	<u>\$ 459,458</u>	<u>\$ 4,778,049</u>

## PANORAMA 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, 2020

CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 403,231

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 current year are as follows:

Capital outlay	\$ 432,988	
Depreciation expense	<u>(786,999)</u>	(354,011)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Repayments are as follows:

Repaid	980,000
--------	---------

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 funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

2,775

Income surtax receivable is not available to finance expenditures of the current year and is recognized as deferred inflows of resources in the governmental funds.

12,682

The current year District IPERS contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position.

461,423

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 governmental funds, as follows:

Compensated absences	(2,392)	
Termination benefits	(11,724)	
Pension expense - IPERS	(644,035)	
Total OPEB liability	<u>490,794</u>	<u>(167,357)</u>

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,338,743

## PANORAMA COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 JUNE 30, 2020

	Non-Major Enterprise, School Nutrition
<u>ASSETS:</u>	
Current assets:	
Cash, cash equivalents and pooled investments	\$ 111,212
Due from other governments	33,075
Inventories	2,304
Total current assets	<u>146,591</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>29,163</u>
TOTAL ASSETS	<u>175,754</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension related deferred outflows	<u>13,942</u>
<u>LIABILITIES:</u>	
Current liabilities:	
Accounts payable	28,211
Unearned revenue	28,542
Total current liabilities	<u>56,753</u>
Noncurrent liabilities:	
Compensated absences	1,787
Net pension liability	94,172
Total OPEB liability	19,016
Total noncurrent liabilities	<u>114,975</u>
TOTAL LIABILITIES	<u>171,728</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Pension related deferred inflows	<u>18,762</u>
<u>NET POSITION:</u>	
Net investment in capital assets	29,163
Unrestricted	<u>(29,957)</u>
TOTAL NET POSITION	\$ <u>(794)</u>

PANORAMA COMMUNITY SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITIONPROPRIETARY FUNDYEAR ENDED JUNE 30, 2020

	<u>Non-Major Enterprise, School Nutrition</u>
Operating revenues:	
Local sources:	
Charges for service	\$ 158,292
Miscellaneous	16,302
Total operating revenues	<u>174,594</u>
Operating expenses:	
Non-instructional programs:	
Food service operations:	
Salaries	146,887
Benefits	48,886
Supplies	310,042
Other	3,930
Depreciation	5,377
Total operating expenses	<u>515,122</u>
Operating loss	<u>(340,528)</u>
Non-operating revenues:	
State sources	3,440
Federal sources	320,133
Interest income	1,181
Total non-operating revenues	<u>324,754</u>
Change in net position	(15,774)
<u>NET POSITION</u> - Beginning of year	<u>14,980</u>
<u>NET POSITION</u> - End of year	\$ <u>(794)</u>

## PANORAMA COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 YEAR ENDED JUNE 30, 2020

	Non-Major Enterprise, School Nutrition
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Cash received from sale of lunches and breakfasts	\$ 175,193
Cash received from miscellaneous	16,302
Cash payments to employees for services	(196,328)
Cash payments to suppliers for goods and services	(258,030)
Net cash used by operating activities	<u>(262,863)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>	
Repayment to general fund	28,558
State grants received	3,440
Federal grants received	216,569
Net cash provided by non-capital financing activities	<u>248,567</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest on investments	<u>1,181</u>
Net decrease in cash, cash equivalents and pooled investments	(13,115)
<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</u> - beginning of year	<u>124,327</u>
<u>CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS</u> - end of year	<u>\$ 111,212</u>
<u>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</u>	
Operating loss	\$ (340,528)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Commodities used	46,447
Depreciation	5,377
Increase in inventory	(606)
Increase in accounts payable	28,168
Decrease in salaries and benefits payable	(21,969)
Decrease in total OPEB liability	(12,430)
Decrease in net pension liability	(10,533)
Increase in deferred revenue	16,901
Increase in accrued compensated absences	38
Decrease in deferred outflows of resources	18,691
Increase in deferred inflows of resources	7,581
Net cash used by operating activities	<u>\$ (262,863)</u>

NON-CASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:

During the year ended June 30, 2020, the District received \$46,447 of federal commodities.

PANORAMA COMMUNITY SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITIONFIDUCIARY FUNDJUNE 30, 2020

Private
Purpose
Trust
Scholarship

ASSETS:

Cash, cash equivalents and pooled investments

\$ 127,184

LIABILITIES: NoneNET POSITION:

Restricted for scholarships

\$ 127,184



PANORAMA COMMUNITY SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITIONFIDUCIARY FUNDJUNE 30, 2020

Private Purpose Trust Scholarship
--

## Additions:

## Local sources:

Interest income

\$ 52

Total additions

52

## Deductions:

None

-

Change in net position

52

NET POSITION - beginning of year

127,132

NET POSITION - end of year

\$ 127,184

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Guthrie, Dallas and Greene County Assessor's Conference Board.

Basis of Presentation

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

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

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

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

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

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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

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

The District reports the following major governmental funds:

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

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

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

The District reports the following nonmajor proprietary fund.

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

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

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

Measurement Focus and Basis of Accounting

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

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

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund 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 non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

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

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

Cash, Cash Equivalents and Pooled Investments – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost 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, on the day of purchase, they have a maturity date no longer than three months.

