

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2020

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West Delaware County Community School District

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education (Before November 2019 Election)		
Ed Poynor	President	2021
Bruce Mitchell	Vice President	2019
Linda Bessey	Board Member	2019
Dan Hogan	Board Member	2021
Carl Johnson	Board Member	2019
Board of Education (After November 2019 Election)		
Ed Poynor	President	2021
Bruce Mitchell	Vice President	2023
Sam Milroy	Board Member	2023
Dan Hogan	Board Member	2021
Carl Johnson	Board Member	2023
School Officials		
Dr. Kristen Rickey	Superintendent	2020
Lynnette Engel	Business Manager/Board Secretary	2020
Ahlers & Cooney, P.C.	Attorney	2020
Swisher & Cohrt, P.L.C.	Attorney	2020

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Certified Public Accountants
(a professional corporation)
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Telephone (641) 792-1910

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of West Delaware County 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 West Delaware County Community School District, Manchester, 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 Government 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 from 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 West Delaware County Community School District as of June 30, 2020, and the respective changes in financial position and, where applicable, 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 of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 7 through 15 and 48 through 53 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 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 West Delaware County Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the nine years ended June 30, 2019 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 12, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform guidance), 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 March 26, 2021, on our consideration of West Delaware County Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose

of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering West Delaware County Community School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Nolte, Cornman & Johnson PC". The signature is written in a cursive, flowing style.

NOLTE, CORNMAN & JOHNSON, P.C.

March 26, 2021
Newton, Iowa

MANAGEMENT'S DISCUSSION AND ANALYSIS

West Delaware County 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. The reader is encouraged to consider this information in conjunction with the District's financial statements, which follow.

2020 FINANCIAL HIGHLIGHTS

- The District's total net position increased from \$15,767,174, as of June 30, 2019 to \$16,192,420 at June 30, 2020. Total revenues increased 1.07% from \$20,832,718 in fiscal year 2019 to \$21,055,149 in fiscal year 2020, while expenses increased 3.81% from \$19,872,661 in fiscal year 2019 to \$20,629,903 during fiscal year 2020.
- General Fund revenues increased from \$16,411,574 in fiscal year 2019 to \$16,538,171 in fiscal year 2020, while General Fund expenditures increased from \$16,266,192 in fiscal year 2019 to \$16,552,429 in fiscal year 2020. This resulted in a 0.34% decrease in the General Fund balance from \$4,187,267 at June 30, 2019 to \$4,173,009 at June 30, 2020.
- The increase in General Fund revenues was attributable to an increase in state source revenues while the increase in expenses was due to increased expenses in the support services function.

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 West Delaware County Community School District as a whole and present an overall view of the District's finances.

The Fund Financial Statements tell how governmental and business type activities were financed in the short term as well as what remains for future spending. Fund financial statements report West Delaware County Community School District's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which West Delaware County 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, internal service funds, scholarship and agency accounts. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the District.

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

Figure A-1
West Delaware County Community School District Annual Financial Report

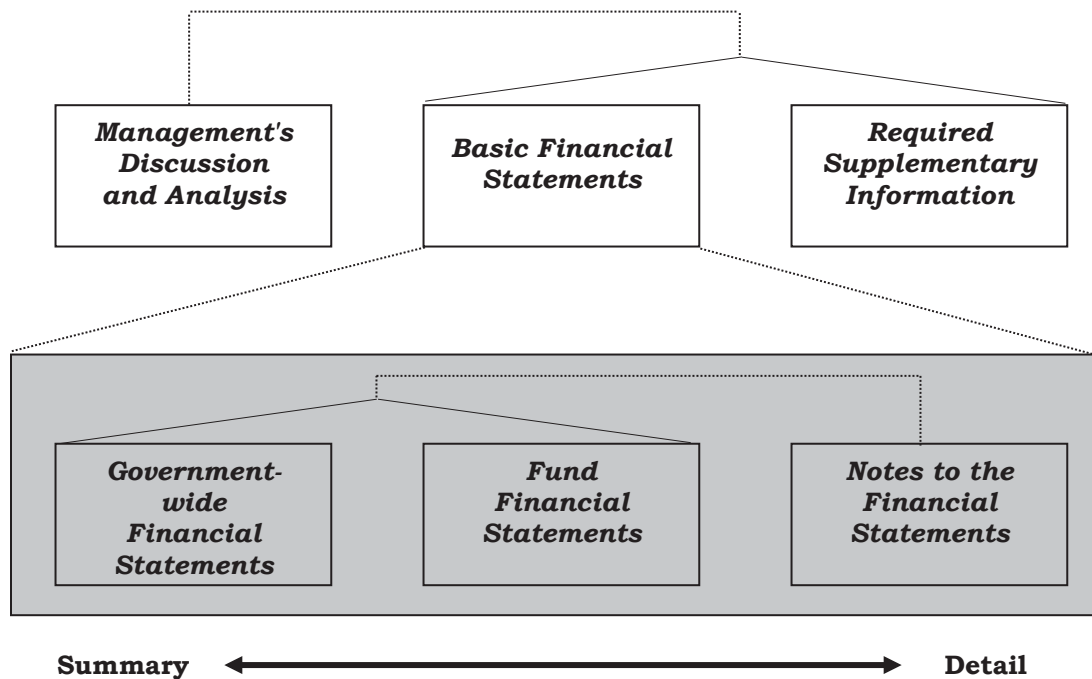


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenues, expenses and changes in fund net position Statement of cash flows 	<ul style="list-style-type: none"> Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow / inflow information	Consumption/acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of fund balance that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period.
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

REPORTING THE DISTRICT'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

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

The government-wide financial statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health or financial position. Over time, increases or

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

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

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

- 2) *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the government-wide financial statements. The District's enterprise fund, one type of proprietary fund, is the same as its business type activities, but provide more detail and additional information, such as cash flows. The District currently has one enterprise fund, the School Nutrition Fund. The District's Internal Service Fund, one type of proprietary fund, is the same as the governmental activities, but provides more detail and additional information, such as cash flows. The District currently has two Internal Service Funds, which account for the District's self-funded insurance plan and the tax saver flex plan.

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

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

- Private Purpose Trust Fund - The District accounts for outside donations for scholarships for individual students in this fund.
- Agency Funds - These are funds through which the District administers and accounts for certain revenues collected for academic boosters, camp intervention and HS hospitality and related expenditures.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Figure A-3 below provides a summary of the District's net position at June 30, 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	2019-20
Current and other assets	\$ 18,806,469	17,812,445	408,342	406,325	19,214,811	18,218,770	5.47%
Capital assets	17,431,716	17,633,380	90,831	114,107	17,522,547	17,747,487	-1.27%
Total assets	36,238,185	35,445,825	499,173	520,432	36,737,358	35,966,257	2.14%
Deferred outflows of resources	2,633,518	3,210,992	88,114	93,789	2,721,632	3,304,781	-17.65%
Long-term liabilities	13,209,896	15,093,898	297,926	315,087	13,507,822	15,408,985	-12.34%
Other liabilities	710,666	534,944	119,277	24,837	829,943	559,781	48.26%
Total liabilities	13,920,562	15,628,842	417,203	339,924	14,337,765	15,968,766	-10.21%
Deferred inflows of resources	8,875,864	7,514,555	52,941	20,543	8,928,805	7,535,098	18.50%
Net position:							
Net investment in capital assets	14,226,716	13,708,380	90,831	114,107	14,317,547	13,822,487	3.58%
Restricted	6,882,846	6,075,509	-	-	6,882,846	6,075,509	13.29%
Unrestricted	(5,034,285)	(4,270,469)	26,312	139,647	(5,007,973)	(4,130,822)	-21.23%
Total net position	\$ 16,075,277	15,513,420	117,143	253,754	16,192,420	15,767,174	2.70%

The District's total net position increased by \$425,246, or 2.70%, 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.

The District's restricted net position increased \$807,337, or 13.29%, from the prior year. The increase in restricted net position was primarily due to the increase in amount restricted for school infrastructure purposes compared to the prior year.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased \$877,151, or 21.23%. The decrease in unrestricted net position was due primarily a result of the increase in the District's General Fund balance.

