GRANT WOOD AREA EDUCATION AGENCY 10

CEDAR RAPIDS, IOWA

INDEPENDENT AUDITOR'S REPORTS

BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2024

Table of Contents

Officials 1

Independent Auditor's Report 2-4

Management's Discussion and Analysis (MD&A) 5-11

Basic Financial Statements
Government-Wide Financial Statements
Statement of Net Position 12
Statement of Activities 13
Governmental Fund Financial Statements
Balance Sheet 14
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position 15
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds 16
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities 17-18
Fiduciary Fund Financial Statements
Statement of Fiduciary Net Position - Custodial Fund 19
Statement of Changes in Fiduciary Net Position - Custodial Fund 20
Notes to the Financial Statements 21-41

Required Supplementary Information
Schedule of Budgetary Comparison of Revenue, Expenditures and Changes in Balances - Budget and Actual - All Governmental Funds 42
Notes to Required Supplementary Information - Budgetary Reporting 43
Schedule of Proportionate Share of the Net Pension Liability 44
Schedule of Contributions 45
Notes to Required Supplementary Information - Pension Liability 46
Schedule of Changes in the Agency's Total OPEB Liability, Related Ratios and Notes 47

Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet 48
Combining Schedule of Revenue, Expenditures and Changes in Fund Balances 49
Schedule of Revenue by Source and Expenditures by Function - All Governmental Fund Types (Modified Accrual Basis) 50
Schedule of Expenditures of Federal Awards 51-52

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* 53-54

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance 55-57

Schedule of Findings and Questioned Costs 58-60

Officials

Name	Title	Term Expires
	Board of Directors	
Randy Bauer	President	November 30, 2025
James C. Green	Vice President	November 30, 2027
Dr. Lynne Cannon	Member	November 30, 2027
Sue Gates	Member	November 30, 2025
Marlene L. Hill	Member	November 30, 2027
Marilyn Wirtz	Member	November 30, 2025
Carol Montz	Member	November 30, 2027
Dennis McDermott	Member	November 30, 2027
Deborah S. Bowman	Member	November 30, 2025
	Agency	
Dr. John Speer	Chief Administrator	Indefinite
Melissa Sadilek	Board Secretary	Indefinite
Barbara Harms	Board Treasurer/Director of Business Services	Indefinite

Independent Auditor's Report

Board of Directors
Grant Wood Area Education Agency 10
Cedar Rapids, Iowa

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Grant Wood Area Education Agency 10, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Grant Wood Area Education Agency 10's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Grant Wood Area Education Agency 10, as of June 30, 2024, and the respective changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grant Wood Area Education Agency 10 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

200 North Adams Avenue, Mason City, IA 50401-3120 • (641) 423-0574 • Fax (641) 423-4163 • E-Mail mc@hoganhansen.com
Member of American Institute of CPAs - Iowa Society of CPAs
Ames • Ankeny • Cedar Rapids • Mason City • Waterloo

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grant Wood Area Education Agency 10's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Grant Wood Area Education Agency 10's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grant Wood Area Education Agency 10's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of proportionate share of the net pension liability, the schedule of contributions and the schedule of changes in the Agency's total OPEB liability, related ratios and notes on pages 5 through 11 and 42 through 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting

Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grant Wood Area Education Agency 10'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, 2023 (which are not presented herein) and expressed an unmodified opinion on those financial statements. The accompanying nonmajor governmental funds - combining balance sheet; nonmajor governmental funds - combining schedule of revenue, expenditures and changes in fund balances; schedule of revenue by source and expenditures by function - all governmental fund types (modified accrual basis); and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor governmental funds - combining balance sheet; nonmajor governmental funds - combining schedule of revenue, expenditures and changes in fund balances; schedule of revenue by source and expenditures by function - all governmental fund types (modified accrual basis); and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2024, on our consideration of Grant Wood Area Education Agency 10'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 Grant Wood Area Education Agency 10'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 Grant Wood Area Education Agency 10's internal control over financial reporting and compliance.

Hogan - Hansen

HOGAN - HANSEN

Mason City, Iowa
November 27, 2024

GRANT WOOD AREA EDUCATION AGENCY 10
MANAGEMENT'S DISCUSSION AND ANALYSIS

Grant Wood Area Education Agency 10 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, 2024. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

2023-2024 FINANCIAL HIGHLIGHTS

- General Fund revenue increased from $60,896,226 in fiscal year 2023 (FY 23) to $62,193,259 in fiscal year 2024 (FY 24), an increase of $1,297,033. General Fund expenditures decreased from $61,356,848 in FY 23 to $60,362,907 in FY 24, a decrease of $993,941. General Fund net change in fund balance was ($1,886,046) in FY 23 compared to ($215,706) in FY 24 This resulted in a decrease in the Agency's General Fund balance from $13,247,579, in FY 23 to $13,031,873 in FY 24.
- Revenue increased primarily due to an increase in state formula funding, federal grants under IDEA and some fee-for-service programs. The overall decrease in General Fund expenditures was due to lower building repair expenses and the impact of GASB 87 and 96. We also had several mid-year staff resignations.

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 Agency'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 Grant Wood Area Education Agency 10 as a whole and present an overall view of the Agency's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Agency's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining financial statements provide information about activities for which the Agency acts solely as an agent or custodian for the benefit of those outside of the Agency (Custodial Funds).
- Notes to the Financial Statements provide additional information that is 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 Agency's budget for the year, the Agency's proportionate share of the net pension liability and related contributions, as well as the schedule of changes in the Agency's total OPEB liability, related ratios and notes.
- Supplementary Information provides detailed information about the nonmajor funds. In addition, the schedule of expenditures of federal awards provides details of various federal programs benefiting the Agency.

Reporting the Agency's Financial Activities

Government-wide Financial Statements

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

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

In the government-wide financial statements, the Agency's activities are reported in the following category:

- *Governmental activities:* The Agency's basic services are included here, such as regular and special education instruction, student and instructional staff support services and administration. Local school districts, federal and state aid finance most of these activities.

Fund Financial Statements

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

Some funds are required by state law or by bond covenants. The Agency establishes other funds to control and manage money for particular purposes, such as accounting for major construction projects or to show that it is properly using certain revenue, such as federal grants.

The Agency has two kinds of funds:

1. Governmental funds account for the Agency's basic services. These focus on how cash and other financial assets readily converted to cash flow in and out and the balances left at year end 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 Agency's programs. The Agency's governmental funds include: (a) the General Fund, (b) the Special Revenue Funds and (c) the Capital Projects Fund.

   The required financial statements for governmental funds include a balance sheet and a statement of revenue, expenditures and changes in fund balances.

2. Fiduciary funds are funds through which the Agency administers and accounts for certain federal and/or state grants as a fiscal agent. The Agency is responsible for ensuring the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The Agency excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

   The required financial statements for fiduciary funds include a statement of fiduciary net position and a statement of changes in fiduciary net position.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. Grant Wood Area Education Agency 10's net position as of the end of FY 24 was approximately $7.0 million compared to approximately $4.8 million as of the end of FY 23. The analysis that follows focuses on the net position and changes in net position.

	Condensed Statement of Net Position	
	Governmental Activities	
	June 30,	
	2024	**2023**
Assets		
Current and other assets	$ 20,621,976	$ 24,789,864
Capital assets	8,017,627	6,169,488
Total Assets	**28,639,603**	**30,959,352**
Deferred Outflows of Resources	**6,941,581**	**4,243,476**
Total Assets and Deferred Outflows of Resources	**$ 35,581,184**	**$ 35,202,828**
Liabilities		
Long-term obligations	$ 21,861,373	$ 20,406,128
Other liabilities	5,483,003	6,881,934
Total Liabilities	**27,344,376**	**27,288,062**
Deferred Inflows of Resources	**1,188,956**	**3,090,465**
Net Position		
Net investment in capital assets	8,015,436	7,875,962
Restricted	384,265	400,086
Unrestricted	(1,351,849)	(3,451,747)
Total Net Position	**7,047,852**	**4,824,301**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 35,581,184**	**$ 35,202,828**

The Agency's total net position increased 46.1%, or $2,223,551, from FY 23. The increase in total net position and unrestricted net position was primarily due to the impact of the net pension liability valuation and the construction-in-progress at the new Coralville building.