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

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

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

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1½ % per month penalty for delinquent payments; is based on the January 1, 2018 assessed property valuations; is for the tax accrual period July 1, 2019 through June 30, 2020 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2019.

Due from Other Governments – Due from other governments represent amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

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

Capital Assets – Capital assets, which include property and furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ -
Buildings	5,000
Land improvements	5,000
Intangibles	25,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	5,000



PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

Capital Assets (Continued)

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Land improvements	20 years
Intangibles	5-15 years
Machinery and equipment	5-15 years

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

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

Unearned Revenue – Unearned revenues in the School Nutrition Fund are monies collected for lunches that have not yet been served. The lunch account balances will either be reimbursed or as served lunches. The revenue will be considered earned when services are provided. The lunch account balances are reflected on the Statement of Net Position in the Proprietary Funds.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2020. The compensated absences liability attributable to the governmental activities will be paid by the General Fund and the liability to the business type activities will be paid by the School Nutrition Fund.

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

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



PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position (Continued)

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

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position applicable to a 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 year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within sixty days after year-end.

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

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

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

Unassigned – All amounts not included in the preceding classifications.

Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2020, expenditures exceeded the amounts budgeted in the other expenditures function.

NOTE 2: CASH, CASH EQUIVALENTS AND POOLED INVESTMENTS

The District's deposits in banks on June 30, 2020, were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district. At June 30, 2020, the District had no such investments.

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 207,582	\$ -	\$ -	\$ 207,582
Total capital assets not being depreciated	<u>207,582</u>	<u>-</u>	<u>-</u>	<u>207,582</u>
Capital assets being depreciated:				
Buildings	19,762,799	43,088	-	19,805,887
Land improvements	4,393,144	202,187	-	4,595,331
Machinery and equipment	<u>1,670,180</u>	<u>187,713</u>	<u>-</u>	<u>1,857,893</u>
Total capital assets being depreciated	<u>25,826,123</u>	<u>432,988</u>	<u>-</u>	<u>26,259,111</u>
Less accumulated depreciation for:				
Buildings	5,748,553	453,555	-	6,202,108
Land improvements	1,174,112	217,050	-	1,391,162
Machinery and equipment	<u>1,415,405</u>	<u>116,394</u>	<u>-</u>	<u>1,531,799</u>
Total accumulated depreciation	<u>8,338,070</u>	<u>786,999</u>	<u>-</u>	<u>9,125,069</u>
Total capital assets being depreciated, net	<u>17,488,053</u>	<u>(354,011)</u>	<u>-</u>	<u>17,134,042</u>
Governmental activities capital assets, net	\$ <u>17,695,635</u>	\$ <u>(354,011)</u>	\$ <u>-</u>	\$ <u>17,341,624</u>
Business type activities:				
Machinery and equipment	\$ 202,236	\$ -	\$ -	\$ 202,236
Less accumulated depreciation	<u>167,696</u>	<u>5,377</u>	<u>-</u>	<u>173,073</u>
Business-type activities capital assets, net	\$ <u>34,540</u>	\$ <u>(5,377)</u>	\$ <u>-</u>	\$ <u>29,163</u>

Depreciation/amortization expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 28,492
Support services:	
Instructional staff	23,781
Operation and maintenance of plant	4,916
Transportation	59,206
Unallocated depreciation	<u>670,604</u>
Total governmental activities depreciation expense	\$ <u>786,999</u>
Business type activities:	
Food service operations	\$ <u>5,377</u>

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 4: LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2020, are summarized as follows:

		<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>						
General obligation bonds	\$	7,450,000	\$ -	\$ 775,000	\$ 6,675,000	\$ 790,000
Revenue bonds		3,300,000	-	205,000	3,095,000	310,000
Termination benefits		11,724	-	11,724	-	-
Compensated absences		33,185	30,793	33,185	30,793	30,793
Net pension liability		4,134,357	-	415,922	3,718,435	-
Total OPEB liability		<u>1,241,676</u>	<u>-</u>	<u>490,794</u>	<u>750,882</u>	<u>-</u>
<b>Total</b>	<b>\$</b>	<b><u>16,170,942</u></b>	<b>\$ <u>30,793</u></b>	<b>\$ <u>1,931,625</u></b>	<b>\$ <u>14,270,110</u></b>	<b>\$ <u>1,130,793</u></b>
<b>Business type activities:</b>						
Compensated absences	\$	1,749	\$ 1,787	\$ 1,749	\$ 1,787	\$ 1,787
Net pension liability		104,705	-	10,533	94,172	-
Total OPEB liability		<u>31,446</u>	<u>-</u>	<u>12,430</u>	<u>19,016</u>	<u>-</u>
<b>Total</b>	<b>\$</b>	<b><u>137,900</u></b>	<b>\$ <u>1,787</u></b>	<b>\$ <u>24,712</u></b>	<b>\$ <u>114,975</u></b>	<b>\$ <u>1,787</u></b>

General Obligation Bonds

Details of the District's June 30, 2020 general obligation indebtedness are as follows:

<u>Year Ending June 30,</u>	<u>Crossover Bond Issue June 24, 2015</u>			<u>Bond Refunding April 24, 2018</u>			<u>Total</u>		
	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	3.00%	\$ 100,000	\$ 150,225	2.2%	\$ 690,000	\$ 20,790	\$ 790,000	\$ 171,015	\$ 961,015
2022	3.00	500,000	147,225	2.2	255,000	5,610	755,000	152,835	907,835
2023	2.50	800,000	137,225	-	-	-	800,000	137,225	937,225
2024	2.50	825,000	117,225	-	-	-	825,000	117,225	942,225
2025	2.50	845,000	96,600	-	-	-	845,000	96,600	941,600
2026-2028	2.50-3.00	<u>2,660,000</u>	<u>156,625</u>	-	<u>-</u>	<u>-</u>	<u>2,660,000</u>	<u>156,625</u>	<u>2,816,625</u>
		\$ <u>5,730,000</u>	\$ <u>805,125</u>		\$ <u>945,000</u>	\$ <u>26,400</u>	\$ <u>6,675,000</u>	\$ <u>831,525</u>	\$ <u>7,506,525</u>

Revenue Bonds

Details of the District's June 30, 2020 statewide sales, services and use tax revenue bonded indebtedness are as follows:

<u>Issued March 24, 2015</u>				
<u>Year Ending June 30,</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	2.5%	\$ 310,000	\$ 77,375	\$ 387,375
2022	2.5	320,000	69,295	389,295
2023	2.5	325,000	61,625	386,625
2024	2.5	335,000	53,500	388,500
2025	2.5	345,000	45,125	390,125
2026-2029	2.5	<u>1,460,000</u>	<u>92,500</u>	<u>1,552,500</u>
		\$ <u>3,095,000</u>	\$ <u>399,420</u>	\$ <u>3,494,420</u>

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

**NOTE 4: LONG-TERM LIABILITIES** (Continued)

The District has pledged future statewide sales, services and use tax revenues to repay the \$4,070,000 of bonds issued March 24, 2015. The bonds were issued for the purpose of a new athletic complex and locker room. The bonds are repayable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through 2029. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District. Annual principal and interest payments on the bonds are expected to require nearly 40% of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$3,494,420. For the current year, \$205,000 was paid on principal and \$82,500 in interest was paid on the bonds and total statewide sales, services and use tax revenues were \$722,428.

- a) The District makes monthly transfers to a debt sinking account held by the District's bond paying agent.
- b) Monies in the revenue account shall be disbursed to make deposits into a sinking account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- c) Any monies remaining in the revenue account after the required transfer to the sinking account may be transferred to the project account to be used for any lawful purpose.

Termination Benefits

The District approved and offered a voluntary early retirement plan for employees during fiscal year 2018. Eligible employees must have been a professionally certified employee and have completed ten years of continuous years of full time or at least half time service to the District. Employees must have reached a minimum age of 55 on or before the June 30, 2018 in the calendar year of retirement. The application for early retirement was subject to approval by the Board of Education.

Employees that have been granted early retirement benefits receive a stipend equal to 40% of the employee's regular contractual salary from the salary schedule in effect during the employee's last year of employment. Employees may elect to continue participation in the District's group health insurance plan until eligible for Medicare benefits whether or not the employee actually applies for Medicare benefits.

The benefits were paid in two equal annual payments over a two-year period. The first payment in October 20, 2018 and the second on October 20, 2019.

Actual early retirement expenditures for the year ended June 30, 2020 totaled \$11,724.

**NOTE 5: INTERFUND TRANSFERS**

The detail of interfund transfers for the year ended June 30, 2020, is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
	Capital Projects:	
	Statewide Sales, Services	
Debt Service	and Use Tax	\$ <u>287,500</u>

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

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 6: PENSION PLAN – IPERS

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 P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

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

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, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

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

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

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

Disability and Death Benefits – A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits are 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 2020, 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, 2020 totaled \$474,872.



PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 6: PENSION PLAN – IPERS (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2020, the District reported a liability of \$3,812,607 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2019, the District's proportion was .0654013 percent, which was a decrease of .0015847 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$701,334. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,570	\$ 137,081
Changes of assumptions	408,385	-
Net difference between projected and actual earnings on IPERS' investments	-	429,635
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	44,857	245,810
District contributions subsequent to the measurement date	<u>474,872</u>	<u>-</u>
Total	\$ <u>938,684</u>	\$ <u>812,526</u>

\$474,872 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2021	\$ (41,791)
2022	159,866
2023	120,957
2024	93,540
2025	<u>16,142</u>
	\$ <u>348,714</u>

There were no non-employer contributing entities at IPERS.

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 6: PENSION PLAN – IPERS (Continued)

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

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

The actuarial assumptions used in the June 30, 2019 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 2019 valuation were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.0 %	5.60 %
International equity	15.0	6.08
Global smart beta equity	3.0	5.82
Core plus fixed income	27.0	1.71
Public credit	3.5	3.32
Public real assets	7.0	2.81
Cash	1.0	(.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	<u>100.0</u> %	

Discount Rate – The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to currently active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7 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 percent) or 1-percentage-point higher (8 percent) than the current rate.



PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 6: PENSION PLAN – IPERS (Continued)

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

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
District's proportionate share of the net pension liability	\$ 6,769,960	\$ 3,812,607	\$ 1,332,012

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

Payables to IPERS – At June 30, 2020, the District reported to IPERS of \$63,464 for legally required District contributions and \$42,287 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

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

Retired participants must be age 55 or older at retirement. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	<u>94</u>
Total	<u>95</u>

Total OPEB Liability – The District's total OPEB liability of \$769,898 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2020)	2.50% per annum.
Rates of salary increase (effective June 30, 2020)	3.50% per annum, including inflation.
Discount rate (effective June 30, 2020)	2.45% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2020)	6.40% initial rate decreasing by 0.10% annually to an ultimate rate of 4.00%.