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

Figure A-4 Changes in Net Position							
	Governmental Activities		Business Type Activities		Total District		Total Change
	2020	2019	2020	2019	2020	2019	2019-20
Revenues:							
Program revenues:							
Charges for service	\$ 1,136,808	1,432,906	279,975	375,770	1,416,783	1,808,676	-21.67%
Operating grants, contributions and restricted interest	1,675,550	1,501,757	670,263	422,569	2,345,813	1,924,326	21.90%
Capital grants, contributions and restricted interest	-	9,126	-	-	-	9,126	-100.00%
General revenues:							
Property tax	6,771,325	6,800,233	-	-	6,771,325	6,800,233	-0.43%
Income surtax	472,058	509,338	-	-	472,058	509,338	-7.32%
Statewide sales, services and use tax	1,491,682	1,482,557	-	-	1,491,682	1,482,557	0.62%
Unrestricted state grants	8,314,078	8,075,027	-	-	8,314,078	8,075,027	2.96%
Unrestricted investment earnings	128,074	92,725	2,994	3,975	131,068	96,700	35.54%
Other	108,664	124,055	3,678	2,680	112,342	126,735	-11.36%
Total revenues	20,098,239	20,027,724	956,910	804,994	21,055,149	20,832,718	1.07%
Program expenses:							
Instruction	12,449,672	12,287,128	-	-	12,449,672	12,287,128	1.32%
Support services	5,719,179	5,350,074	225	125	5,719,404	5,350,199	6.90%
Non-instructional programs	-	-	1,093,296	863,694	1,093,296	863,694	26.58%
Other expenses	1,367,531	1,371,640	-	-	1,367,531	1,371,640	-0.30%
Total expenses	19,536,382	19,008,842	1,093,521	863,819	20,629,903	19,872,661	3.81%
Change in net position	561,857	1,018,882	(136,611)	(58,825)	425,246	960,057	-55.71%
Net position beginning of year	15,513,420	14,494,538	253,754	312,579	15,767,174	14,807,117	6.48%
Net position end of year	\$ 16,075,277	15,513,420	117,143	253,754	16,192,420	15,767,174	2.70%

In fiscal year 2020, property tax, income surtax, statewide sales, services and use tax and unrestricted state grants accounted for 84.83% of the revenues from governmental activities while charges for service and operating grants and contributions accounted for 99.30% of the revenue from business type activities.

The District's total revenues were \$21,055,149, of which \$20,098,239 was for governmental activities and \$956,910 was for business type activities.

As shown in Figure A-4, the District as a whole experienced a 1.07% increase in revenues and a 3.81% increase in expenses. The increase in revenues was due to an increase in operating grants, contributions and restricted interest received compared to the previous year. The increase in expenses was related to an increase in support services expenses incurred compared to the previous year.

Governmental Activities

Revenues for governmental activities were \$20,098,239 and expenses were \$19,536,382 for the year ended June 30, 2020.

The following table presents the total and net cost of the District's major governmental activities: instruction, support services, non-instructional programs and other expenses, for the year ended June 30, 2020 compared to those expenses for the year ended June 30, 2019.

Figure A-5 Total and Net Cost of Governmental Activities						
Total Cost of Services			Net Cost of Services			
2020	2019	Change 2019-20	2020	2019	Change 2019-20	
Instruction	\$ 12,449,672	12,287,128	1.32%	10,645,392	10,187,195	4.50%
Support services	5,719,179	5,350,074	6.90%	5,382,076	5,169,791	4.11%
Other expenses	1,367,531	1,371,640	-0.30%	696,556	708,067	-1.63%
Total	\$ 19,536,382	19,008,842	2.78%	16,724,024	16,065,053	4.10%

For the year ended June 30, 2020:

- The cost financed by users of the District's programs was \$1,136,808.
- Federal and state governments along with contributions from local sources subsidized certain programs with grant and contributions totaling \$1,675,550.
- The net cost of governmental activities was financed with \$6,771,325 in property tax, \$472,058 in income surtax, \$1,491,682 in statewide sales, services and use tax, \$8,314,078 in unrestricted state grants, \$128,074 in interest income and \$108,664 in other general revenues.

Business Type Activities

Revenues of the District's business type activities for the year ended June 30, 2020 were \$956,910, an increase of 18.87% from the prior year and expenses were \$1,093,521, an increase of 26.59% from the prior year. The District's business type activities include the School Nutrition Fund. Revenues of these activities were primarily comprised of charges for service, federal and state reimbursements, investment income and other general revenues.

INDIVIDUAL FUND ANALYSIS

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

The financial performance of the District as a whole is reflected in its governmental funds, as well. As the District completed the year, its governmental funds reported combined fund balances of \$10,319,017, above last year's ending combined fund balances of \$9,767,156. The primary reason for the increase in combined fund balances for fiscal year 2020 is due to the increase in fund balance of the Capital Projects Fund.

Governmental Fund Highlights

- The General Fund balance decreased from \$4,187,267 at June 30, 2019 to \$4,173,009 at June 30, 2020. Revenues increased due to an increase in state sources revenue received. Expenditures increased due to an increase in support services costs incurred compared to the prior year.
- The Capital Projects Fund balance increased from \$4,020,171 at June 30, 2019 to \$4,835,033 at June 30, 2020. Revenues increased due to an increase in local revenues received and expenditures

increased due to an increase in support services expenditures. Total revenues outpaced total expenditures for fiscal year 2020.

- The Debt Service Fund balance increased from \$37,235 at June 30, 2019 to \$108,993 at June 30, 2020. Revenues increased due to an increase in local revenues received and expenditures increased due to an increase in bond payments incurred during the year. Total revenues outpaced total expenditures for fiscal year 2020.

Proprietary Fund Highlights

The School Nutrition Fund net position decreased from \$253,754 June 30, 2019 to \$117,143 at June 30, 2020, a decrease of 53.84%. The decrease in ending net position was primarily due to a decrease in charges for services received compared to the prior year. School Nutrition Fund revenues increased 18.87% when compared with the prior year and expenses increased 26.59% when compared with the prior year.

BUDGETARY HIGHLIGHTS

The District's revenues were \$265,594 more than budgeted revenues, a variance of 1.28%. The most significant variance resulted from the District receiving more from state sources than originally anticipated.

Total expenditures were less than budgeted, primarily due to the District's budget for the General Fund. It is the District's practice to budget expenditures using realistic projections based from prior year expenditures with a buffer built as to not exceed the annual budget. The District then manages or controls General Fund spending through its line-item budget. As a result, the District's certified budget should always exceed actual expenditures for the year.

In spite of the District's budgetary practice, expenditures in the support services and non-instructional functional areas exceeded the amounts budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the District had invested \$17,522,547, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, furnishings athletic facilities, computers, audio-visual equipment and transportation equipment. (See Figure A-6) This amount represents a net decrease of 1.27% from the prior year. More detailed information about the District's capital assets is available in Note 4 to the financial statements. Depreciation expense for the year was \$869,878.

The original cost of the District's capital assets was \$31,332,166. Governmental activities accounted for \$30,767,228 of this total with the remainder of \$564,938 accounted for in the Proprietary, School Nutrition Fund.

The largest percentage change in capital asset activity during the year occurred in the land improvements category. The District's land improvements totaled \$406,597 at June 30, 2020, compared to \$327,972 reported at June 30, 2019. This increase is primarily due to the completion of the exterior masonry project during the year.

Figure A-6 Capital Assets, Net of Depreciation							
	Governmental Activities		Business Type Activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2020	2019	2020	2019	2020	2019	2019-20
Land	\$ 273,000	273,000	-	-	273,000	273,000	0.00%
Buildings	15,870,335	16,258,237	-	-	15,870,335	16,258,237	-2.39%
Land improvements	406,597	327,972	-	-	406,597	327,972	23.97%
Machinery and equipment	881,784	774,171	90,831	114,107	972,615	888,278	9.49%
Total	<u>\$ 17,431,716</u>	<u>17,633,380</u>	<u>90,831</u>	<u>114,107</u>	<u>17,522,547</u>	<u>17,747,487</u>	<u>-1.27%</u>

Long-Term Debt

At June 30, 2020, the District had \$3,205,000 of total long-term debt outstanding. This represents a decrease of 18.34% from the prior year. (See Figure A-7) More detailed information about the District's long-term liabilities is available in Note 5 to the financial statements.

The District had general obligations bonds of \$3,205,000 at June 30, 2020 payable from the Debt Service Fund.

Figure A-7 Outstanding Long-Term Obligations			
	Total District		Total Change
	June 30,		June 30,
	2020	2019	2019-20
General obligation bonds	<u>\$ 3,205,000</u>	<u>3,925,000</u>	<u>-18.34%</u>

ECONOMIC FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- Depressed agricultural prices continue to be a concern and are likely reducing the amount of money flowing through the community.
- Dynamic groups continue to analyze additional potential for the area. Citizens work hand-in-hand with government and school officials to continually improve the community. The community has a tourism draw in the Whitewater Park and several annual festivals.
- State Aid funding levels and continued uncertainty until well into the budgeting season continues to be a challenge.