The following analysis details the changes in net position resulting from the Agency's activities.

	Changes in Net Position	
	Governmental Activities	
	June 30,	
	2024	**2023**
Revenue		
Program Revenue		
Charges for service	$ 8,141,024	$ 7,581,541
Operating grants and contributions	23,280,736	22,789,475
General Revenue (Expense)		
Property tax	15,075,246	14,661,964
State foundation aid	16,763,351	17,005,855
Unrestricted investment earnings	409,631	229,666
Loss on disposal of capital assets	(47,277)	(222,409)
Total Revenue	**63,622,711**	**62,046,092**
Program Expenses		
Instruction	3,336,794	2,973,060
Student support services	23,402,847	22,475,716
Instructional staff support services	22,279,721	21,991,291
General administration	2,168,212	2,115,571
Building administration	3,105,852	2,838,284
Business and central administration	3,422,380	3,160,702
Purchasing, distributing, printing, publishing and duplicating	679,195	814,658
Plant operations and maintenance	1,174,135	1,530,775
Central and other support services	5,875	7,436
Noninstructional programs	206,329	178,845
Interest expense	117,019	—
Depreciation/amortization (unallocated)	1,500,801	1,561,401
Total Expenses	**61,399,160**	**59,647,739**
Change in Net Position	**2,223,551**	**2,398,353**
Net Position - Beginning of Year, as restated	4,824,301	2,425,948
Net Position - End of Year	**$ 7,047,852**	**$ 4,824,301**

Property tax and state foundation aid account for 50.0% of the total revenue while operating grants and contributions from local, state and federal sources account for 49.4% of the total revenue. The Agency's expenses primarily relate to student and instructional staff support services, which account for 74.4% of total expenses.

GOVERNMENTAL ACTIVITIES

There was a net increase in total revenue of $1,576,619, which was primarily due to increases in state formula funding and federal allocations, in addition to local revenues for fee-for-service contracts.

The increase in total expenses of $1,751,421 was primarily due to increases in staffing and compensation packages and the impact of IPERS pension expense.

INDIVIDUAL FUND ANALYSIS

As previously noted, Grant Wood Area Education Agency 10 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Agency's governmental funds reported combined fund balances of $13,143,704, which is a decrease from last year's ending fund balances of $13,358,654.

The decrease in fund balances was due to planned expenditures to reduce fund balance to appropriate levels based on direction from the Board of Directors.

General Fund Highlights

The General Fund balance decreased from $13,247,579 to $13,031,873 due to planned one-time facility expenditures.

BUDGETARY HIGHLIGHTS

Over the course of the year, the Agency amended its budget once. Revenue was adjusted to reflect increases in federal allocations and state formula funding, as well as local fee-for-service agreements.

Expenditures were adjusted to reflect actual staffing levels and compensation increases.

The Agency's total revenue was $520,861 less than total budgeted revenue, a variance of 0.8%. Total expenditures were $5,788,854 less than budgeted, a variance of 8.1%. The variance in expenditures was due to cancelling a planned facility project, mid-year staff resignations and cautionary spending due to pending legislative action.

A schedule showing the original and final budget amounts compared to the Agency's actual financial activity is included in the Required Supplementary Information section of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the Agency had invested $8,017,627, net of accumulated depreciation/amortization, in a broad range of capital assets, including land, buildings, computers, equipment, intangibles and an extensive library/media collection. This is a net increase of $1,848,135 from last year.

Grant Wood Area Education Agency 10 reported depreciation/amortization expense of $991,385 in FY 24 and total accumulated depreciation/amortization of $14,421,670 as of June 30, 2024. More detailed information about capital assets is presented in Note 5 to the financial statements.

Long-Term Liabilities

The Agency had no long-term debt outstanding as of June 30, 2024 or 2023.

As of June 30, 2024, the Agency had $21,861,374 of long-term liabilities outstanding compared to $20,406,128, as restated, as of June 30, 2023. The long-term liabilities consist of compensated absences, lease obligations, IT subscription liability, net pension liability and total OPEB liability. More detailed information about the Agency's long-term liabilities is available in Note 6 to the financial statements.

ECONOMIC FACTORS BEARING ON THE AGENCY'S FUTURE

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

- Legislative action under House File 2612 in early 2024 made significant changes to the flow of state funding for area education agencies. This has caused the Agency to shift to a 'service for a fee' model for education and media services. Additional changes to special education will go into effect on July 1, 2025.

- State and federal funding levels continue to be an area of concern. Growth in state funding to schools has been low, with 2.5% for FY25, 3.0% for FY24 and 2.5% for FY23. Funding levels for FY26 are a critical unknown heading into budget planning. The AEA system had ongoing targeted reductions of $32.5 million for FY25, $29.6 million for FY24 and $24.6 million for FY23. This equated to a $4,566,772 reduction for the Agency for FY25.

- Future enrollment stability is a critical element in maintaining a sound financial foundation. The recent trend for our service area shows that we had slight increases in enrollment for 2023 of 0.4% and for 2022 of 0.01%. Preliminary counts for 2024 are not yet available, but we expect it will be flat or show slight growth.

- Approximately 76% of all expenditures are for staff salaries and benefits. We are in year five of a five-year agreement with the total compensation packages to be based on the combined percentage of supplemental state aid and the change in our AEA served enrollment. There is an increasing need for the Agency to provide competitive compensation in the current environment of staffing shortages and inflationary factors in the economy. Health insurance premiums are another critical factor where we expect increasing costs.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Agency's citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office of Grant Wood Area Education Agency 10, 4401 6th Street, SW, Cedar Rapids, Iowa 52404.

Basic Financial Statements

Statement of Net Position

As of June 30, 2024

Assets and Deferred Outflows of Resources	
Assets	
Cash	$ 13,214,171
Due from other governments	5,274,770
Inventories	123,160
Prepaid expenses	14,606
Right-to-use leased assets, net of accumulated amortization	214,521
IT subscription assets, net of accumulated amortization	1,780,748
Capital assets, net of accumulated depreciation	8,017,627
Total Assets	**28,639,603**
Deferred Outflows of Resources	
Pension-related deferred outflows	**6,941,581**
Total Assets and Deferred Outflows of Resources	**$ 35,581,184**
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Accounts payable	$ 217,561
Due to other governments	511,002
Salaries and benefits payable	4,035,309
Accrued liabilities	719,131
Long-Term Liabilities	
Portion Due Within One Year	
Compensated absences	83,725
Lease obligations	78,281
IT subscription liability	867,543
Portion Due After One Year	
Lease obligations	136,868
IT subscription liability	914,768
Net pension liability	18,811,154
Total OPEB liability	969,034
Total Liabilities	**27,344,376**
Deferred Inflows of Resources	
Pension-related deferred inflows	940,093
OPEB-related deferred inflows	248,863
Total Deferred Inflows of Resources	**1,188,956**
Net Position	
Net investment in capital assets	8,015,436
Restricted for	
Categorical funding	272,434
Off-site programs	5,006
Special education transportation	106,825
Unrestricted	(1,351,849)
Total Net Position	**7,047,852**
Total Liabilities, Deferred Inflows of Resources and Net Position	**$ 35,581,184**

See accompanying notes to the financial statements.