Discount Rate – The discount rate used to measure the total OPEB liability was 2.45% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the SOA RPH-2017 total dataset mortality table fully generational using Scale MP-2017. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study with dates corresponding to those listed above.

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7: OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 1,273,122
Changes for the year:	
Service cost	128,565
Interest cost	39,849
Change in assumptions or other inputs	(654,238)
Benefit payments	<u>(17,400)</u>
Net Changes	(503,224)
Total OPEB liability end of year	\$ <u>769,898</u>

Changes of assumptions reflect a change in the discount rate from 3.13% in fiscal year 2019 to 2.45% in fiscal year 2020.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.45%) or 1% higher (3.45%) than the current discount rate.

	1% Decrease <u>(1.45%)</u>	Discount Rate <u>(2.45%)</u>	1% Increase <u>(3.45%)</u>
Total OPEB liability	\$ 835,004	\$ 769,898	\$ 709,306

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District as what the District's total OPEB liability would be if it was calculated using healthcare cost trend rates that are 1% lower (5.4%) or 1% higher (7.4%) than the current healthcare cost trend rates.

	1% Decrease <u>(5.40%)</u>	Healthcare Cost Trend Rate <u>(6.40%)</u>	1% Increase <u>(7.40%)</u>
Total OPEB liability	\$ 675,894	\$ 769,898	\$ 881,866

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2020, the District recognized OPEB expense of \$(485,824). Panorama Community School District elected to use the Alternative Measurement Method (AMM) as allowed by GASB Statement No. 75 for entities with fewer than 100 active and inactive employees. Certain items such as differences between expected and actual experience and changes in assumptions and other inputs are recognized in the current year when using the AMM and, therefore, there are no deferred outflows of resources or deferred inflows of resources related to OPEB.

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 8: RISK MANAGEMENT

The District is a member in the Iowa School Employees Benefits Association (ISEBA), an Iowa Code Chapter 28E Organization. ISEBA is a local government risk-sharing pool whose members include various schools throughout the State of Iowa. The Association was formed in July 1999 for the purpose of managing and funding employee benefits. The Association provides coverages and protection in the following categories: medical, life, accidental death and dismemberment and long-term disability.

The District's contributions, which include deficit recovery assessments, to the risk pool are recorded as expenditures from its General Fund at the time of payment to the risk pool. District contributions to ISEBA for the year ended June 30, 2020 were \$508,059.

Members agree to continue membership in the pool for a period of not less than one full year. After such period, a member who has given 30 days prior notice may withdraw.

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

NOTE 9: 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 \$298,995 for the year ended June 30, 2020 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

NOTE 10: TAX ABATEMENTS

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

Tax abatements of other entities

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2020 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax abatement program</u>	<u>Amount of Tax abated</u>
City of Panora	Urban renewal and economic development projects	\$ 4,593
City of Panora	Urban revitalization	\$ 7,650

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, 2020, this reimbursement amounted to \$2,460.

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 11: CATEGORICAL FUNDING

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

The District's ending restricted balances for categorical funding as of June 30, 2020, are comprised of the following programs:

<u>Program</u>	<u>Amount</u>
Home school assistance program	\$ 14,002
Gifted and talented programs	46,448
Teacher leadership state aid	41,882
Teacher salary supplement	8,926
Professional development for model core curriculum	5,423
Teacher development academies	<u>1,851</u>
Total	\$ <u>118,532</u>

NOTE 12: FINANCIAL CONDITION

The Enterprise Fund – School Nutrition had a deficit net position at June 30, 2020, of \$(794).

NOTE 13: SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 27, 2020, the date statements were available to be issued.

The COVID-19 outbreak is disrupting business across a range of industries in the United States and financial markets have experienced a significant decline. As a result, local, regional and national economies, including that of the District, may be adversely impacted. The extent of the financial impact of COVID-19 will depend on future developments, including the duration and spread, which are uncertain and cannot be predicted. Due to the uncertainties surrounding the outbreak, management cannot presently estimate the potential impact to the District's operations and finances.

## REQUIRED SUPPLEMENTARY INFORMATION

PANORAMA COMMUNITY SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES/EXPENSES AND  
CHANGES IN BALANCES -  
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS  
AND PROPRIETARY FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2020

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>	Total <u>Actual</u>
<u>REVENUES:</u>			
Local sources	\$ 6,570,386	\$ 175,775	\$ 6,746,161
State sources	4,536,178	3,440	4,539,618
Federal sources	<u>146,299</u>	<u>320,133</u>	<u>466,432</u>
Total revenues	<u>11,252,863</u>	<u>499,348</u>	<u>11,752,211</u>
<u>EXPENDITURES/EXPENSES:</u>			
Instruction	5,886,054	-	5,886,054
Support services	2,851,309	-	2,851,309
Non-instructional programs	-	515,122	515,122
Other expenditures	<u>2,116,369</u>	<u>-</u>	<u>2,116,369</u>
Total expenditures/expenses	<u>10,853,732</u>	<u>515,122</u>	<u>11,368,854</u>
Excess (deficiency) of revenues over (under) expenditures/expenses	399,131	(15,774)	383,357
Other financing sources, net	<u>4,100</u>	<u>-</u>	<u>4,100</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures/expenses and other financing uses	403,231	(15,774)	387,457
<u>BALANCE</u> - Beginning of year	<u>4,374,818</u>	<u>14,980</u>	<u>4,389,798</u>
<u>BALANCE</u> - End of year	\$ <u>4,778,049</u>	\$ <u>(794)</u>	\$ <u>4,777,255</u>