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 Lynnette Engel, Business Manager/Board Secretary, West Delaware County Community School District, 701 New Street, Manchester, Iowa, 52057.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT

BASIC FINANCIAL STATEMENTS

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business Type Activities	Total
Assets			
Cash and pooled investments	\$ 10,548,100	245,320	10,793,420
Receivables:			
Property tax:			
Delinquent	91,324	-	91,324
Succeeding year	7,153,720	-	7,153,720
Income surtax	461,676	-	461,676
Accounts	12,873	1,223	14,096
Due from other governments	538,776	95,667	634,443
Inventories	-	66,132	66,132
Capital assets not being depreciated:			
Land	273,000	-	273,000
Capital assets, net of accumulated depreciation			
Buildings and land improvements and machinery and equipment	17,158,716	90,831	17,249,547
Total assets	36,238,185	499,173	36,737,358
Deferred Outflows of Resources			
Pension related deferred outflows	1,944,188	67,161	2,011,349
OPEB related deferred outflows	689,330	20,953	710,283
Total Deferred Outflows of Resources	2,633,518	88,114	2,721,632
Liabilities			
Accounts payable	363,252	53,523	416,775
Salaries and benefits payable	310,816	37,789	348,605
Advances from grantors	12,501	-	12,501
Accrued interest payable	24,097	-	24,097
Unearned revenue	-	27,965	27,965
Long-term liabilities:			
Portion due within one year:			
General obligation bonds	440,000	-	440,000
Termination benefits payable	151,375	-	151,375
Compensated absences	71,739	-	71,739
Portion due after one year:			
General obligation bonds	2,765,000	-	2,765,000
Termination benefits payable	88,875	-	88,875
Net pension liability	7,751,161	238,903	7,990,064
Total OPEB liability	1,941,746	59,023	2,000,769
Total liabilities	13,920,562	417,203	14,337,765
Deferred Inflows of Resources			
Unavailable property tax revenue	7,153,720	-	7,153,720
Pension related deferred inflows	1,398,115	43,092	1,441,207
OPEB related deferred inflows	324,029	9,849	333,878
Total deferred inflows of resources	8,875,864	52,941	8,928,805
Net Position			
Net investment in capital assets	14,226,716	90,831	14,317,547
Restricted for:			
Categorical funding	1,001,185	-	1,001,185
Debt service	84,896	-	84,896
Management levy purposes	641,266	-	641,266
Student activities	320,466	-	320,466
School infrastructure	3,986,258	-	3,986,258
Physical plant and equipment	848,775	-	848,775
Unrestricted	(5,034,285)	26,312	(5,007,973)
Total net position	\$ 16,075,277	117,143	16,192,420

SEE NOTES TO FINANCIAL STATEMENTS.

**WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Govern- mental Activities	Business Type Activities
Functions/Programs:					
Governmental activities:					
Instruction:					
Regular	\$ 7,611,621	458,322	72,871	(7,080,428)	-
Special	2,756,309	287,448	142,554	(2,326,307)	-
Other	2,081,742	369,027	474,058	(1,238,657)	-
	12,449,672	1,114,797	689,483	(10,645,392)	-
Support services:					
Student	381,251	-	147	(381,104)	-
Instructional staff	1,152,189	-	36,198	(1,115,991)	-
Administration	1,629,424	-	77,802	(1,551,622)	-
Operation and maintenance of plant	1,784,244	-	19,957	(1,764,287)	-
Transportation	772,071	22,011	180,988	(569,072)	-
	5,719,179	22,011	315,092	(5,382,076)	-
Long-term debt interest	159,019	-	-	(159,019)	-
Other expenditures:					
Facilities acquisitions	-	-	-	-	-
Judgment against LEA	-	-	-	-	-
AEA flowthrough	670,975	-	670,975	-	-
Depreciation (unallocated)*	537,537	-	-	(537,537)	-
	1,208,512	-	670,975	(537,537)	-
Total governmental activities	19,536,382	1,136,808	1,675,550	(16,724,024)	-
Business type activities:					
Support services:					
Instructional staff	225	-	-	-	(225)
Non-instructional programs:					
Food service operations	1,093,296	279,975	670,263	-	(143,058)
Total business type activities	1,093,521	279,975	670,263	-	(143,283)
Total	\$ 20,629,903	1,416,783	2,345,813	(16,724,024)	(143,283)
General Revenues:					
Property tax levied for:					
General purposes			\$ 5,296,804	-	5,296,804
Debt service			876,704	-	876,704
Capital outlay			597,817	-	597,817
Income surtax			472,058	-	472,058
Statewide sales, services and use tax			1,491,682	-	1,491,682
Unrestricted state grants			8,314,078	-	8,314,078
Unrestricted investment earnings			128,074	2,994	131,068
Other			108,664	3,678	112,342
Total general revenues			17,285,881	6,672	17,292,553
Change in net position			561,857	(136,611)	425,246
Net position beginning of year			15,513,420	253,754	15,767,174
Net position end of year			\$ 16,075,277	117,143	16,192,420

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

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Capital Projects	Debt Service	Nonmajor	Total
Assets					
Cash and pooled investments	\$ 4,366,613	4,704,760	97,227	1,195,114	10,363,714
Receivables:					
Property tax:					
Delinquent	69,522	8,023	11,766	2,013	91,324
Succeeding year	5,324,550	630,363	973,809	224,998	7,153,720
Income surtax	461,676	-	-	-	461,676
Accounts	146	-	-	11,626	11,772
Due from other governments	413,136	125,640	-	-	538,776
Total assets	\$ 10,635,643	5,468,786	1,082,802	1,433,751	18,620,982
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 354,218	3,390	-	5,644	363,252
Salaries and benefits payable	309,689	-	-	1,127	310,816
Advances from grantors	12,501	-	-	-	12,501
Total liabilities	676,408	3,390	-	6,771	686,569
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	5,324,550	630,363	973,809	224,998	7,153,720
Income surtax	461,676	-	-	-	461,676
Total deferred inflows of resources	5,786,226	630,363	973,809	224,998	7,615,396
Fund balances:					
Restricted for:					
Categorical funding	1,001,185	-	-	-	1,001,185
Debt service	-	-	108,993	-	108,993
Management levy purposes	-	-	-	881,516	881,516
Student activities	-	-	-	320,466	320,466
School infrastructure	-	3,986,258	-	-	3,986,258
Physical plant and equipment	-	848,775	-	-	848,775
Unassigned	3,171,824	-	-	-	3,171,824
Total fund balances	4,173,009	4,835,033	108,993	1,201,982	10,319,017
Total liabilities, deferred inflows of resources and fund balances	\$ 10,635,643	5,468,786	1,082,802	1,433,751	18,620,982

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total fund balances of governmental funds (page 20)	\$ 10,319,017
<i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	17,431,716
Accounts receivable income surtax is not available to finance expenditures of the current year and, therefore, is recognized as deferred inflows of resources in the governmental funds.	461,676
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the government funds.	(24,097)
Blending of the Internal Service Funds to be reflected on an entity-wide basis.	185,487
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:	
Deferred outflows of resources	\$ 2,633,518
Deferred inflows of resources	<u>(1,722,144)</u>
	911,374
Long-term liabilities, including general obligation bonds, termination benefits, compensated absences payable, net pension liability, and total OPEB liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.	<u>(13,209,896)</u>
Net position of governmental activities (page 18)	<u><u>\$ 16,075,277</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General	Capital Projects	Debt Service	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 5,644,023	597,817	876,704	148,850	7,267,394
Tuition	674,083	-	-	-	674,083
Other	286,742	48,708	1,160	390,384	726,994
State sources	9,371,072	1,502,246	15,491	2,719	10,891,528
Federal sources	562,251	-	-	-	562,251
Total revenues	16,538,171	2,148,771	893,355	541,953	20,122,250
Expenditures:					
Current:					
Instruction:					
Regular	7,089,445	24,525	-	314,622	7,428,592
Special	2,575,695	566	-	-	2,576,261
Other	1,597,174	23,446	-	391,483	2,012,103
	11,262,314	48,537	-	706,105	12,016,956
Support services:					
Student	426,915	2,230	-	4,500	433,645
Instructional staff	639,550	478,290	-	-	1,117,840
Administration	1,483,225	4,118	-	16,606	1,503,949
Operation and maintenance of plant	1,341,138	265,863	-	94,028	1,701,029
Transportation	728,312	11,633	-	41,215	781,160
	4,619,140	762,134	-	156,349	5,537,623
Capital outlay	-	462,929	-	-	462,929
Long-term debt:					
Principal	-	-	720,000	-	720,000
Interest and fiscal charges	-	-	161,906	-	161,906
	-	-	881,906	-	881,906
Other expenditures:					
AEA flowthrough	670,975	-	-	-	670,975
Total expenditures	16,552,429	1,273,600	881,906	862,454	19,570,389
Excess (Deficiency) of revenues over (under) expenditures	(14,258)	875,171	11,449	(320,501)	551,861
Other financing sources (uses):					
Transfer in	-	-	60,309	-	60,309
Transfer out	-	(60,309)	-	-	(60,309)
Total other financing sources (uses)	-	(60,309)	60,309	-	-
Change in fund balances	(14,258)	814,862	71,758	(320,501)	551,861
Fund balances beginning of year	4,187,267	4,020,171	37,235	1,522,483	9,767,156
Fund balances end of year	\$ 4,173,009	4,835,033	108,993	1,201,982	10,319,017

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY 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 (page 22) \$ 551,861

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. The amounts of capital outlay and depreciation expense in the current year are as follows:

Capital outlay	\$ 644,938	
Depreciation expense	<u>(846,602)</u>	(201,664)