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue: Charges for Service	Program Revenue: Operating Grants, Contributions and Restricted Interest	Net Revenue (Expense) and Changes in Net Position: Governmental Activities
Governmental Activities				
Instruction	$ 3,336,794	$ 1,201,049	$ 2,899,891	$ 764,146
Student support services	23,402,847	102	18,690,134	(4,712,611)
Instructional staff support services	22,279,721	3,778,978	1,690,711	(16,810,032)
General administration	2,168,212	91,161	—	(2,077,051)
Building administration	3,105,852	—	—	(3,105,852)
Business and central administration	3,422,380	2,563,736	—	(858,644)
Purchasing, distributing, printing, publishing and duplicating	679,195	431,007	—	(248,188)
Plant operations and maintenance	1,174,135	11,631	—	(1,162,504)
Central and other support services	5,875	—	—	(5,875)
Noninstructional programs	206,329	63,360	—	(142,969)
Interest expense	117,019	—	—	(117,019)
Depreciation/amortization (unallocated)*	1,500,801	—	—	(1,500,801)
Total Governmental Activities	**$ 61,399,160**	**$ 8,141,024**	**$ 23,280,736**	**(29,977,400)**
General Revenue (Expense)				
Property tax levied for general purposes				15,075,246
State foundation aid				16,763,351
Unrestricted investment earnings				409,631
Loss on disposal of capital assets				(47,277)
Total General Revenue (Expense)				**32,200,951**
Change in Net Position				**2,223,551**
Net Position - Beginning of Year, as restated (Note 16)				4,824,301
Net Position - End of Year				**$ 7,047,852**

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

Balance Sheet - Governmental Funds

As of June 30, 2024

	General	Nonmajor	Total
Assets			
Cash	$ 13,000,332	$ 213,839	$ 13,214,171
Due from other governments	4,847,894	426,876	5,274,770
Due from other funds	351,320	62,330	413,650
Inventories	123,160	—	123,160
Prepaid expenditures	14,606	—	14,606
Total Assets	**$ 18,337,312**	**$ 703,045**	**$ 19,040,357**
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 154,537	$ 63,024	$ 217,561
Due to other governments	426,268	84,734	511,002
Due to other funds	62,330	351,320	413,650
Salaries and benefits payable	3,943,173	92,136	4,035,309
Accrued liabilities	719,131	—	719,131
Total Liabilities	**5,305,439**	**591,214**	**5,896,653**
Fund Balances			
Nonspendable			
Inventories	123,160	—	123,160
Prepaid expenditures	14,606	—	14,606
Restricted for			
Categorical funding	272,434	—	272,434
Off-site programs	—	5,006	5,006
Special education transportation	—	106,825	106,825
Committed for			
Coralville remodel	260,000	—	260,000
Equipment replacement	91,500	—	91,500
Assigned to			
Professional leave	334,679	—	334,679
Local projects	45,389	—	45,389
Other	538,176	—	538,176
Unassigned	11,351,929	—	11,351,929
Total Fund Balances	**13,031,873**	**111,831**	**13,143,704**
Total Liabilities and Fund Balances	**$ 18,337,312**	**$ 703,045**	**$ 19,040,357**

See accompanying notes to the financial statements.

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

As of June 30, 2024

Total Fund Balances of Governmental Funds (Page 14)		**$ 13,143,704**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds..		8,017,627
Right-to-use assets from leases used in governmental activities are not current financial resources and are not fully expendable in the current year and, therefore, are not reported in the governmental funds..		214,521
Subscription right-to-use assets from IT subscriptions used in governmental activities are not current financial resources and are not fully expendable in the current year, and therefore, are not reported in governmental funds.		1,780,748
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:		
Pension-related deferred outflows of resources	$ 6,941,581	
Pension-related deferred inflows of resources	(940,093)	
OPEB-related deferred inflows of resources	(248,863)	5,752,625
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Compensated absences...	$ (83,725)	
Lease obligations	(215,148)	
IT subscription liabilities	(1,782,312)	
Net pension liability	(18,811,154)	
Total OPEB liability	(969,034)	(21,861,373)
Net Position of Governmental Activities (Page 12)		**$ 7,047,852**

Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds

Year Ended June 30, 2024

	General	Nonmajor	Total
Revenue			
Local sources	$ 22,695,434	$ 776,071	$ 23,471,505
State sources	20,296,518	669,760	20,966,278
Federal sources	19,201,307	30,898	19,232,205
Total Revenue	**62,193,259**	**1,476,729**	**63,669,988**
Expenditures			
Current			
Instruction	2,115,187	1,368,527	3,483,714
Student support services	24,323,541	—	24,323,541
Instructional staff support services	22,865,135	35,281	22,900,416
General administration	2,246,422	—	2,246,422
Building administration	3,085,542	173,965	3,259,507
Business and central administration	3,556,638	—	3,556,638
Purchasing, distributing, printing, publishing and duplicating	722,169	—	722,169
Plant operations and maintenance	1,226,386	—	1,226,386
Central and other support services	5,875	—	5,875
Noninstructional programs	216,012	—	216,012
Facilities acquisition and construction	—	2,564,386	2,564,386
Repayment of principal	—	1,195,086	1,195,086
Interest expense	—	117,019	117,019
Total Expenditures	**60,362,907**	**5,454,264**	**65,817,171**
Revenue Over (Under) Expenditures	**1,830,352**	**(3,977,535)**	**(2,147,183)**
Other Financing Sources (Uses)			
Transfers in	—	2,386,071	2,386,071
Transfers out	(2,297,871)	(88,200)	(2,386,071)
IT subscription proceeds	53,990	—	53,990
Lease proceeds	197,823	1,680,420	1,878,243
Total Other Financing Sources (Uses)	**(2,046,058)**	**3,978,291**	**1,932,233**
Change in Fund Balances	**(215,706)**	**756**	**(214,950)**
Fund Balances - Beginning of Year	13,247,579	111,075	13,358,654
Fund Balances - End of Year	**$ 13,031,873**	**$ 111,831**	**$ 13,143,704**

See accompanying notes to the financial statements.

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year Ended June 30, 2024

Change in Fund Balances - Total Governmental Funds (Page 16)		**$ (214,950)**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation/amortization expense to allocate those expenditures over the estimated useful lives of the assets. Capital outlay expenditures and depreciation/amortization expense for the current year were as follows:		
Expenditures for capital assets	$ 2,890,228	
Depreciation/amortization expense	(991,385)	1,898,843
The net book value of capital assets disposed of during the year		(50,708)
A prepaid lease was terminated in the prior year and the balance prepaid remaining was a receivable. The total amount received in the current year and the gain recognized were as follows:		
Proceeds from lease termination	$ (1,680,420)	
Gain on lease termination	6,543	(1,673,877)
Governmental funds report lease and IT subscription payments as expenditures while governmental activities report amortization expense to allocate those expenditures over estimated lease terms of the right-to-use assets and estimated subscription terms of IT subscription assets. Lease and subscription payments and amortization expense for the current year were as follows:		
Expenditures for lease payments	$ 162,373	
Lease amortization expense	(155,897)	
Expenditures for IT subscription payments	934,780	
Subscription amortization expense	(976,039)	(34,783)
The current year Agency employer share of IPERS contributions is reported as expenditures in the governmental funds but is reported as a deferred outflow of resources in the statement of net position.		3,590,817

See accompanying notes to the financial statements.

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

Year Ended June 30, 2024

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:		
Compensated absences	$ 371	
Pension expense	(1,278,496)	
OPEB expense	(13,666)	$ (1,291,791)
Change in Net Position of Governmental Activities (Page 13)		**$ 2,223,551**

See accompanying notes to the financial statements.

Statement of Fiduciary Net Position - Custodial Fund

As of June 30, 2024

Assets	
Cash	$ 76,093
Due from other governments	34,873
Total Assets	**$ 110,966**
Liabilities	
Accounts payable	$ 23,994
Net Position	
Restricted for other governments	86,972
Total Liabilities and Net Position	**$ 110,966**

See accompanying notes to the financial statements.

Statement of Changes in Fiduciary Net Position - Custodial Fund

Year Ended June 30, 2024

Additions	
State sources	$ 261,270
Federal sources	232,923
Total Additions	**494,193**
Deductions	
Instruction	**516,774**
Change in Net Position	**(22,581)**
Net Position - Beginning of Year	109,553
Net Position - End of Year	**$ 86,972**

See accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

Grant Wood Area Education Agency 10 is an intermediate school corporation established to identify and serve children who require special education. The Agency also provides media services and education support services. These programs and support services are provided to 32 public school districts and 24 private schools in a seven-county area. The Agency is governed by a Board of Directors whose members are elected on a nonpartisan basis.

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

Reporting Entity

For financial reporting purposes, Grant Wood Area Education Agency 10 has included all funds, organizations, agencies, boards, commissions and authorities. The Agency 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 Agency are such that exclusion would cause the Agency's financial statements to be misleading or incomplete. The GASB 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 Agency 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 Agency. The Agency has no component units which meet the GASB criteria.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by intergovernmental revenue.