Budgeted Amounts		Final to Actual Variance
Original	Final	
\$ 6,879,710	\$ 6,879,710	\$ (133,549)
4,547,898	4,547,898	(8,280)
<u>405,219</u>	<u>405,219</u>	<u>61,213</u>
<u>11,832,827</u>	<u>11,832,827</u>	<u>(80,616)</u>
6,101,362	6,101,362	215,308
2,749,436	3,000,000	148,691
458,116	575,000	59,878
<u>2,013,678</u>	<u>2,013,678</u>	<u>(102,691)</u>
<u>11,322,592</u>	<u>11,690,040</u>	<u>321,186</u>
510,235	142,787	240,570
<u>20,765</u>	<u>20,765</u>	<u>(16,665)</u>
531,000	163,552	223,905
<u>4,552,382</u>	<u>4,552,382</u>	<u>(162,584)</u>
\$ <u>5,083,382</u>	\$ <u>4,715,934</u>	\$ <u>61,321</u>



PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -  
BUDGETARY REPORTING  
YEAR ENDED JUNE 30, 2020

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 for the 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 a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functional areas are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment, increasing budgeted expenditures by \$367,448.

During the year ended June 30, 2020, expenditures in the other expenditures function exceeded the amounts budgeted.

PANORAMA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
FOR THE LAST SIX FISCAL YEARS\*

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.065101 %	0.066986 %
District's proportionate share of the net pension liability	\$ 3,812,607	\$ 4,239,062
District's covered-employee payroll	\$ 5,001,372	\$ 5,026,254
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	76.23 %	84.34 %
IPERS' net position as a percentage of the total pension liability	85.45 %	83.62 %

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

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.069541 %	0.072246 %	0.070464 %	0.068048 %
\$ 4,632,326	\$ 4,546,682	\$ 3,481,273	\$ 2,698,722
\$ 5,213,315	\$ 5,184,658	\$ 4,827,436	\$ 4,452,777
88.86 %	87.69 %	72.11 %	60.61 %
82.21 %	81.82 %	85.19 %	87.61 %

PANORAMA COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 474,872	\$ 472,130	\$ 448,844
Contributions in relation to the statutorily required contribution	<u>(474,872)</u>	<u>(472,130)</u>	<u>(448,844)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
District's covered-employee payroll	\$ 5,233,272	\$ 5,001,372	\$ 5,026,254
Contributions as a percentage of covered-employee payroll	9.44 %	9.44 %	8.93 %

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 465,549	\$ 462,990	\$ 431,090	\$ 397,633	\$ 390,716	\$ 365,955	\$ 307,470
<u>(465,549)</u>	<u>(462,990)</u>	<u>(431,090)</u>	<u>(397,633)</u>	<u>(390,716)</u>	<u>(365,955)</u>	<u>(307,470)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 5,213,315	\$ 5,184,658	\$ 4,827,436	\$ 4,452,777	\$ 4,506,528	\$ 4,534,758	\$ 4,424,029
8.93 %	8.93 %	8.93 %	8.93 %	8.67 %	8.07 %	6.95 %

PANORAMA COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY

YEAR ENDED JUNE 30, 2020

Changes of benefit terms:

There were no changes to 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%.

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

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

PANORAMA COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
TOTAL OPEB LIABILITY, RELATED RATIOS AND NOTES  
FOR THE LAST THREE YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 128,565	\$ 125,429	\$ 124,084
Interest cost	39,849	30,627	30,289
Changes in assumptions	(654,238)	148,451	(2,669)
Benefit payments	<u>(17,400)</u>	<u>(9,896)</u>	<u>(9,896)</u>
Net change in total OPEB liability	(503,224)	294,611	141,808
Total OPEB liability, beginning of year	<u>1,273,122</u>	<u>978,511</u>	<u>836,703</u>
Total OPEB liability, end of year	\$ <u>769,898</u>	\$ <u>1,273,122</u>	\$ <u>978,511</u>
Covered-employee payroll	\$ 4,800,000	\$ 4,900,000	\$ 3,848,128
Total OPEB liability as a percentage of covered - employee payroll	16.04%	25.98%	25.43%

Notes to Schedule of Changes in the District's Total OPEB Liability and Related Ratios

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2020	2.45%
Year ended June 30, 2019	3.13%
Year ended June 30, 2018	3.62%
Year ended June 30, 2017	3.56%



## SUPPLEMENTARY INFORMATION

## PANORAMA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

ASSETS	Special Revenue		Total Nonmajor Governmental Funds
	Student Activity	Management	
Cash, cash equivalents and pooled investments	\$ 68,758	\$ 388,342	\$ 457,100
Receivables:			
Property tax:			
Delinquent	-	2,358	2,358
Succeeding year	-	249,999	249,999
<b>TOTAL ASSETS</b>	<b>\$ 68,758</b>	<b>\$ 640,699</b>	<b>\$ 709,457</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
None	\$ -	\$ -	\$ -
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenues:			
Succeeding year property tax	-	249,999	249,999
<b>FUND BALANCES:</b>			
Restricted for:			
Student activities	68,758	-	68,758
Management levy purposes	-	390,700	390,700
Total fund balances	68,758	390,700	459,458
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 68,758</b>	<b>\$ 640,699</b>	<b>\$ 709,457</b>