Income surtax receivable is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.		(24,011)
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Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in Statement of Net Position.		720,000
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		2,887
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Net change in the Internal Service Funds charged back against expenditures made for self-funded insurance on an entity-wide basis.		(47,804)
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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.		980,236
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds, as follows:

Termination benefits	24,780	
Compensated absences	(17,368)	
Pension expense	(1,335,853)	
Total OPEB liability and related expenses	<u>(91,207)</u>	<u>(1,419,648)</u>

Change in net position of governmental activities (page 19) \$ 561,857

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business Type Activities: Enterprise Funds	Governmental Activities: Internal Service Funds
	School Nutrition	
Assets		
Current assets:		
Cash and pooled investments	\$ 245,320	184,386
Accounts receivable	1,223	1,101
Due from other governments	95,667	-
Inventories	66,132	-
Total current assets	408,342	185,487
Noncurrent assets:		
Capital assets, net of accumulated depreciation	90,831	-
Total assets	499,173	185,487
Deferred Outflows of Resources		
Pension related deferred outflows	67,161	-
OPEB related deferred outflows	20,953	-
Total Deferred Outflows of Resources	88,114	-
Liabilities		
Current liabilities:		
Accounts payable	53,523	-
Salaries and benefits payable	37,789	-
Unearned revenue	27,965	-
Total current liabilities	119,277	-
Noncurrent liabilities:		
Net pension liability	238,903	-
Total OPEB liability	59,023	-
Total noncurrent liabilities	297,926	-
Total liabilities	417,203	-
Deferred Inflows of Resources		
Pension related deferred inflows	43,092	-
OPEB related deferred inflows	9,849	-
Total Deferred Inflows of Resources	52,941	-
Net Position		
Net investment in capital assets	90,831	-
Unrestricted	26,312	185,487
Total net position	\$ 117,143	185,487

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business Type Activities: Enterprise Funds	Governmental Activities: Internal Service Funds
Operating revenues:		
Local sources:		
Charges for service	\$ 279,975	-
Miscellaneous	3,678	67,304
Total operating revenues	283,653	67,304
Operating expenses:		
Support Services:		
Instructional staff:		
Services	225	-
Non-instructional programs:		
Food service operations:		
Salaries	423,330	-
Benefits	101,459	-
Services	1,411	-
Supplies	538,021	-
Depreciation	23,276	-
Other	5,799	-
	1,093,296	-
Other enterprise operations:		
Benefits	-	116,001
Total operating expenses	1,093,521	116,001
Operating loss	(809,868)	(48,697)
Non-operating revenues:		
State sources	6,288	-
Federal sources	663,975	-
Interest income	2,994	893
Total non-operating revenues	673,257	893
Change in net position	(136,611)	(47,804)
Net position beginning of year	253,754	233,291
Net position end of year	\$ 117,143	185,487

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business Type Activities: Enterprise Funds	Governmental Activities:
	School Nutrition	Internal Service Funds
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 301,653	-
Cash received from miscellaneous	3,678	66,203
Cash payments to employees for services	(472,482)	-
Cash payments to suppliers for goods or services	(468,505)	(116,001)
Net cash used in operating activities	(635,656)	(49,798)
Cash flows from non-capital financing activities:		
State grants received	8,443	-
Federal grants received	515,541	-
Net cash provided by non-capital financing activities	523,984	-
Cash flows from investing activities:		
Interest on investments	2,994	893
Net decrease in cash and pooled investments	(108,678)	(48,905)
Cash and pooled investments beginning of year	353,998	233,291
Cash and pooled investments end of year	\$ 245,320	184,386
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (809,868)	(48,697)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Commodities consumed	58,543	-
Depreciation	23,276	-
Change in assets and liabilities:		
Inventories	(32,973)	-
Accounts receivable	10,414	(1,101)
Accounts payable	51,381	-
Salaries and benefits payable	31,395	-
Net pension liability	(17,466)	-
Deferred outflows of resources	5,675	-
Deferred inflows of resources	32,398	-
Unearned revenue	11,664	-
Total OPEB liability	305	-
Net cash used in operating activities	\$ (635,256)	(49,798)

Non-cash investing, capital and related financing activities:

During the year ended June 30, 2020, the District received \$58,543 of federal commodities.

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private Purpose Trust Scholarship	Agency
Assets		
Cash and pooled investments	\$ 22,381	22,530
Liabilities		
Due to other groups	-	22,530
Net Position		
Held in trust for scholarships	\$ 22,381	-

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020

	Private Purpose Trust Scholarship
Additions:	
Local sources:	
Gifts and contributions	\$ 6,750
Interest income	229
Total additions	<u>6,979</u>
Deductions:	
Instruction:	
Regular:	
Scholarships awarded	<u>9,425</u>
Change in net position	(2,446)
Net position beginning of year	<u>24,827</u>
Net position end of year	<u><u>\$ 22,381</u></u>

SEE NOTES TO FINANCIAL STATEMENTS.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(1) Summary of Significant Accounting Policies

West Delaware County Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and regular and special education pre-kindergarten. The geographic area served includes the cities of Manchester, Ryan, Dundee, Greeley, and Masonville, Iowa, and the predominate agricultural territory in Delaware and Buchanan 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.

A. Reporting Entity

For financial reporting purposes, West Delaware County 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. West Delaware County Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Delaware and Buchanan County Assessors' Conference Boards.

B. Basis of Presentation

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

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation 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 imposed by law through constitutional provisions or enabling legislation.

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

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

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

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues that are 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 Debt Service Fund is utilized to account for property tax and other revenues to be used for the payments of interest and principal on the District's general long-term debt.

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

The District reports the following major proprietary fund:

The District's proprietary fund is the School Nutrition Fund which is used to account for the food service operations of the District.

Additional proprietary funds reported by the District are as follows:

The Internal Service Funds which are used to account for the self-funded insurance and tax saver flex benefit plans of the District. The Internal Service Fund are charged back to the Governmental Activities of the District and shown combined in the Statement of Net Position and the Statement of Activities.

The District also reports fiduciary funds which 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.

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash

flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

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

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

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

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

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

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

Cash, Pooled Investments and Cash Equivalents - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the 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, at the day of purchase, they have a maturity date no longer than three months.

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

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 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 represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

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

Capital Assets - Capital assets, which include property, machinery, equipment and intangibles acquired after July 1, 1980 are reported in the appreciable 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 repairs that do not add to the value of the asset or materially extended 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.

Asset Class	Amount
Land	\$ 1,500
Buildings	1,500
Land improvements	1,500
Intangibles	100,000
Machinery and equipment:	
School Nutrition Fund equipment	500
Other machinery and equipment	1,500

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Land improvements	20 years
Intangibles	2 or more years
Machinery and equipment	5-12 years

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future year(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB 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.

Advances from Grantors - Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year.

Unearned Revenue - Unearned revenues are monies collected for student fees and lunches that have not yet been served. The lunch account balances will either be reimbursed or served lunches. The lunch account balances are reflected on the balance sheet in the Enterprise, School Nutrition Fund.

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. 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 primarily by the General Fund.

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

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

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

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to future year(s) and will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current 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 receivables 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 as revenue until the year for which it is levied and unrecognized items not yet charged to pension and OPEB expense.

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

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

Unassigned - All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2020, expenditures exceeded the amounts budgeted in the support services and non-instruction program functions.

(2) Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at 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 investments in the Iowa Schools Joint Investment Trust (ISJIT) Direct Government Obligations Portfolio which are valued at an amortized cost of \$966. There were no limitations or restrictions on the withdrawal of the ISJIT investments. The investment in the Iowa Schools Joint Investment Trust was rated AAAM by Standard & Poor's Financial Services.

(3) Interfund Transfers

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

Transfer to	Transfer from	Amount
Debt Service	Capital Projects: Statewide Sales, Services and Use Tax	<u>\$ 60,309</u>

The transfer from the Capital Projects: Statewide Sales, Services and Use Tax Fund to the Debt Service Fund was for debt relief on the District's general obligation bonded indebtedness.