The statement of net position presents the Agency'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, right-to-use lease assets and IT subscription assets, net of accumulated depreciation/amortization and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

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

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

(1) Summary of Significant Accounting Policies

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

Fund 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.

The Agency reports the following major governmental fund:

The General Fund is the general operating fund of the Agency. All general revenue and other revenue 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 Agency also reports the following fiduciary fund:

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

Measurement Focus and Basis of Accounting
The government-wide financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the Agency considers revenue to be available if it is collected within 60 days after year end.

Intergovernmental revenue (shared revenue, 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 Agency.

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.

(1) Summary of Significant Accounting Policies

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

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

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

Cash
Cash includes amounts in demand deposits and money market funds. The investment in the Iowa Schools Joint Investment Trust (ISJIT) is valued at cost.

Due From Other Governments
Due from other governments represents amounts due from the State of Iowa, various shared revenue, grants and reimbursements from other governments.

Inventories
Inventories are stated at cost using the first-in, first-out method and consist of expendable supplies and materials. The cost of these items is recorded as an expenditure at the time of consumption.

Prepaid Expenses/Expenditures
Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/expenditures in both the government-wide and fund financial statements on the consumption method.

Capital Assets
Capital assets, which include property, furniture and equipment and intangibles, are reported in the government-wide statement of net position. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the Agency 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	$ 1,000
Buildings	1,000
Improvements other than buildings	1,000
Furniture and equipment	300 or 1,000
Library books and other media materials	Cost
Intangibles	200,000

(1) Summary of Significant Accounting Policies

All capital assets of the Agency except library books and other media materials are depreciated/ amortized using the straight-line method of depreciation/amortization and library books and other media materials are depreciated using the composite method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50 Years
Improvements other than buildings	20 Years
Furniture and equipment	5 Years
Library books and other media materials	10 Years
Intangibles	15 Years

Leases

Grant Wood Area Education Agency 10 is the lessee for severable noncancellable leases of buildings and equipment. The Agency has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

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

Key estimates and judgments related to leases include how Grant Wood Area Education Agency 10 determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

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

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

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

Lease assets are reported as right-to-use assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements (SBITA)

The Agency has entered into several contracts that convey control of the right-to-use information technology software. The Agency has recognized an IT subscription liability and an intangible right-to-use IT subscription asset in the government-wide financial statements. The Agency recognized IT subscription liabilities with an initial, individual value of $1,000 or more.

(1) Summary of Significant Accounting Policies

At the commencement of the subscription term, the Agency initially measures the IT subscription liability at the present value of payment expected to be made during the subscription term. Subsequently, the IT subscription liability is reduced by the principal portion of IT subscription payments made. The right-to-use an IT subscription asset is initially measured as the sum of the initial IT subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus capitalization implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the right-to-use IT subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscription arrangements include how the Agency determines the discount rate it uses to discount the expected IT subscription payments to present value, subscription term and subscription payments.

The Agency uses the interest rate charged by the subscription vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Agency generally uses its estimated incremental borrowing rate as the discount rate.

The IT subscription term includes the noncancellable period of the subscription. IT subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The Agency monitors changes in circumstances that would require a remeasurement of its IT subscription and will remeasure the right-to-use IT subscription asset and IT subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use IT subscription assets are reported as IT subscription assets and IT subscription liabilities are reported with long-term debt on the statement of net position.

Deferred Outflows of Resources
Deferred outflows of resources represent a consumption of net position that applies to a future period(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 or OPEB expense and contributions from the Agency after the measurement date but before the end of the Agency’s reporting period.

Due to Other Governments
Due to other governments represents amounts payable to various community school districts and payments to other governments.

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

Compensated Absences
Agency employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability has been recorded in the statement of net position representing the Agency’s commitment to fund noncurrent compensated absences. This liability has been computed based on rates of pay in effect as of June 30, 2024. The compensated absences liability attributable to the governmental activities will be paid primarily by the General and Special Revenue Funds.

(1) Summary of Significant Accounting Policies

Long-Term Liabilities
In the government-wide financial statements, long-term obligations are reported as liabilities 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 and Special Revenue Funds.

Total OPEB Liability
For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the Agency'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 and Special Revenue Funds.

Deferred Inflows of Resources
Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenue is measurable, it is 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 statement of net position consist of unrecognized items not yet charged to pension or OPEB expense.

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

Nonspendable - Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

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

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

Assigned - Amounts the Board of Directors intends to use for specific purposes.

Unassigned - All amounts not included in the preceding classifications.

(1) Summary of Significant Accounting Policies

Budgets and Budgetary Accounting
The budgetary comparison and related disclosures are reported as required supplementary information.

Estimates and Assumptions
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events
Management has evaluated subsequent events through November 27, 2024, the date which the financial statements were available to be issued.

(2) Cash and Investments

The Agency's deposits in banks as of June 30, 2024 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 insure that there will be no loss of public funds.

The Agency 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 Directors; 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.

As of June 30, 2024, the Agency had investments in the Iowa Schools Joint Investment Trust (ISJIT) Diversified Portfolio which are valued at a cost of $3,183,067. There were no limitations or restrictions on withdrawals for the ISJIT investments. The investments in the ISJIT were rated AAAm by Standard & Poor's Financial Services.

Interest Rate Risk
The Agency's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Agency.

(3) Due From and Due to Other Funds

The detail of interfund receivables and payables as of June 30, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
General	Special Revenue - Off-Site Programs	$ 351,320
Capital Projects	General	62,330
		$ 413,650

The Special Revenue - Off-Site Programs Fund is repaying the General Fund for special education billings not received prior to the end of current year. The General Fund is repaying the Capital Projects Fund for construction services and retainage not paid prior to the end of the current year. The balances were paid by September 30, 2024.

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2024 is as follows:

Transfer to	Transfer From	Amount
Special Revenue - Off-Site Programs	General	$ 190,000
Capital Projects	General	883,966
Debt Service	General	1,223,905
Debt Service	Special Revenue - Off-Site Programs	88,200
		$ 2,386,071

Transfers generally move revenue from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The transfers in the current year were related to off-site behaviors program expenses, remodeling of a building, subscription payments and lease payments.

(5) Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Restated Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Governmental Activities				
Capital Assets Not Being Depreciated/Amortized				
Land	$ 280,253	$ —	$ —	$ 280,253
Construction in Progress	44,396	2,343,557	19,396	2,368,557
Total Capital Assets Not Being Depreciated/Amortized	324,649	2,343,557	19,396	2,648,810

(5) Capital Assets

	Balance - Beginning of Year Restated (Note 16)	Increases	Decreases	Balance - End of Year
Capital Assets Being Depreciated/ Amortized				
Buildings	$ 6,449,034	$ —	$ —	$ 6,449,034
Improvements other than buildings	4,911,643	183,345	—	5,094,988
Furniture and equipment	6,241,890	267,358	520,194	5,989,054
Library books and other media materials	1,905,335	95,968	105,944	1,895,359
Intangibles	362,052	—	—	362,052
Total Capital Assets Being Depreciated/Amortized	19,869,954	546,671	626,138	19,790,487
Less Accumulated Depreciation/ Amortization for				
Buildings	4,428,626	160,514	—	4,589,140
Improvements other than buildings	1,256,809	281,124	—	1,537,933
Furniture and equipment	5,319,026	336,074	488,882	5,166,218
Library books and other media materials	2,683,127	189,536	105,944	2,766,719
Intangibles	337,523	24,137	—	361,660
Total Accumulated Depreciation/Amortization	14,025,111	991,385	594,826	14,421,670
Total Capital Assets Being Depreciated/Amortized, Net	5,844,843	(444,714)	31,312	5,368,817
Governmental Activities Capital Assets, Net	**$ 6,169,492**	**$ 1,898,843**	**$ 50,708**	**$ 8,017,627**

Depreciation/amortization expense was charged to the following functions:

Governmental Activities	
Instruction	$ 2,573
Student support services	268
Instructional staff support services	416,136
Business and central administration	26,830
Purchasing, distributing, printing, publishing and duplicating	45,387
Plant operations and maintenance	58,553
Unallocated	441,638
Total Depreciation/Amortization Expense - Governmental Activities	**$ 991,385**

(6) Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2024 is as follows:

	Restated Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Due Within One Year
Governmental Activities					
Compensated absences	$ 84,097	$ 83,725	$ 84,097	$ 83,725	$ 83,725
Lease obligations	179,698	197,823	162,373	215,148	78,281
IT subscription liability	2,663,104	53,989	934,780	1,782,313	867,543
Net pension liability.....	16,306,103	2,505,051	—	18,811,154	—
Total OPEB liability.....	1,173,126	—	204,092	969,034	—
	$ 20,406,128	$ 2,840,588	$ 1,385,342	$ 21,861,374	$ 1,029,549

Separation Plan Benefits Payable

The Agency may provide a Separation Plan for Agency staff, and that decision is made each year by the Board as part of a fiscal management plan. There was no Separation Plan provided for the year ended June 30, 2024. For employees who separated prior to July 1, 2009, the Agency will continue to provide health and life insurance benefits until they reach the age of 65. Actual expenditures for health and life insurance benefits for the year ended June 30, 2024 totaled $848. The amount of remaining benefits payable is immaterial.

(7) Right-to-Use Leased Assets and Lease Obligations

The Agency leases office equipment and various facilities within the area to house the different programs of the Agency. These leases have been classified as long-term leases and, accordingly, are reported as right-to-use assets and amortized over their lease terms. The leases expire between August, 2023 and March, 2029. The monthly payments range from $154 to $7,350 and the discount rates range from 2.37% to 5.00%. Some of the leases also require the payment of normal maintenance and insurance on the properties and equipment. These amounts are immaterial and expensed as incurred and, therefore, are not included in the initial measurement of the lease liability. Certain leases are renewable for additional periods. In most cases, management expects that the leases will be renewed or replaced by other leases. During the year ended June 30, 2024, principal and interest paid were $162,373 and $10,495, respectively.

(7) Right-to-Use Leased Assets and Lease Obligations

Right-to-Use Leased Assets

The following is an analysis of the leased property by major classes of the underlying asset:

	Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Governmental Activities				
Buildings	$ 313,969	$ 146,848	$ 65,834	$ 394,983
Furniture and equipment	175,312	50,975	28,003	198,284
Subtotal	489,281	197,823	93,837	593,267
Less Accumulated Amortization for				
Buildings	224,364	107,186	65,834	265,716
Furniture and equipment	92,323	45,599	24,892	113,030
Subtotal	316,687	152,785	90,726	378,746
Governmental Activities Right-to-Use Leased Assets, Net	**$ 172,594**	**$ 45,038**	**$ 3,111**	**$ 214,521**

Lease Obligations

The following is a schedule of principal and interest requirements to maturity for the obligations:

Year Ending June 30,	Principal	Interest	Total
2025	$ 78,281	$ 7,365	$ 85,646
2026	38,989	5,079	44,068
2027	41,039	3,349	44,388
2028	43,187	1,521	44,708
2029	13,654	131	13,785
Total	**$ 215,150**	**$ 17,445**	**$ 232,595**

Variable Payments

The amount of expense recognized during the year for variable payments not included in the initial measurement of the lease liability was $63,343.

Other Leasing Information

During the year ended June 30, 2016, the Agency entered into a long-term lease with Kirkwood Community College for a newly constructed building. The Agency made a lump-sum lease payment of $2,000,500 in November, 2015, which covered all lease payments and was recorded as a prepaid lease payment to be amortized to rent expense evenly over the term of the lease. The lease was originally set to expire June, 2064, but it was terminated effective June 30, 2023. The balance of the prepaid amount, $1.68 million, was repaid to the Agency by Kirkwood Community College in July, 2023 and is included in other financing sources on the statement of revenue, expenditures and changes in fund balances. A gain on the lease termination of $6,543 was included in loss on disposal of capital assets on the statement of activities.

(8) IT Subscription Assets and Liabilities

The Agency has entered into several IT subscription license and services information technology agreements. These agreements have been classified as long-term subscriptions and, accordingly, are reported as IT subscription assets and amortized over their subscription terms. The subscriptions end between June, 2024 and December, 2029. The annual payments range from $4,948 to $951,359 and the discount rates were set at the estimated incremental borrowing rate of 4% for the Agency. Certain subscriptions are renewable for additional periods. In most cases, management expects that the subscriptions will be renewed or replaced by other subscriptions. During the year ended June 30, 2024, principal and interest paid were $934,780 and $106,524.

IT Subscription Assets
The following is an analysis of the subscription property:

	Restated Balance - Beginning of Year	Increases	Decreases	Balance - End of Year
Governmental Activities				
IT subscription assets	$ 3,660,065	$ 53,989	$ —	$ 3,714,054
Less accumulated amortization	957,267	976,039	—	1,933,306
Governmental Activities IT Subscription Assets, Net	**$ 2,702,798**	**$ (922,050)**	**$ —**	**$ 1,780,748**

IT Subscription Liabilities
Future principal and interest payments as of June 30, 2024 were as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 867,543	$ 71,488	$ 939,031
2026	914,768	36,591	951,359
Total	**$ 1,782,311**	**$ 108,079**	**$ 1,890,390**

(9) Pension and Retirement Benefits

Plan Description
IPERS membership is mandatory for employees of the Agency, except for those covered by another retirement system. Employees of the Agency are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan administered by 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 informational purposes only. Refer to the plan documents for more information.

(9) Pension and Retirement Benefits

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

- A multiplier (based on years of service).
- The member's highest five-year average salary. (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 that 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 that the member receives benefits before age 65.

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

Disability and Death Benefits
A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits 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 one percentage point. IPERS' Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

(9) Pension and Retirement Benefits

In fiscal year 2024, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the Agency contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Agency's contributions to IPERS for the year ended June 30, 2024 were $3,590,817.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2024, the Agency reported a liability of $18,811,154 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on the Agency's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. As of June 30, 2023, the Agency's proportion was 0.416760% which was a decrease of 0.014830% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Agency recognized pension expense of $1,278,496. As of June 30, 2024, the Agency 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	$ 1,591,449	$ 77,320
Changes of assumptions	—	298
Net difference between projected and actual earnings on IPERS' investments	1,742,141	—
Changes in proportion and differences between Agency contributions and proportionate share of contributions	17,174	862,475
Agency contributions subsequent to the measurement date	3,590,817	—
Total	**$ 6,941,581**	**$ 940,093**

$3,590,817 reported as deferred outflows of resources related to pensions resulting from the Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. 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 Ending June 30,	
2025	$ (788,671)
2026	(1,684,984)
2027	4,104,148
2028	693,235
2029	86,943
Total	**$ 2,410,671**

There were no nonemployer contributing entities at IPERS.

(9) Pension and Retirement Benefits

Actuarial Assumptions

The total pension liability in the June 30, 2023 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, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2024 valuation were based on the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.

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

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	21.0%	4.56%
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	**100.0%**	

(9) Pension and Retirement Benefits

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 Agency will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of 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 Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Agency's proportionate share of the net pension liability................	$39,996,704	$18,811,154	$1,057,313

Pension Plan 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*.

Payable to the Pension Plan
All legally required employer contributions and legally required employee contributions which had been withheld from employee wages were remitted by the Agency to IPERS by June 30, 2024.

(10) Other Postemployment Benefits (OPEB)

Plan Description
The Agency participates in an agent multiple-employer defined benefit health care plan called the Metro Interagency Insurance Program (MIIP). This plan provides medical and prescription drug benefits for employees, retirees and their spouses. The medical and prescription benefits are provided through a self-insured 28E organization plan with MIIP. The plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting MIIP, 4401 6th Street, SW, Cedar Rapids, Iowa 52404. Group insurance benefits are established under Iowa Code Chapter 509A.13. As of June 30, 2024, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits
Individuals who are employed by Grant Wood Area Education Agency 10 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/prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

(10) Other Postemployment Benefits (OPEB)

Retired participants must be age 55 or older at retirement. As of June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	34
Active employees	439
Total	**473**

Total OPEB Liability

The Agency's total OPEB liability of $969,034 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurements.