## PANORAMA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020

	<u>Special Revenue</u>		<u>Total</u>
	<u>Student</u>	<u>Management</u>	<u>Nonmajor</u>
	<u>Activity</u>	<u>Levy</u>	<u>Governmental</u>
			<u>Funds</u>
<u>REVENUES:</u>			
Local sources:			
Local tax	\$ -	\$ 248,850	\$ 248,850
Other	206,050	1,461	207,511
State sources	-	1,880	1,880
Total revenues	<u>206,050</u>	<u>252,191</u>	<u>458,241</u>
<u>EXPENDITURES:</u>			
Current:			
Instruction:			
Regular	-	70,639	70,639
Other	210,013	-	210,013
Support services:			
Operation and maintenance of plant	-	109,110	109,110
Transportation	-	25,414	25,414
Total expenditures	<u>210,013</u>	<u>205,163</u>	<u>415,176</u>
Excess (deficiency) of revenues over			
(under) expenditures	<u>(3,963)</u>	<u>47,028</u>	<u>43,065</u>
<u>FUND BALANCES</u> - Beginning of year	<u>72,721</u>	<u>343,672</u>	<u>416,393</u>
<u>FUND BALANCES</u> - End of year	\$ <u>68,758</u>	\$ <u>390,700</u>	\$ <u>459,458</u>

## PANORAMA COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET  
CAPITAL PROJECT FUNDS  
JUNE 30, 2020

<u>ASSETS</u>	Statewide Sales, Service and Use Tax	Physical Plant and Equipment Levy	Total Capital Project Funds
Cash, cash equivalents and pooled investments	\$ 2,415,129	\$ 160,620	\$ 2,575,749
Receivables:			
Property tax:			
Delinquent	-	4,600	4,600
Succeeding year	-	516,315	516,315
Due from other funds	590	1,941	2,531
Due from other governments	<u>60,830</u>	<u>-</u>	<u>60,830</u>
TOTAL ASSETS	\$ <u>2,476,549</u>	\$ <u>683,476</u>	\$ <u>3,160,025</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ <u>1,008</u>	\$ <u>-</u>	\$ <u>1,008</u>
 <u>DEFERRED INFLOWS OF RESOURCES:</u>			
Unavailable revenues:			
Succeeding year property tax	<u>-</u>	<u>516,315</u>	<u>516,315</u>
 <u>FUND BALANCES:</u>			
Restricted for:			
School infrastructure	2,475,541	-	2,475,541
Physical plant and equipment	<u>-</u>	<u>167,161</u>	<u>167,161</u>
Total fund balances	<u>2,475,541</u>	<u>167,161</u>	<u>2,642,702</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ <u>2,476,549</u>	\$ <u>683,476</u>	\$ <u>3,160,025</u>

## PANORAMA COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
CAPITAL PROJECT FUNDS  
YEAR ENDED JUNE 30, 2020

	Statewide Sales, Service and <u>Use Tax</u>	Physical Plant and Equipment <u>Levy</u>	Total Capital Project <u>Funds</u>
<u>REVENUES:</u>			
Local sources:			
Local tax	\$ -	\$ 494,631	\$ 494,631
Other	30,570	36,171	66,741
State sources	722,428	2,918	725,346
Total revenues	<u>752,998</u>	<u>533,720</u>	<u>1,286,718</u>
<u>EXPENDITURES:</u>			
Current:			
Instruction:			
Regular	459	55,594	56,053
Support services:			
Instructional staff	119,480	118,505	237,985
Operation and maintenance of plant	6,084	84	6,168
Transportation	-	47,226	47,226
Other expenditures:			
Capital outlay	144,531	418,349	562,880
Total expenditures	<u>270,554</u>	<u>639,758</u>	<u>910,312</u>
Excess (deficiency) of revenues over (under) expenditures	<u>482,444</u>	<u>(106,038)</u>	<u>376,406</u>
Other financing uses:			
Transfer out	(287,500)	-	(287,500)
Total other financing uses	<u>(287,500)</u>	<u>-</u>	<u>(287,500)</u>
Change in fund balances	<u>194,944</u>	<u>(106,038)</u>	<u>88,906</u>
<u>FUND BALANCES</u> - Beginning of year	<u>2,280,597</u>	<u>273,199</u>	<u>2,553,796</u>
<u>FUND BALANCES</u> - End of year	\$ <u>2,475,541</u>	\$ <u>167,161</u>	\$ <u>2,642,702</u>

PANORAMA COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND -  
STUDENT ACTIVITY ACCOUNTS  
YEAR ENDED JUNE 30, 2020