(4) 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	\$ 273,000	-	-	273,000
Capital assets being depreciated:				
Buildings	23,752,969	125,141	-	23,878,110
Land improvements	748,228	103,119	-	851,347
Machinery and equipment	5,348,093	416,678	-	5,764,771
Total capital assets being depreciated	29,849,290	644,938	-	30,494,228
Less accumulated depreciation for:				
Buildings	7,494,732	513,043	-	8,007,775
Land improvements	420,256	24,494	-	444,750
Machinery and equipment	4,573,922	309,065	-	4,882,987
Total accumulated depreciation	12,488,910	846,602	-	13,335,512
Total capital assets being depreciated, net	17,360,380	(201,664)	-	17,158,716
Governmental activities capital assets, net	<u>\$ 17,633,380</u>	<u>(201,664)</u>	<u>-</u>	<u>17,431,716</u>
Business type activities:				
Machinery and equipment	\$ 564,938	-	-	564,938
Less accumulated depreciation	450,831	23,276	-	474,107
Business type activities capital assets, net	<u>\$ 114,107</u>	<u>(23,276)</u>	<u>-</u>	<u>90,831</u>

Depreciation expense was charged to the following functions:

Governmental activities:	
Instruction:	
Regular	\$ 66,868
Other	35,453
Support Services:	
Administration	36,435
Operation and maintenance of plant	29,183
Transportation	141,126
	<u>309,065</u>
Unallocated depreciation	<u>537,537</u>
Total governmental activities depreciation expense	<u>\$ 846,602</u>
Business type activities:	
Food service operations	<u>\$ 23,276</u>

(5) Long-Term Liabilities

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

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 3,925,000	-	720,000	3,205,000	440,000
Termination benefits	265,030	140,250	165,030	240,250	151,375
Compensated absences	54,371	71,739	54,371	71,739	71,739
Net pension liability	8,614,547	-	863,386	7,751,161	-
Total OPEB liability	2,234,950	-	293,204	1,941,746	-
Total	\$ 15,093,898	211,989	2,095,991	13,209,896	663,114
Business type activities:					
Net pension liability	256,369	-	17,466	238,903	-
Total OPEB liability	58,718	305	-	59,023	-
Total	\$ 315,087	305	17,466	297,926	-

General Obligation Bonds

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

Year Ending June 30,	Bond Issue of February 1, 2008			
	Interest Rate	Principal	Interest	Total
2021	4.125 %	\$ 440,000	144,581	584,581
2022	4.125	460,000	126,431	586,431
2023	4.125	480,000	107,456	587,456
2024	4.125	500,000	87,656	587,656
2025	4.125	520,000	67,031	587,031
2026-2027	4.125	805,000	68,888	873,888
Total		\$ 3,205,000	602,043	3,807,043

Termination Benefits

The District did not offer an early retirement plan during the fiscal year ended June 30, 2020. However, the District had offered voluntary early retirement plans to employees in previous years. At June 30, 2020, the District has obligations to four remaining retirees from a fiscal year 2018 offering consisting of the final of three equal annual installments of \$25,000 to be placed into an HRA or employer sponsored 403(b) Special Pay Plan. In addition, twelve retirees from a fiscal year 2015 offering and prior early retirement offerings are owed District contributions of \$375/month toward insurance premiums for continued coverage in the District's health insurance plan until the retiree fails to make payment for their portion of the premium, Medicare eligibility or death.

At June 30, 2020, the District had obligations to sixteen individuals with a total liability of \$240,250. Actual early retirement expenditures for the year ended June 30, 2020 totaled \$165,030.

(6) Bond Defeasement

During the fiscal year ended June 30, 2020, the District collected an additional debt service levy of \$300,000 to advance refund a portion of the general obligation bonds issued February 1, 2008. The \$300,000 collected from the additional levy has been placed in an irrevocable escrow account and invested in U.S. Government obligations which have been certified to be sufficient to pay \$300,000 in principal maturing May 1, 2027 when the bonds become callable May 1, 2020. The interest cost savings provided by the surplus levy is \$86,625. As a result, \$300,000 of the general obligation bonds issued February 1, 2008 are considered defeased in substance and the corresponding liability for those bonds has been removed from the appropriate financial statements and schedules.

The District remains contingently liable in the remote possibility the escrow account is insufficient to repay the refunding bonds at the call date. At June 30, 2020, \$300,000 of such bonds are outstanding.

(7) Pension Plan

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

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

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

- A multiplier based on years of service.
- The member's highest five-year average salary, except for members with service before June 30, 2012, the highest three-year average salary as of that date will be used 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% for each month the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month the member receives benefits before age 65.

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

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

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

In fiscal year 2020, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the District contributed 9.44% of covered payroll for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2020 were \$1,017,687.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the District reported a liability of \$7,990,064 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 0.137982%, which was a decrease of 0.002198% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$1,385,319. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,151	287,281
Changes of assumptions	855,850	-
Net difference between projected and actual earnings on IPERS' investments	-	900,384
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	115,661	253,542
District contributions subsequent to the measurement date	1,017,687	-
Total	\$ 2,011,349	1,441,207

\$1,017,687 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2021	\$ 156,930
2022	(208,523)
2023	(181,307)
2024	(181,868)
2025	(32,777)
Total	<u>\$ (447,545)</u>

There were no non-employer contributing entities at IPERS.

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:

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 actuarial experience 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-2017 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:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
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	(0.21)
Private equity	11.0	10.13
Private real assets	7.5	4.76
Private credit	3.0	3.01
Total	100.0%	

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 14,187,773	7,990,064	2,791,492

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

Payables to IPERS - At June 30, 2020, the District reported payables to IPERS of \$11,845 for legally required District contributions and \$7,892 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

(8) Other Postemployment Benefits (OPEB)

Plan Description - The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code 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 West Delaware County Community School District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	25
Active employees	<u>147</u>
Total	<u><u>172</u></u>

Total OPEB Liability - The District's total OPEB liability of \$2,000,769 was measured as of June 30, 2020, and was determined by an actuarial valuation dated July 1, 2019.

Actuarial Assumptions - The total OPEB liability in the June 30, 2019 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	3.00% per annum.
Rates of salary increase	3.00% per annum, including inflation.
Discount rate	3.50% compounded annually, including inflation.
Healthcare cost trend rate	5.50% for FY2020, decreasing to an ultimate rate of 4.50%.

Discount Rate - The discount rate used to measure the total OPEB liability was 3.50% 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 RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational projection of future mortality improvement, applied on a gender specific basis. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ 2,293,668
Changes for the year:	
Service cost	88,822
Interest	69,692
Differences between expected and actual experiences	(195,507)
Changes in assumptions	(125,997)
Benefit payments	<u>(129,909)</u>
Net changes	<u>(292,899)</u>
Total OPEB liability end of year	<u><u>\$ 2,000,769</u></u>

Changes of assumptions reflect a change in the discount rate from 3.58% in fiscal year 2019 to 3.50% 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 1% lower (2.50%) or 1% higher (4.50%) than the current discount rate.

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 2,139,023	2,000,769	1,861,751

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 were calculated using healthcare cost trend rates 1% lower (4.50%) or 1% higher (6.50%) than the current healthcare cost trend rates.

	1% Decrease (4.50%)	Healthcare Cost Trend Rate (5.50%)	1% Increase (6.50%)
Total OPEB liability	\$ 1,813,455	2,000,769	2,209,254

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2020, the District recognized OPEB expense of \$230,013. At June 30, 2020, the District reported deferred outflows/inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	220,608
Changes in assumptions	710,283	113,270
Total	<u>\$ 710,283</u>	<u>333,878</u>

Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	Amount
2021	\$ 71,499
2022	71,499
2023	71,499
2024	71,499
2025	71,499
Thereafter	18,910
Total	<u>\$ 376,405</u>

(9) Risk Management

The District has a self-funded health insurance plan. The District purchases commercial insurance to provide for aggregate stop-loss coverage for the excess of 125% of estimated claims for the plan year and specific stop-loss reinsurance coverage for the excess \$50,000 in insured claims for any one covered individual. Settled claims have not exceeded the commercial coverage in any of the past three years.

Payments are made to the plan based on actuarial estimates of amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

West Delaware County 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.

(10) Street Assessment

During the year ended June 30, 2010, the District entered into street assessment agreements with Delaware County. The county agreed to provide parking spots in exchange for the District making annual payments to the county to cover some of the costs. The District made \$6,766 in payments towards these agreements during the year ended June 30, 2020.

(11) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$670,975 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.

(12) Tax Abatements

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

Tax Abatements of Other Entities

Other entities within the District provide tax abatements for the urban renewal and economic development projects pursuant to Chapters 15 and 403 of the Code of Iowa. Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2020 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Manchester	Urban Renewal and Economic Development Projects	\$ 27,470

The State of Iowa reimburses the District an amount equivalent to the increment 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 \$17,198.

(13) Categorical Funding

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

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2020.