Rate of inflation (effective June 30, 2024)	2.75% per annum.
Rates of salary increase (effective June 30, 2024)	0.00% per year.
Discount rate (effective June 30, 2024)	4.75% compounded annually.
Healthcare cost trend rate (effective June 30, 2024)	6.00% per year.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.75% 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 Annuity Mortality Tables (2/3 female, 1/3 male). Annual retirement probabilities are based on varying rates by age and turnover probabilities are determined from client estimates.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Changes in Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability - Beginning of Year	$ 1,173,126
Changes for the Year	
Service cost	87,353
Interest	46,850
Changes of assumptions	(205,562)
Differences between expected and actual experience	(36,734)
Recognition of deferred inflows/outflows	(29,525)
Benefit payments	(66,474)
Net Changes	(204,092)
Total OPEB Liability - End of Year	**$ 969,034**

(10) Other Postemployment Benefits (OPEB)

Sensitivity of the Agency's Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.75%) or one percentage point higher (5.75%) than the current discount rate.

	1% Decrease (3.75%)	Discount Rate (4.75%)	1% Increase (5.75%)
Total OPEB liability..........................	$1,061,910	$969,034	$886,068

Sensitivity of the Agency's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current healthcare cost trend rate.

	1% Decrease (5.00%)	Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
Total OPEB liability..........................	$852,229	$969,034	$1,107,552

OPEB Expense and Deferred Outflows of Resources Related to OPEB
For the year ended June 30, 2024, the Agency recognized OPEB expense of $13,666. As of June 30, 2024, the Agency reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual experience..	$ 60,662
Changes of assumptions..	188,201
Total	**$ 248,863**

The amount reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	**Amount**
2025..	$ 22,958
2026..	22,958
2027..	22,958
2028..	22,958
Thereafter...	157,031
Total	**$ 248,863**

(11) Risk Management

The Agency 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 Agency assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks did not exceed commercial insurance coverage in any of the past three fiscal years.

(12) Metro Interagency Insurance Program (MIIP)

The Agency is a member of MIIP. The program provides services necessary and appropriate for the establishment, operation and maintenance of an insurance program for employee health and medical claims for member institutions. Premiums billed to the participants are determined on an actuarial basis based on the institution's claim experiences. The Agency contributed $5,402,699 to the program for the year ended June 30, 2024.

In the event that a member withdraws from MIIP, the withdrawn member continues to be responsible for its share of cost arising from events occurring while it was a participating member. If the withdrawn member at any time has a negative balance, the withdrawn member is immediately liable and obligated to MIIP for that amount.

MIIP uses reinsurance to reduce its exposure to large losses. MIIP has a stop/loss coverage of $200,000 per individual and an aggregate stop/loss of 125% of actuarial projections for the rating period. If claims or series of claims exceed the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member.

The Agency does not report a liability for losses in excess of reinsurance unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. As of June 30, 2024, no liability has been recorded by the Agency and settled claims have not exceeded the risk pool or reinsurance coverage in any of the past three fiscal years.

MIIP issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by contacting MIIP, 4401 6th Street, SW, Cedar Rapids, Iowa 52404.

(13) Commitments and Contingencies

Employee Benefits

Employees accumulate sick pay based upon years of service. Unused sick days may be carried forward until needed by the employee, up to a maximum amount established for each employee group. Upon termination, retirement or death, unused days are forfeited; therefore, no accrual is required.

(14) Categorical Funding

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

The following is a schedule of the categorical funding restricted in the General Fund as of June 30, 2024:

Program	**Amount**
Professional Development Supplement	$ 272,434

(15) Change in Area Education Agency Funding

The Governor signed House File 2612 on March 27, 2024, which changes the percentage of educational and media services funding generated through local property taxes by Districts which flow through to each area education agency beginning July 1, 2024. For fiscal year 2025, 40% of the educational and media services funds generated by Districts will continue to flow through to each area education agency, while 60% of the funding will be retained by the District that generated the funds.

(16) Prior Period Adjustment

During 2024, management determined that one subscription agreement that did not belong to the Agency was improperly included in the IT subscription asset and liability accounts for the year ended June 30, 2023. The 2023 financial statements have been restated to correct this error. The effect on each of the following 2023 financial statement lines was as follows:

	As Previously Reported	**As Restated**
Statement of Net Position		
As of June 30, 2023		
IT subscription assets, net of accumulated amortization	$ 2,842,118	$ 2,702,798
IT subscription liability (portion due within one year)	978,725	880,792
Net investment in capital assets	7,917,349	7,875,962

(16) Prior Period Adjustment

Statement of Activities	As Previously Reported	As Restated
Year Ended June 30, 2023		
Charges for service	$ 7,692,589	$ 7,581,541
Depreciation/amortization	1,631,062	1,561,401

The restatement had a net effect on the net position as of June 30, 2023 of ($41,387).

During 2024, management determined that the deposit for a building was erroneously capitalized as a depreciable building for the year ended June 30, 2023. The purchase of this building, which had a total cost of $1,575,000, was completed in July, 2023; and therefore, the Agency was not in possession of the building, nor was it placed in service, as of June 30, 2023.

The restatement had no effect on the statement of net position as of June 30, 2023, or on the statement of activities for the year ended June 30, 2023. The restatement of this deposit can be found in Note 5 to the financial statements.

Required Supplementary Information

Schedule of Budgetary Comparison of Revenue, Expenditures and Changes in Balances - Budget and Actual - All Governmental Funds

Year Ended June 30, 2024

	Actual Governmental Fund Types	Budgeted Amounts Original	Budgeted Amounts Final	Over (Under) Budget
Revenue				
Local sources	$ 23,471,505	$ 22,229,616	$ 23,657,202	$ (185,697)
State sources	20,966,278	23,042,974	21,072,710	(106,432)
Federal sources	19,232,205	17,468,400	19,460,937	(228,732)
Total Revenue	**63,669,988**	**62,740,990**	**64,190,849**	**(520,861)**
Expenditures				
Current				
Instruction	3,483,714	3,370,593	3,487,900	(4,186)
Student support services	24,323,541	26,964,357	27,113,806	(2,790,265)
Instructional staff support services	22,900,416	23,130,947	24,367,529	(1,467,113)
General administration	2,246,422	2,282,965	2,263,899	(17,477)
Building administration	3,259,507	3,185,816	3,323,641	(64,134)
Business and central administration	3,556,638	4,323,198	4,618,187	(1,061,549)
Purchasing, distributing, printing, publishing and duplicating	722,169	803,024	837,474	(115,305)
Plant operations and maintenance	1,226,386	1,419,000	1,640,945	(414,559)
Central and other support services	5,875	7,000	7,500	(1,625)
Noninstructional programs	216,012	202,907	195,857	20,155
Facilities acquisition and construction	2,564,386	2,164,625	3,707,900	(1,143,514)
Repayment of principal	1,195,086	—	—	1,195,086
Interest expense	117,019	—	—	117,019
Total Expenditures	**65,817,171**	**67,854,432**	**71,564,638**	**(5,747,467)**
Revenue Over (Under) Expenditures	**(2,147,183)**	**(5,113,442)**	**(7,373,789)**	**5,226,606**
Other Financing Sources (Uses)	**1,932,233**	**—**	**3,707,900**	**(1,775,667)**
Balance - Beginning of Year	13,358,654	12,612,307	13,358,654	—
Balance - End of Year	**$ 13,143,704**	**$ 7,498,865**	**$ 9,692,765**	**$ 3,450,939**

Notes to Required Supplementary Information - Budgetary Reporting

Year Ended June 30, 2024

This budgetary comparison is presented as required supplementary information in accordance with GASB Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

The Agency's Board of Directors annually prepares a budget on a basis consistent with accounting principles generally accepted in the United States of America for all funds except the Custodial Fund. Although the budget document presents function expenditures by fund, the legal level of control is at the total expenditure level, not by fund. After required public notice and hearing in accordance with the Code of Iowa, the Board submits its budget to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board.

For the year ended June 30, 2024, the Agency's total expenditures did not exceed the approved budget.