<u>Account</u>	<u>Balance Beginning of Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Intrafund Transfers</u>	<u>Balance End of Year</u>
Drama	\$ 1,837	\$ 2,072	\$ 3,899	\$ -	\$ 10
Speech	-	4,877	2,174	(525)	2,178
Vocal	100	-	-	-	100
Instruments - Elem Band	2,837	7,650	4,354	-	6,133
Volleyball	2,598	7,339	2,763	-	7,174
Track	-	3,448	5,964	2,516	-
Cross Country	3,636	1,793	2,209	-	3,220
Golf	142	1,500	6,986	5,344	-
Girls basketball	1,166	72	1,625	387	-
Boys basketball	120	1,050	1,574	500	96
Football	62	17,702	19,331	1,570	3
Boys soccer	12	-	-	-	12
Baseball	1,519	626	955	-	1,190
Softball	3	7,311	7,963	650	1
Wrestling	-	1,264	7,458	6,195	1
Misc. athletics	79	14,201	22,679	8,400	1
Officials	79	-	14,477	14,400	2
Dare	626	-	158	(31)	437
Spanish club	343	-	-	-	343
Tag	2,241	-	-	-	2,241
Student council	4,247	2,090	1,415	-	4,922
MS student council	2,883	515	-	-	3,398
National honor society	7	-	385	380	2
FCA	1,866	-	148	(145)	1,573
FCCLA	106	-	-	-	106
FFA	5,731	28,621	30,374	-	3,978
Science	87	-	22	-	65
Java Jazz	1,449	-	-	-	1,449
Art club	400	-	-	-	400
Music club	12,872	36,712	42,555	-	7,029
Robotics club	65	-	-	-	65
Annual	15,906	4,380	5,548	(2,685)	12,053
Drill team	1	2,230	3,992	1,980	219
Cheerleaders	852	850	3,482	1,780	-
Wrestling cheerleaders	-	86	-	(86)	-
Technology	1	2,113	1,954	299	459
General	100	46,019	5,119	(40,934)	66
Class of 2019	588	-	-	(588)	-
Class of 2020	7,850	4,755	6,182	196	6,619
Class of 2021	155	6,774	4,268	196	2,857
Class of 2022	155	-	-	201	356
Total	\$ 72,721	\$ 206,050	\$ 210,013	\$ -	\$ 68,758

PANORAMA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION -  
ALL GOVERNMENTAL FUNDS  
FOR THE LAST TEN YEARS

	Modified Accrual Basis Years Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues:				
Local sources:				
Local tax	\$ 5,775,420	\$ 5,515,750	\$ 5,394,647	\$ 4,903,960
Tuition	388,828	383,065	341,757	361,288
Other	406,138	474,375	455,736	399,086
State sources	4,536,178	4,613,023	4,576,256	4,648,764
Federal sources	<u>146,299</u>	<u>159,930</u>	<u>174,679</u>	<u>150,994</u>
Total revenues	\$ <u>11,252,863</u>	\$ <u>11,146,143</u>	\$ <u>10,943,075</u>	\$ <u>10,464,092</u>
Expenditures:				
Instruction:				
Regular	\$ 3,571,420	\$ 3,572,951	\$ 3,576,623	\$ 3,754,146
Special	1,152,811	1,089,601	1,148,151	1,106,845
Other	1,160,472	1,220,171	1,177,954	1,053,701
Support services:				
Student	300,486	291,894	217,313	281,824
Instructional staff	518,642	493,146	509,635	384,267
Administration	793,098	800,797	832,614	816,709
Operation and maintenance of plant	770,274	730,874	706,547	663,290
Transportation	470,160	561,910	458,464	552,058
Capital outlay	562,880	374,856	198,410	109,999
Long-term debt:				
Principal	980,000	960,000	8,715,000	785,000
Interest and other charges	274,494	296,560	636,562	671,062
Other expenditures:				
AEA flow-through	<u>298,995</u>	<u>297,715</u>	<u>299,068</u>	<u>291,944</u>
Total expenditures	\$ <u>10,853,732</u>	\$ <u>10,690,475</u>	\$ <u>18,476,341</u>	\$ <u>10,470,845</u>



SCHEDULE 6

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 5,033,588	\$ 4,937,716	\$ 5,039,961	\$ 5,632,003	\$ 5,572,369	\$ 5,246,317
353,199	404,264	376,604	311,782	315,380	382,307
529,404	452,939	416,023	401,946	472,313	774,441
4,376,126	4,391,243	4,178,245	3,246,943	3,423,823	3,273,908
<u>167,327</u>	<u>183,142</u>	<u>161,154</u>	<u>183,355</u>	<u>312,606</u>	<u>381,705</u>
\$ <u>10,459,644</u>	\$ <u>10,369,304</u>	\$ <u>10,171,987</u>	\$ <u>9,776,029</u>	\$ <u>10,096,491</u>	\$ <u>10,058,678</u>
\$ 3,759,998	\$ 3,728,503	\$ 3,146,065	\$ 3,165,214	\$ 3,234,296	\$ 3,264,823
1,093,884	870,959	888,288	788,896	709,779	710,690
1,139,532	1,194,481	1,210,204	1,112,609	1,199,094	1,127,251
285,973	220,558	212,721	200,978	127,392	178,467
489,010	604,224	508,912	422,634	409,375	313,037
862,560	810,516	762,038	690,722	699,762	644,362
704,891	653,684	681,173	696,993	690,082	698,061
504,090	562,378	515,500	570,933	566,977	636,413
3,529,591	1,523,516	226,694	109,342	351,631	4,149,241
736,000	555,000	535,000	535,000	490,000	482,608
696,760	442,814	452,366	463,235	515,030	530,674
<u>285,276</u>	<u>285,711</u>	<u>284,332</u>	<u>273,595</u>	<u>276,362</u>	<u>304,077</u>
\$ <u>14,087,565</u>	\$ <u>11,452,344</u>	\$ <u>9,423,293</u>	\$ <u>9,030,151</u>	\$ <u>9,269,780</u>	\$ <u>13,039,704</u>



ANDERSON, LARKIN & CO., P.C.  
Certified Public Accountants  
"Your Success Is Our Business."