Program	Amount
Home School Assistance Program (HSAP)	\$ 23,876
Gifted and Talented Programs	27,371
Returning Dropouts and Dropout Prevention	55,506
Teacher Leadership State Aid	356,290
Four-Year-Old Preschool State Aid	221,458
Beginning Teacher Mentoring and Induction	13,590
Teacher Salary Supplement	83,991
Textbook Aid for Nonpublic Students	6,648
Successful Progression for Early Readers	80,929
Professional Development	131,526
Total	<u>\$ 1,001,185</u>

(14) Reconciliation of Certain Governmental Fund Balances to Net Position

Reconciliation of certain governmental fund balances to the Statement of Net Position are detailed as follows:

	Net investment in Capital Assets	Debt Service	Management Levy	Unassigned/ Unrestricted
Fund balance (Exhibit C)	\$ -	108,993	881,516	3,171,824
Capital assets, net of accumulated depreciation	17,431,716	-	-	-
General obligation bond capitalized indebtedness	(3,205,000)	-	-	-
Accrued interest payable	-	(24,097)	-	-
Income surtax	-	-	-	461,676
Termination benefits	-	-	(240,250)	-
Internal service fund balance	-	-	-	185,487
Compensated absences	-	-	-	(71,739)
Pension related deferred outflows	-	-	-	1,944,188
Pension related deferred inflows	-	-	-	(1,398,115)
Net pension liability	-	-	-	(7,751,161)
Total OPEB liability	-	-	-	(1,941,746)
OPEB related deferred outflows	-	-	-	689,330
OPEB related deferred inflows	-	-	-	(324,029)
Net position (Exhibit A)	<u>\$ 14,226,716</u>	<u>84,896</u>	<u>641,266</u>	<u>(5,034,285)</u>

(15) Prospective Accounting Change

Governmental Accounting Standards Board has issued Statement No. 84, Fiduciary Activities. As a result of the coronavirus pandemic, GASB has extended the effective dates of recent pronouncements. This statement will be implemented for the fiscal year ending June 30, 2021. The revised requirements of this statement will enhance the consistency and comparability of fiduciary activity reporting by state and local governments by establishing specific criteria for identifying fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

(16) Budget Overexpenditure

Per the Code of Iowa, expenditures may not legally exceed budgeted appropriations at the functional area level. During the year ended June 30, 2020, District expenditures in the support services and non-instructional program functions exceeded the amounts budgeted.

(17) COVID-19

In March 2020, the COVID-19 outbreak was declared a global pandemic. The disruption to businesses across a range of industries in the United States continues to evolve. The full impact to local, regional and national economies, including that of the West Delaware County Community School District, remains uncertain.

To date, the outbreak created a disruption to the operations of the West Delaware County Community School District due to the closure of school buildings and the move to virtual learning to complete the 2019-2020 school year. However, the extent of the financial impact of COVID-19 will depend on future developments, including the spread of the virus, duration and timing of the economic recovery. Due to these uncertainties, management cannot reasonably estimate the potential impact to the West Delaware County Community School District's operations and finances.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

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

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
Revenues:						
Local sources	\$ 8,668,471	286,647	8,955,118	9,120,754	9,120,754	(165,636)
Intermediate sources	-	-	-	1,407,000	1,407,000	(1,407,000)
State sources	10,891,528	6,288	10,897,816	9,460,395	9,460,395	1,437,421
Federal sources	562,251	663,975	1,226,226	825,417	825,417	400,809
Total revenues	20,122,250	956,910	21,079,160	20,813,566	20,813,566	265,594
Expenditures/Expenses:						
Instruction	12,016,956	-	12,016,956	12,689,000	12,689,000	672,044
Support services	5,537,623	225	5,537,848	5,417,000	5,417,000	(120,848)
Non-instructional programs	-	1,093,296	1,093,296	1,000,000	1,000,000	(93,296)
Other expenditures	2,015,810	-	2,015,810	3,564,130	3,564,130	1,548,320
Total expenditures/expenses	19,570,389	1,093,521	20,663,910	22,670,130	22,670,130	2,006,220
Excess (Deficiency) of revenues over (under) expenditures/expenses	551,861	(136,611)	415,250	(1,856,564)	(1,856,564)	2,271,814
Balances beginning of year	9,767,156	253,754	10,020,910	8,827,223	8,827,223	1,193,687
Balances end of year	\$ 10,319,017	117,143	10,436,160	6,970,659	6,970,659	3,465,501

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY 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 comparison for the General Fund and each major Special Revenue Fund.

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

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

During the year ended June 30, 2020, expenditures in the support services and non-instructional programs functions exceeded the amounts budgeted.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST SIX YEARS*
REQUIRED SUPPLEMENTARY INFORMATION

	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.137982%	0.140180%	0.141454%	0.138150%	0.137047%	0.146683%
District's proportionate share of the net pension liability	\$ 7,990,064	8,870,916	9,422,651	8,694,219	6,770,778	5,817,313
District's covered payroll	\$ 10,495,254	10,543,973	10,564,586	9,914,155	9,388,954	9,598,309
District's proportionate share of the net pension liability as a percentage of its covered payroll	76.13%	84.13%	89.19%	87.70%	72.11%	60.61%
IPERS' net position as a percentage of the total pension liability	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Statutorily required contribution	\$ 1,017,687	990,752	941,577	943,417	885,334	838,434	857,129	827,081	745,741	634,196
Contributions in relation to the statutorily required contribution	\$ (1,017,687)	(990,752)	(941,577)	(943,417)	(885,334)	(838,434)	(857,129)	(827,081)	(745,741)	(634,196)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 10,780,580	10,495,254	10,543,973	10,564,586	9,914,155	9,388,954	9,598,309	9,539,573	9,240,905	9,125,122
Contributions as a percentage of covered payroll	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%	8.93%	8.67%	8.07%	6.95%

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
YEAR ENDED JUNE 30, 2020

Changes of benefit terms:

There are no significant changes in benefit terms.

Changes of assumptions:

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

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates
- Lower 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.

WEST DELAWARE COUNTY 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

	2020	2019	2018
Service cost	\$ 88,822	79,513	77,011
Interest cost	69,692	81,742	81,095
Differences between expected and actual experiences	(195,507)	-	(65,870)
Changes in assumptions	(125,997)	-	1,043,226
Benefit payments	(129,909)	(142,767)	(142,293)
Net change in total OPEB liability	(292,899)	18,488	993,169
Total OPEB liability beginning of year	2,293,668	2,275,180	1,282,011
Total OPEB liability end of year	<u>\$ 2,000,769</u>	<u>2,293,668</u>	<u>2,275,180</u>
Covered-employee payroll	\$ 8,341,301	8,120,178	8,157,872
Total OPEB liability as a percentage of covered-employee payroll	23.99%	28.25%	27.89%

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 assumption:

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	3.50%
Year ended June 30, 2019	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	2.50%

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT

SUPPLEMENTARY INFORMATION

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue		
	Management Levy	Student Activity	Total
Assets			
Cash and pooled investments	\$ 881,201	313,913	1,195,114
Receivables:			
Property tax:			
Delinquent	2,013	-	2,013
Succeeding year	224,998	-	224,998
Accounts	-	11,626	11,626
Total assets	\$ 1,108,212	325,539	1,433,751
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,698	3,946	5,644
Salaries and benefits payable	-	1,127	1,127
Total liabilities	1,698	5,073	6,771
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property taxes	224,998	-	224,998
Fund balances:			
Restricted for:			
Management levy purposes	881,516	-	881,516
Student activities	-	320,466	320,466
Total fund balances	881,516	320,466	1,201,982
Total liabilities, deferred inflows of resources and fund balances	\$ 1,108,212	325,539	1,433,751

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	Special Revenue		Total Nonmajor
	Management Levy	Student Activity	
Revenues:			
Local sources:			
Local tax	\$ 148,850	-	148,850
Other	10,889	379,495	390,384
State sources	2,719	-	2,719
Total revenues	162,458	379,495	541,953
Expenditures:			
Current:			
Instruction:			
Regular	314,622	-	314,622
Other	-	391,483	391,483
Support services:			
Student	4,500	-	4,500
Administration	16,606	-	16,606
Operation and maintenance of plant	94,028	-	94,028
Transportation	41,215	-	41,215
Total expenditures	470,971	391,483	862,454
Change in fund balances	(308,513)	(11,988)	(320,501)
Fund balances beginning of year	1,190,029	332,454	1,522,483
Fund balances end of year	\$ 881,516	320,466	1,201,982

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUND ACCOUNTS
 JUNE 30, 2020

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Assets			
Cash and pooled investments	\$ 3,864,008	840,752	4,704,760
Receivables:			
Property tax:			
Delinquent	-	8,023	8,023
Succeeding year	-	630,363	630,363
Due from other governments	125,640	-	125,640
Total assets	\$ 3,989,648	1,479,138	5,468,786
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 3,390	-	3,390
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	-	630,363	630,363
Fund balances:			
Restricted for:			
School infrastructure	3,986,258	-	3,986,258
Physical plant and equipment	-	848,775	848,775
Total fund balances	3,986,258	848,775	4,835,033
Total liabilities, deferred inflows of resources and fund balances	\$ 3,989,648	1,479,138	5,468,786

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUND ACCOUNTS
 YEAR ENDED JUNE 30, 2020

	Capital Projects		
	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Total
Revenues:			
Local sources:			
Local tax	\$ -	597,817	597,817
Other	40,379	8,329	48,708
State sources	1,491,682	10,564	1,502,246
Total revenues	1,532,061	616,710	2,148,771
Expenditures:			
Current:			
Instruction:			
Regular	132	24,393	24,525
Special	566	-	566
Other	23,446	-	23,446
Support services:			
Student	2,230	-	2,230
Instructional staff	475,300	2,990	478,290
Administration	1,930	2,188	4,118
Operation and maintenance of plant	19,100	246,763	265,863
Transportation	11,633	-	11,633
Capital outlay	138,830	324,099	462,929
Total expenditures	673,167	600,433	1,273,600
Excess of revenues over expenses	858,894	16,277	875,171
Other financing uses:			
Transfer out	(60,309)	-	(60,309)
Change in fund balances	798,585	16,277	814,862
Fund balances beginning of year	3,187,673	832,498	4,020,171
Fund balances end of year	\$ 3,986,258	848,775	4,835,033