Schedule of Proportionate Share of the Net Pension Liability
Iowa Public Employees' Retirement System

Last Ten Years*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability	0.416760%	0.431590%	(0.169760)%	0.428453%	0.442779%	0.436413%	0.435477%	0.422281%	0.434195%	0.442327%
Agency's proportionate share of the net pension liability	$18,811,154	$16,306,103	$586,056	$30,097,686	$25,639,838	$27,617,302	$29,008,255	$26,575,452	$21,451,342	$17,901,148
Agency's covered-employee payroll	$36,600,000	$34,760,000	$33,929,000	$34,003,000	$33,697,000	$32,801,000	$32,506,000	$30,304,000	$29,746,000	$29,536,000
Agency's proportionate share of the net pension liability as a percentage of its covered-employee payroll	51.40%	46.91%	1.73%	88.51%	76.09%	84.20%	89.24%	87.70%	72.12%	60.61%
Plan fiduciary net position as a percentage of the total pension liability	90.13%	91.41%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

Schedule of Contributions
Iowa Public Employees' Retirement System

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 3,590,817	$ 3,455,269	$ 3,281,375	$ 3,213,745	$ 3,209,873	$ 3,181,014	$ 2,929,088	$ 2,902,807	$ 2,706,185	$ 2,656,346
Contributions in relation to the statutorily required contributions	(3,590,817)	(3,455,269)	(3,281,375)	(3,213,745)	(3,209,873)	(3,181,014)	(2,929,088)	(2,902,807)	(2,706,185)	(2,656,346)
Contribution Deficiency (Excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Agency's covered-employee payroll	$ 38,038,000	$ 36,600,000	$ 34,760,000	$ 33,929,000	$ 34,003,000	$ 33,697,000	$ 32,801,000	$ 32,506,000	$ 30,304,000	$ 29,746,000
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	9.44%	9.47%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

Changes of Benefit Terms

There were no significant changes in benefit terms.

Changes of Assumptions

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

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

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

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

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

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

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

For the Last Seven Years

	2024	2023	2022	2021	2020	2019	2018
Service cost	$ 87,353	$ 102,654	$ 102,681	$ 94,948	$ 83,938	$ 63,517	$ 62,543
Interest	46,850	28,696	28,125	24,751	30,798	30,013	30,194
Differences between expected and actual experience	(36,734)	—	141,553	69,254	41,345	(39,155)	(37,143)
Recognition of deferred inflows/ outflows	(29,525)	(34,247)	(29,579)	—	—	—	—
Changes of assumptions	(205,562)	—	(70,918)	(36,555)	69,429	—	—
Benefit payments	(66,474)	(66,297)	(81,324)	(47,616)	(55,237)	(44,336)	(77,676)
Net Change in Total OPEB Liability	(204,092)	30,806	90,538	104,782	170,273	10,039	(22,082)
Total OPEB Liability - Beginning of Year	1,173,126	1,142,320	1,051,782	947,000	776,727	766,688	788,770
Total OPEB Liability - End of Year	**$ 969,034**	**$ 1,173,126**	**$ 1,142,320**	**$ 1,051,782**	**$ 947,000**	**$ 776,727**	**$ 766,688**
Covered-Employee Payroll	**$38,400,000**	**$37,200,000**	**$35,300,000**	**$34,200,000**	**$34,200,000**	**$34,100,000**	**$33,300,000**
Total OPEB Liability as a Percentage of Covered Employee Payroll	**2.5%**	**3.2%**	**3.2%**	**3.1%**	**2.8%**	**2.3%**	**2.3%**

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

Changes of Benefit Terms

There were no significant changes in benefit terms.

Changes of Assumptions

The discount rate increased from 2.75% in the 2023 valuation to 4.75% in the 2024 valuation.

Supplementary Information

Combining Balance Sheet - Nonmajor Governmental Funds

As of June 30, 2024

	Special Revenue					
	Off-Site Programs	Juvenile Home	Special Education Transpor-tation	Debt Service	Capital Projects	Total
Assets						
Cash	$ —	$ 107,014	$ 106,825	$ —	$ —	$ 213,839
Due from other governments	420,356	6,520	—	—	—	426,876
Due from other funds	—	—	—	—	62,330	62,330
Total Assets	**$ 420,356**	**$ 113,534**	**$ 106,825**	**$ —**	**$ 62,330**	**$ 703,045**
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ 152	$ 542	$ —	$ —	$ 62,330	$ 63,024
Due to other governments	—	84,734	—	—	—	84,734
Due to other funds	351,320	—	—	—	—	351,320
Salaries and benefits payable	63,878	28,258	—	—	—	92,136
Total Liabilities	**415,350**	**113,534**	**—**	**—**	**62,330**	**591,214**
Fund Balances						
Restricted for						
Off-site programs	5,006	—	—	—	—	5,006
Special education transportation	—	—	106,825	—	—	106,825
Total Fund Balances	**5,006**	**—**	**106,825**	**—**	**—**	**111,831**
Total Liabilities and Fund Balances	**$ 420,356**	**$ 113,534**	**$ 106,825**	**$ —**	**$ 62,330**	**$ 703,045**

Combining Schedule of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year Ended June 30, 2024

	Special Revenue					
	Off-Site Programs	Juvenile Home	Special Education Transpor-tation	Debt Service	Capital Projects	Total
Revenue						
Local sources	$ 776,071	$ —	$ —	$ —	$ —	$ 776,071
State sources	50,023	619,737	—	—	—	669,760
Federal sources	—	30,898	—	—	—	30,898
Total Revenue	**826,094**	**650,635**	**—**	**—**	**—**	**1,476,729**
Expenditures						
Current						
Instruction	810,665	557,862	—	—	—	1,368,527
Instructional staff support services	2,700	32,581	—	—	—	35,281
Building adminis-tration	113,773	60,192	—	—	—	173,965
Facilities acquisition and construction	—	—	—	—	2,564,386	2,564,386
Repayment of principal	—	—	—	1,195,086	—	1,195,086
Interest expense	—	—	—	117,019	—	117,019
Total Expenditures	**927,138**	**650,635**	**—**	**1,312,105**	**2,564,386**	**5,454,264**
Revenue Over (Under) Expenditures	**(101,044)**	**—**	**—**	**(1,312,105)**	**(2,564,386)**	**(3,977,535)**
Other Financing Sources (Uses)						
Transfers in	190,000	—	—	1,312,105	883,966	2,386,071
Transfers out	(88,200)	—	—	—	—	(88,200)
Lease proceeds	—	—	—	—	1,680,420	1,680,420
Total Other Financing Sources (Uses)	**101,800**	**—**	**—**	**1,312,105**	**2,564,386**	**3,978,291**
Change in Fund Balances	**756**	**—**	**—**	**—**	**—**	**756**
Fund Balances - Beginning of Year	4,250	—	106,825	—	—	111,075
Fund Balances - End of Year	**$ 5,006**	**$ —**	**$ 106,825**	**$ —**	**$ —**	**$ 111,831**

Schedule of Revenue by Source and Expenditures by Function - All Governmental Fund Types (Modified Accrual Basis)