Kenneth E. Crosser, CPA  
April D. Crosser, CPA  
Michael J. Podliska, CPA  
Alexander T. Barr, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Education of  
Panorama Community School District:

We have audited, in accordance with U.S. generally accepted auditing standards 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 Panorama Community School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Panorama Community School District's basic financial statements and have issued our report thereon dated November 27, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Panorama Community School District's internal control over financial reporting to determine the 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 Panorama Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Panorama Community School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we identified a deficiency in internal control we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Findings as item II-A-20 to be a material weakness.

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.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Panorama Community School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance or other matters which are described in Part III of the accompanying schedule of findings.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2020, 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.

## Panorama Community School District's Response to Findings

Panorama Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. Panorama Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## Purpose of this Report

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

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

ANDERSON, LARKIN & CO., P.C.

*Anderson, Larkin & Co., P.C.*

Ottumwa, Iowa  
November 27, 2020

PANORAMA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2020

PART I: SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS:

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

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

II-A-20 Segregation of Duties

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

Condition – One important aspect of the internal control structure is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. One individual has control over one or more of the following areas for the District:

- 1) Cash – handling and recording cash, posting and reconciling.
- 2) Investments – investing, detailed recordkeeping, custody of investments and reconciling earnings.
- 3) Inventories – Ordering, receiving, issuing and storing.
- 4) Disbursements – purchase order processing, check preparation, mailing and recording.
- 5) Payroll – recording approved pay rates and deductions, recordkeeping, preparation, posting and distribution.
- 6) Transfers – preparing and approving.
- 7) Financial reporting – preparing, reconciling and approving.
- 8) Computer systems – performing all general accounting functions and controlling all data input and output.

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

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

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

Response – The District continues to evaluate this deficiency. Cash handling is counted by two individuals. Deposits are taken to the Bank by a person who doesn't record deposits. Deposit slips are then matched to deposit. Payroll contracts are reviewed in system. Payroll is reviewed by the Business manager and administrative assistant. Both are entering data for payroll. District is currently creating a manual. Bank reconciliations are given to the Board to review as part of the packet each month.

Conclusion – Response accepted.

PANORAMA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2020

PART III: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

- III-A-20 Certified Budget – Expenditures for the year ended June 30, 2020 exceeded the certified budget amounts in the other expenditure function.

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

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

Conclusion – Response accepted.

- III-B-20 Questionable Expenditures – No expenditures we believe may not meet the requirements for public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

- III-C-20 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.

- III-D-20 Business Transactions – Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, title and business connection</u>	<u>Transaction description</u>	<u>Amount</u>
Tina Arganbright, Elementary Secretary		
Father-in-law owns Arganbright Construction	Construction services	\$ 4,267
Mother-in-law owns Bryton Insurance Agency	Property Insurance	\$ 148,626
Vanessa Phillips, District Administrative Assistant		
Father owns Rick Knowlton Electrical Services	Services	\$ 5,637
Daughter Gracie Phillips, Summer custodian	Services	1,255
Shawn Holloway, Superintendent		
Abbi Holloway, Summer custodian	Services	\$ 1,215

In accordance with the Attorney General's opinion dated November 9, 1976, the above transactions with the relatives of District employees do not appear to represent conflicts of interest.

- III-E-20 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.

- III-F-20 Bond Coverage – Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

- III-G-20 Board Minutes – We noted no transactions requiring Board approval which have not been approved by the Board.

PANORAMA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2020

PART III: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING: (Continued)

- III-H-20 Certified Enrollment – No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- III-I-20 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- III-J-20 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy.
- III-K-20 Certified Annual Report – The certified annual report was certified timely to the Iowa Department of Education and we noted no significant deficiencies in the amounts reported.
- III-L-20 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.
- III-M-20 Statewide Sales, Services and Use Tax – No instances of non-compliance with the allowable uses of the statewide sales, services and use 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, services, and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2020, the following information includes the amounts the District reported for the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$	2,280,597
Revenues:			
Other local tax revenues	\$	30,570	
Sales tax revenues		<u>722,428</u>	<u>752,998</u>
			3,033,595
Expenditures/transfers out:			
Instruction, regular		459	
Support services, instructional staff		119,480	
Support services, operational			
maintenance of plant		6,084	
Capital outlay		<u>144,531</u>	<u>270,554</u>
Transfers to other funds:			
Debt service fund		<u>287,500</u>	<u>287,500</u>
Ending balance		\$	<u>2,475,541</u>

For the year ended June 30, 2020, the District did not reduce any levies as a result of the money received under Chapter 423E or 423F of the Code of Iowa.



PANORAMA COMMUNITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2020

PART III: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING: (Continued)

III-N-20 Deficit Balance – The Enterprise Fund-School Nutrition had a deficit balance as of June 30, 2020.

Recommendation – The District should monitor the fund and investigate alternatives to eliminate the deficit.

Response – We are monitoring these situations. We are currently analyzing alternatives to reverse the deficit balance.

Conclusion – Response accepted.