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
YEAR ENDED JUNE 30, 2020

Account	Balance Beginning of Year	Revenues	Expenditures	Intrafund Transfer	Balance End of Year
HS Drama	\$ 4,680	-	-	(4,680)	-
Drama - Spring Play	-	840	1,976	1,226	90
Drama - Musical	-	11,916	11,207	3,454	4,163
Thespians	604	1,011	100	-	1,515
Speech	-	10,460	8,488	-	1,972
Elem Vocal	737	-	-	(737)	-
MS Vocal	4,509	-	-	(4,509)	-
HS Vocal	2,032	-	-	(2,032)	-
Vocal	-	12,237	13,023	7,278	6,492
Instrumental	2,834	7,163	7,736	-	2,261
Music Trip	-	5,197	5,197	-	-
Cheerleading - WR	-	4,475	4,228	-	247
Cheerleading - FB	2,029	1,441	1,842	-	1,628
Cheerleading - BB	1,290	1,185	184	-	2,291
Boy's Basketball	3,079	6,712	7,320	-	2,471
Boy's Football	2,161	18,152	20,223	-	90
Boy's Soccer	1,520	115	215	-	1,420
Boy's Baseball	896	10,240	11,136	-	-
MS Football	83	-	-	(83)	-
MS Boys Track	1,258	-	-	(1,258)	-
MS Boys Cross Country	489	-	-	(489)	-
MS Wrestling	29	-	-	(29)	-
MS Boys Athletics	-	8,802	7,970	1,859	2,691
Boy's Track	-	383	339	-	44
Boy's Cross Country	8,201	1,420	4,590	-	5,031
Boy's Golf	-	2,301	2,301	-	-
Boy's Wrestling	6,984	19,733	17,980	-	8,737
Girl's Basketball	-	5,035	5,035	-	-
Girl's Volleyball	8,377	21,920	15,221	-	15,076
Girl's Soccer	2,586	1,985	1,550	-	3,021
MS Volleyball	5,391	-	-	(5,391)	-
MS Girls Track	4,078	-	-	(4,078)	-
MS Girls Athletics	-	2,208	6,412	9,469	5,265
Girl's Softball	9,359	20,403	21,537	-	8,225
Girl's Track	4,767	384	2,926	-	2,225
Girl's Cross Country	5,200	2,727	4,748	-	3,179
HS Activity Tickets	33,842	-	-	(33,842)	-
Activity Tickets	-	16,255	20,543	14,379	10,091
Adult Activity Tickets	-	28,842	32,747	19,463	15,558
Elem Activity	61	-	-	(61)	-
MS General Activity	57,940	-	-	(57,940)	-
HS General Activity	1,739	-	-	(1,739)	-
General Activity	4,138	16,188	9,279	59,740	70,787
MS Peer Helpers	279	-	279	-	-
After Prom	2,933	3,115	3,675	-	2,373
Art	4,055	-	-	-	4,055
SADD	10	-	-	-	10
TADA	826	366	266	-	926
Special Olympics	9,080	1,000	415	-	9,665
Bowling	5,828	2,503	3,944	-	4,387
Prom	8,396	-	200	-	8,196
National Honor Society	4,929	647	1,028	-	4,548
MS Student Council	1,459	-	-	(1,459)	-
HS Student Council	7,677	-	-	(7,677)	-
Student Council	-	7,690	6,957	9,136	9,869
Dance Team	1,719	-	1,719	-	-
Show Choir	512	14,126	14,633	-	5
FBLA	1,109	3,050	2,649	-	1,510
FCCLA	4,693	-	-	-	4,693
Destination Imagination	551	-	-	-	551
Foreign Language Fundraising	3,806	-	-	-	3,806
Back to School Fair	8,957	7,640	6,545	-	10,052
Class of 2018	40	-	40	-	-
FFA	-	27,711	27,711	-	-
Payschools for Boosters	25	75	-	-	100
Elem Yearbook	3,610	-	-	(3,610)	-
MS Yearbook	1,347	-	-	(1,347)	-
HS Yearbook	26,238	-	-	(26,238)	-
Yearbook	-	18,685	20,126	31,195	29,754
MS Concessions	19,523	-	-	(19,523)	-
HS Concessions	23,519	-	-	(23,519)	-
Concessions	-	50,522	49,333	43,042	44,231
YADC	484	-	-	-	484
Robotics	6,538	-	-	-	6,538
Interest Pooling	3,275	2,635	5,910	-	-
Woods Entrep	143	-	-	-	143
Total	\$ 332,454	379,495	391,483	-	320,466

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF NET POSITION
JUNE 30, 2020

	Governmental Activities: Internal Service Funds		
	Self-funded Insurance	Tax Saver	Total
Assets			
Cash and pooled investments	\$ 140,983	43,403	184,386
Accounts receivable	1,101	-	1,101
Total assets	<u>142,084</u>	<u>43,403</u>	<u>185,487</u>
Liabilities	-	-	-
Net Position			
Unrestricted	<u>\$ 142,084</u>	<u>43,403</u>	<u>185,487</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2020

	Governmental Activities: Internal Service Funds		
	Self-funded Insurance	Tax Saver	Total
Operating revenues:			
Local sources:			
Miscellaneous	\$ 5,929	61,375	67,304
Operating expenses:			
Non-instructional programs:			
Other enterprise operations:			
Benefits	58,772	57,229	116,001
Operating income(loss)	(52,843)	4,146	(48,697)
Non-operating revenues:			
Interest income	893	-	893
Change in net position	(51,950)	4,146	(47,804)
Net position beginning of year	194,034	39,257	233,291
Net position end of year	\$ 142,084	43,403	185,487

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
YEAR ENDED JUNE 30, 2020

	Governmental Activities: Internal Service Funds		
	Self-funded Insurance	Tax Saver	Total
Cash flows from operating activities:			
Cash received from miscellaneous	\$ 4,828	61,375	66,203
Cash payments to suppliers for goods or services	(58,772)	(57,229)	(116,001)
Net cash provided by(used in) operating activities	(53,944)	4,146	(49,798)
Cash flows from investing activities:			
Interest on investments	893	-	893
Net increase(decrease) in cash and pooled investments	(53,051)	4,146	(48,905)
Cash and pooled investments beginning of year	194,034	39,257	233,291
Cash and pooled investments end of year	\$ 140,983	43,403	184,386
Reconciliation of operating income(loss) to net cash provided by(used in) operating activities:			
Operating income(loss)	\$ (52,843)	4,146	(48,697)
Adjustments to reconcile operating income(loss) to net cash provided by operating activities			
Change in assets and liabilities:			
Accounts receivable	(1,101)	-	(1,101)
Net cash provided by(used in) operating activities	\$ (53,944)	4,146	(49,798)

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN PRIVATE PURPOSE TRUST FUND, SCHOLARSHIP
 ACCOUNTS
 YEAR ENDED JUNE 30, 2020

Account	Net Position Beginning of Year	Additions	Deductions	Intrafund Transfers	Net Position End of Year
Skinner Scholarship	\$ 765	-	750	-	15
Adix Trust Scholarship	1,676	-	850	9	835
Foundation Endowment Scholarship	1,552	-	600	10	962
Frantzen Scholarship	3,585	-	2,500	11	1,096
Turnkey Scholarship	546	-	500	-	46
Kraus Scholarship	12,445	1,500	100	143	13,988
Tinker Business Scholarship	1,055	1,000	1,000	11	1,066
Reed Scholarship	779	-	250	5	534
Girls Athletic Association Scholarship	632	250	375	6	513
Swanson Scholarship	253	-	250	-	3
FFA Scholarship	-	500	-	-	500
Larry Tinker Scholarship	517	500	500	11	528
Ashline Scholarship	1,010	-	1,000	-	10
Dave Felton Scholarship	-	500	500	-	-
Ryan Nationals Car Club Scholarship	-	250	-	3	253
Nate Dunn Business Scholarship	-	500	-	5	505
Don & Mary Jane Wolf(e) Scholarship	-	1,000	-	10	1,010
Eric Brooks Scholarship	-	500	-	5	505
American Legion Riders Post No 45 Scholarship	-	250	250	-	-
Dunn Scholarship	12	-	-	-	12
Undistributed	-	229	-	(229)	-
Total	\$ 24,827	6,979	9,425	-	22,381

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUND
YEAR ENDED JUNE 30, 2020

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<u>ACADEMIC BOOSTER</u>				
Assets				
Cash and pooled investments	\$ 18,694	16,453	13,213	21,934
Liabilities				
Due to other groups	\$ 18,694	16,453	13,213	21,934
<u>CAMP INVENTION</u>				
Assets				
Cash and pooled investments	\$ 50	-	-	50
Liabilities				
Due to other groups	\$ 50	-	-	50
<u>HS HOSPITALITY</u>				
Assets				
Cash and pooled investments	\$ 635	295	384	546
Liabilities				
Due to other groups	\$ 635	295	384	546
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets				
Cash and pooled investments	\$ 19,379	16,748	13,597	22,530
Liabilities				
Due to other groups	\$ 19,379	16,748	13,597	22,530