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue										
Local sources	$ 23,471,505	$ 23,018,253	$ 21,537,837	$ 21,559,515	$ 21,068,308	$ 21,499,434	$ 21,901,231	$ 21,169,442	$ 20,383,130	$ 20,502,656
State sources	20,966,278	21,009,915	20,563,477	19,959,947	19,207,336	18,614,537	18,524,676	17,828,190	17,548,975	18,273,292
Federal sources	19,232,205	18,375,381	20,588,400	17,648,921	17,154,559	17,268,216	17,078,669	16,354,992	16,553,143	16,208,381
Total Revenue	**$ 63,669,988**	**$ 62,403,549**	**$ 62,689,714**	**$ 59,168,383**	**$ 57,430,203**	**$ 57,382,187**	**$ 57,504,576**	**$ 55,352,624**	**$ 54,485,248**	**$ 54,984,329**
Expenditures										
Current										
Instruction	$ 3,483,714	$ 3,216,621	$ 3,019,709	$ 1,742,997	$ 1,798,480	$ 1,917,807	$ 2,786,623	$ 2,608,430	$ 2,496,310	$ 2,661,878
Student support services	24,323,541	24,053,932	24,874,067	24,332,124	24,647,885	24,149,871	23,804,273	23,371,350	22,528,430	22,279,615
Instructional staff support services	22,900,416	23,372,392	20,512,316	18,057,894	17,855,874	18,839,375	19,210,034	18,472,631	17,797,753	18,852,604
General administration	2,246,422	2,244,798	2,063,937	1,875,504	2,045,430	1,867,035	2,005,463	1,885,770	1,823,087	1,949,074
Building administration	3,259,507	3,088,985	3,043,221	3,001,904	2,986,286	2,977,749	2,647,724	2,622,302	2,667,155	2,583,211
Business and central administration	3,556,638	4,427,411	3,833,931	4,138,292	4,003,441	3,928,963	3,690,966	3,628,297	3,792,145	3,614,121
Purchasing, distributing, printing, publishing and duplicating	722,169	820,935	845,058	769,665	806,007	923,492	901,819	905,829	877,337	1,081,557
Plant operations and maintenance	1,226,386	1,621,391	1,417,386	1,398,698	1,039,431	1,248,994	1,765,917	1,472,576	1,315,998	1,108,287
Central and other support services	5,875	7,436	5,755	1,567	3,997	3,808	3,541	3,549	4,563	6,923
Noninstructional programs	216,012	193,783	222,432	712,735	809,958	789,367	718,770	725,987	711,330	687,909
Facilities acquisition and construction	2,564,386	1,240,424	704,668	124,543	438,831	675,517	504,359	1,750,596	2,008,824	561,682
Repayment of principal	1,195,086	—	—	—	—	—	—	—	—	—
Interest expense	117,019	—	—	—	—	—	—	—	—	—
Total Expenditures	**$ 65,817,171**	**$ 64,288,108**	**$ 60,542,480**	**$ 56,155,923**	**$ 56,435,620**	**$ 57,321,978**	**$ 58,039,489**	**$ 57,447,317**	**$ 56,022,932**	**$ 55,386,861**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Sub-recipients	Expenditures
U.S. Department of Education - Indirect				
Pass-Through From Iowa Department of Education				
Title I Grants to Local Educational Agencies				
Part A: School Improvements	84.010	294126	$ —	$ 334,109
Part D, Subpart 2 - Neglected and Delinquent	84.010	282444	—	30,898
Total Title I Grants to Local Educational Agencies			—	365,007
Special Education Cluster (IDEA)				
Special Education - Grants to States				
IDEA Part B Section 611	84.027	2324301	—	96,459
IDEA Part B Section 611	84.027	232410	—	13,553,742
Information Management Systems	84.027	24IMS-01	—	351,310
Family Educator Project	84.027	K724-10	—	161,689
IDEA - Flowthrough to LEA	84.027	QKB2-10	—	3,351,413
Total Special Education - Grants to States			—	17,514,613
Special Education - Preschool Grants Section 619	84.173	23619-10	—	358,062
Total Special Education Cluster (IDEA)			—	17,872,675
Special Education - Grants for Infants and Families				
Part C - Infant and Toddler	84.181	C2324-10	—	410,269
English Language Acquisition State Grants	84.365	S365A190015	—	557,671
Education Stabilization Fund				
COVID-19 American Rescue Plan - Homeless Children & Youth	84.425W	FY24	—	20,992
Total U.S. Department of Education			**—**	**19,226,614**
National Science Foundation - Indirect				
Pass-Through From University of Northern Iowa				
Computer and Information Science and Engineering	47.070	S6688A	**—**	**5,489**
Total			**$ —**	**$ 19,232,103**

Basis of Presentation

The accompanying schedule of expenditures of federal awards (schedule) includes the federal award activity of Grant Wood Area Education Agency 10 under programs of the federal government for the year ended June 30, 2024. 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 Grant Wood Area Education Agency 10, it is not intended to and does not present the financial position or changes in financial position of Grant Wood Area Education Agency 10.

Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained 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

Grant Wood Area Education Agency 10 has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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*

Board of Directors
Grant Wood Area Education Agency 10
Cedar Rapids, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Grant Wood Area Education Agency 10, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Grant Wood Area Education Agency 10's basic financial statements, and have issued our report thereon dated November 27, 2024.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered Grant Wood Area Education Agency 10's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grant Wood Area Education Agency 10's internal control. Accordingly, we do not express an opinion on the effectiveness of Grant Wood Area Education Agency 10's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

200 North Adams Avenue, Mason City, IA 50401-3120 • (641) 423-0574 • Fax (641) 423-4163 • E-Mail mc@hoganhansen.com
Member of American Institute of CPAs - Iowa Society of CPAs
Ames • Ankeny • Cedar Rapids • Mason City • Waterloo

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Grant Wood Area Education Agency 10's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance or other matters which are described in Part IV of the accompanying schedule of findings and questioned costs.

Comments involving statutory and other legal matters about the Agency's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Agency. 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.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hogan - Hansen

HOGAN - HANSEN

Mason City, Iowa
November 27, 2024

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

Board of Directors
Grant Wood Area Education Agency 10
Cedar Rapids, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Grant Wood Area Education Agency 10's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Grant Wood Area Education Agency 10's major federal programs for the year ended June 30, 2024. Grant Wood Area Education Agency 10's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Grant Wood Area Education Agency 10 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Grant Wood Area Education Agency 10 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Grant Wood Area Education Agency 10's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Grant Wood Area Education Agency 10's federal programs.

200 North Adams Avenue, Mason City, IA 50401-3120 • (641) 423-0574 • Fax (641) 423-4163 • E-Mail mc@hoganhansen.com
Member of American Institute of CPAs - Iowa Society of CPAs
Ames • Ankeny • Cedar Rapids • Mason City • Waterloo

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Grant Wood Area Education Agency 10's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Grant Wood Area Education Agency 10's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Grant Wood Area Education Agency 10's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Grant Wood Area Education Agency 10's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Grant Wood Area Education Agency 10's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

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

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

Hogan - Hansen

HOGAN - HANSEN

Mason City, Iowa
November 27, 2024

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

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

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness identified?	__ yes	_X_ no
Significant deficiency identified not considered to be material weakness?	__ yes	_X_ none reported
Noncompliance material to financial statements noted?	__ yes	_X_ no

Federal Awards

Internal control over major programs:		
Material weakness identified?	__ yes	_X_ no
Significant deficiency identified not considered to be material weakness?	__ yes	_X_ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	__ yes	_X_ no

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
	Special Education Cluster (IDEA)
84.027	Special Education - Grants to States
84.173	Special Education - Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	_X_ yes	__ no

Part II: Findings Related to the Financial Statements

Instances of Noncompliance
There were no reported instances of noncompliance.

Internal Control Deficiencies
No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

Instances of Noncompliance
There were no reported instances of noncompliance.

Internal Control Deficiencies
No matters were reported.

Part IV: Other Findings Related to Statutory Reporting

24-IV-A **Certified Budget** - Expenditures during the year ended June 30, 2024 did not exceed the amended certified budget amount.

24-IV-B **Questionable Expenditures** - We noted no expenditures that may not meet the requirements of public purpose as defined in an Attorney General's Opinion dated April 25, 1979.

24-IV-C **Travel Expenses** - No expenditures of Agency money for travel expenses of spouses of Agency officials or employees were noted. No travel advances to Agency officials or employees were noted.

24-IV-D **Business Transactions** - No business transactions between the Agency and Agency officials or employees were noted.

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

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

24-IV-G **Board Minutes** - No transactions were found that we believe should have been approved in the Board minutes but were not.

24-IV-H **Deposits and Investments** - No instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Agency's investment policy were noted.

24-IV-I **Certified Annual Report** - The Certified Annual Report was certified timely to the Iowa Department of Education, but we noted differences between the amounts reported and the District's records.

Auditor's Recommendation - Procedures should be reviewed to make sure the Certified Annual Report is reconciled with accounting records prior to being filed.

District's Response - We will establish procedures to be able to accurately prepare the Certified Annual Report for the Agency's account balances.

Auditor's Conclusion - Response accepted**.**

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