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS

	Modified Accrual Basis									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Local sources:										
Local tax	\$ 7,267,394	7,260,911	6,776,603	6,597,290	6,560,093	6,542,683	6,580,394	8,021,322	7,686,396	7,561,982
Tuition	674,083	644,757	566,682	479,926	442,521	433,205	417,374	425,320	437,213	467,462
Other	726,994	1,049,992	991,782	1,086,322	1,150,738	1,101,063	986,468	1,165,767	937,835	1,097,057
Intermediate sources	-	-	-	2,426	716	1,031	2,430	5,304	18,208	19,176
State sources	10,891,528	10,529,819	10,708,492	10,807,726	10,726,893	10,259,095	10,298,053	8,492,666	8,814,318	7,921,970
Federal sources	562,251	493,585	409,799	458,178	448,628	493,923	373,807	429,657	872,162	796,285
Total	\$ 20,122,250	19,979,064	19,453,358	19,431,868	19,329,589	18,831,000	18,658,526	18,540,036	18,766,132	17,863,932
Expenditures:										
Instruction:										
Regular	\$ 7,428,592	7,499,305	7,469,670	7,664,743	7,358,517	6,917,880	7,139,276	6,859,211	6,789,004	6,580,516
Special	2,576,261	2,341,157	2,113,026	2,074,113	1,995,487	1,933,252	1,897,768	1,934,393	1,835,959	1,754,746
Other	2,012,103	2,481,576	2,354,056	2,245,584	2,211,841	2,028,023	2,012,703	2,207,661	1,954,790	2,035,421
Support services:										
Student	433,645	293,510	373,517	405,230	379,256	357,128	466,196	484,626	457,426	489,796
Instructional staff	1,117,840	920,624	997,528	885,685	907,449	846,792	762,972	737,555	688,408	618,515
Administration	1,503,949	1,465,623	1,467,347	1,425,627	1,373,598	1,395,181	1,350,586	1,357,696	1,299,678	1,245,175
Operation and maintenance of plant	1,701,029	1,543,014	1,488,543	1,469,214	1,375,410	1,435,805	1,489,843	1,399,508	1,339,023	1,296,930
Transportation	781,160	893,808	783,950	836,629	992,873	855,910	829,664	786,802	787,546	844,250
Non-instructional programs	-	-	14,489	13,334	15,774	22,145	28,556	22,426	26,908	18,565
Capital outlay	462,929	555,806	506,179	321,933	496,014	1,120,134	554,591	377,484	304,334	79,362
Long-term debt:										
Principal	720,000	405,000	390,000	375,000	605,000	580,000	230,000	1,270,000	710,000	690,000
Interest	161,906	178,613	194,700	209,700	233,288	255,782	264,293	306,043	345,521	370,886
Other expenditures:										
AEA flowthrough	670,975	663,573	666,493	647,959	654,938	654,884	648,810	621,656	620,680	685,085
Total	\$ 19,570,389	19,241,609	18,819,498	18,574,751	18,599,445	18,402,916	17,675,258	18,365,061	17,159,277	16,709,247

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

GRANTOR/PROGRAM	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM EXPENDITURES
INDIRECT:			
U.S. DEPARTMENT OF AGRICULTURE:			
IOWA DEPARTMENT OF EDUCATION:			
CHILD NUTRITION CLUSTER:			
SCHOOL BREAKFAST PROGRAM	10.553	FY 20	\$ 36,143
NATIONAL SCHOOL LUNCH PROGRAM	10.555	FY 20	621,385 *
SUMMER FOOD SERVICE PROGRAM FOR CHILDREN	10.559	FY 20	6,447
			<u>663,975</u>
U.S. DEPARTMENT OF EDUCATION:			
IOWA DEPARTMENT OF EDUCATION:			
TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES	84.010	FY 20	<u>203,258</u>
SUPPORTING EFFECTIVE INSTRUCTION STATE GRANTS	84.367	FY 20	<u>38,996</u>
STUDENT SUPPORT AND ACADEMIC ENRICHMENT PROGRAM	84.424	FY 20	<u>9,100</u>
EDUCATION STABILIZATION FUND	84.425	FY 20	<u>130,182</u>
U.S. DEPARTMENT OF EDUCATION:			
KEYSTONE AREA EDUCATION AGENCY:			
SPECIAL EDUCATION - GRANTS TO STATES	84.027	FY 20	<u>69,952</u>
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES	84.048	FY 20	<u>15,868</u>
TOTAL			<u>\$ 1,131,331</u>

* - Includes \$58,543 of non-cash awards

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of West Delaware County Community School District under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of West Delaware County Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of West Delaware County Community School District.

Summary of Significant Accounting Policies – Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate – West Delaware County Community School District did not use a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3040
Telephone (641) 792-1910

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

To the Board of Education of West Delaware County 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 West Delaware County Community School District 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, and have issued our report thereon dated March 26, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Delaware County Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that

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are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are discussed in Part IV of the accompanying Schedule of Findings and Questioned Costs.

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

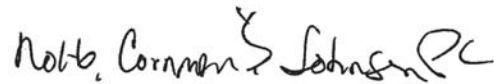
West Delaware County Community School District's Responses to Findings

West Delaware County Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. West Delaware County 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 result 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 West Delaware County 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.

A handwritten signature in black ink that reads "Nolte, Cornman & Johnson PC". The signature is written in a cursive, flowing style.

NOLTE, CORNMAN & JOHNSON, P.C.

March 26, 2021
Newton, Iowa

NOLTE, CORNMAN & JOHNSON P.C.
Certified Public Accountants
(a professional corporation)
117 West 3rd Street North, Newton, Iowa 50208-3040
Telephone (641) 792-1910

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

To the Board of Education of West Delaware County Community School District:

We have audited West Delaware County Community School District's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. West Delaware County Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sample Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Sample Community School District's compliance with those requirements and performing such other procedures we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of West Delaware County Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, West Delaware County Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

The management of West Delaware County Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance,

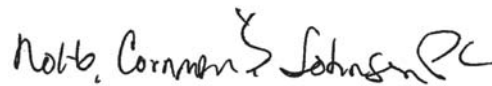
we considered West Delaware County Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of West Delaware County Community School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified.

West Delaware County Community School District's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. West Delaware County Community School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



NOLTE, CORNMAN & JOHNSON, P.C.

March 26, 2021
Newton, Iowa

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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) No significant deficiencies or material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No significant deficiencies or material weaknesses in internal control over the major programs were noted.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit finding which are required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major programs were as follows:
 - Child Nutrition Cluster
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) West Delaware County Community School District did not qualify as a low-risk auditee.

WEST DELAWARE COUNTY COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2020

Part II: Findings Related to the Financial Statements:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCY:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting:

IV-A-20 Certified Budget - District expenditures for the year ended June 30, 2020 exceeded the amounts budgeted in the support services and non-instructional programs functional areas.

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 - The Director of Finance will compare actual expenses to certified budget amounts on a monthly basis and amend when needed.

Conclusion - Response accepted.

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

IV-C-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.

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

Name, Title and Business Connection	Transaction Description	Amount
Bruce Mitchell, Board Member Worked as track event starter	Services	\$ 63
Sarah Kluesner, Accounts Payable Spouse owns Kluesner Flooring	Services	\$ 11,618
Stacy Fink, Teacher Spouse owns Mark Fink Excavating	Services	\$ 3,000
Alisa Neil, Teacher Designs track poser	Services	\$ 116
Jill Hefel, Teacher Arranges middle school show choir music	Services	\$ 300
Duane Philgreen, Teacher Daughter owns Cami Philgreen Freelance	Services	\$ 1,990
Michele Philgreen, Assistant Drama Director Choreography for musical	Services	\$ 2,000

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

In accordance with Chapter 279.7A of the Code of Iowa, the above transactions with the District board member do not appear to represent a conflict of interest.

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

IV-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.

IV-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 the coverage is adequate for current operations.

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

IV-H-20 Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.

IV-I-20 Supplementary Weighting - No variances in the supplemental weighting data certified to the Iowa Department of Education were noted.

IV-J-20 Deposits and Investments - We noted 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.

IV-K-20 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely. We noted no significant deficiencies in the amounts reported.

IV-L-20 Categorical Funding - No instances were noted of categorical funding being used to supplant rather than supplement other funds.

IV-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 provided in Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education. For the year ended June 30, 2020, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance		\$ 3,187,673
Revenues:		
Sales tax revenues	\$ 1,491,682	
Other local revenues	40,379	1,532,061
Expenditures/transfers out:		
Equipment	663,091	
Other	10,076	
Transfers to other funds:		
Debt service fund	60,309	733,476
Ending balance		<u>\$ 3,986,258</u>

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