

# **CEDAR FALLS COMMUNITY SCHOOL DISTRICT**

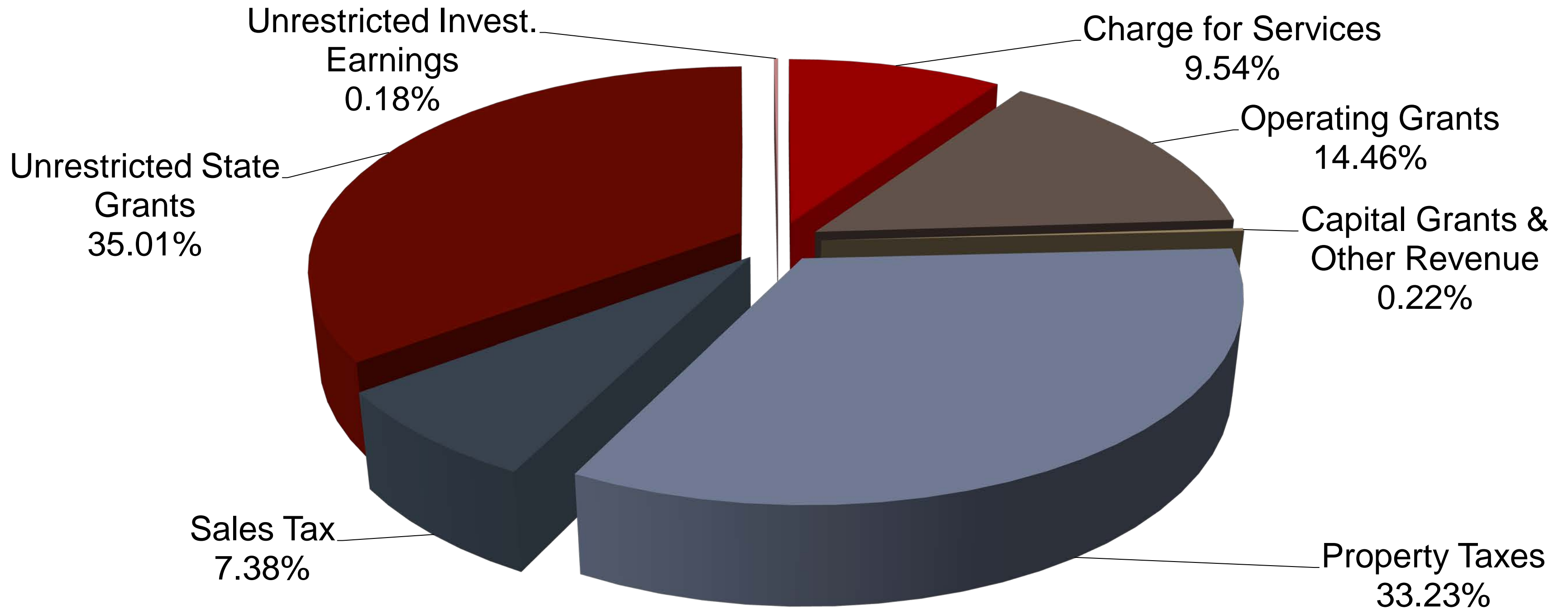


**Audit Report for the Year Ending June 30, 2016  
Presented to the Board of Education on January 9, 2017**

# Audit

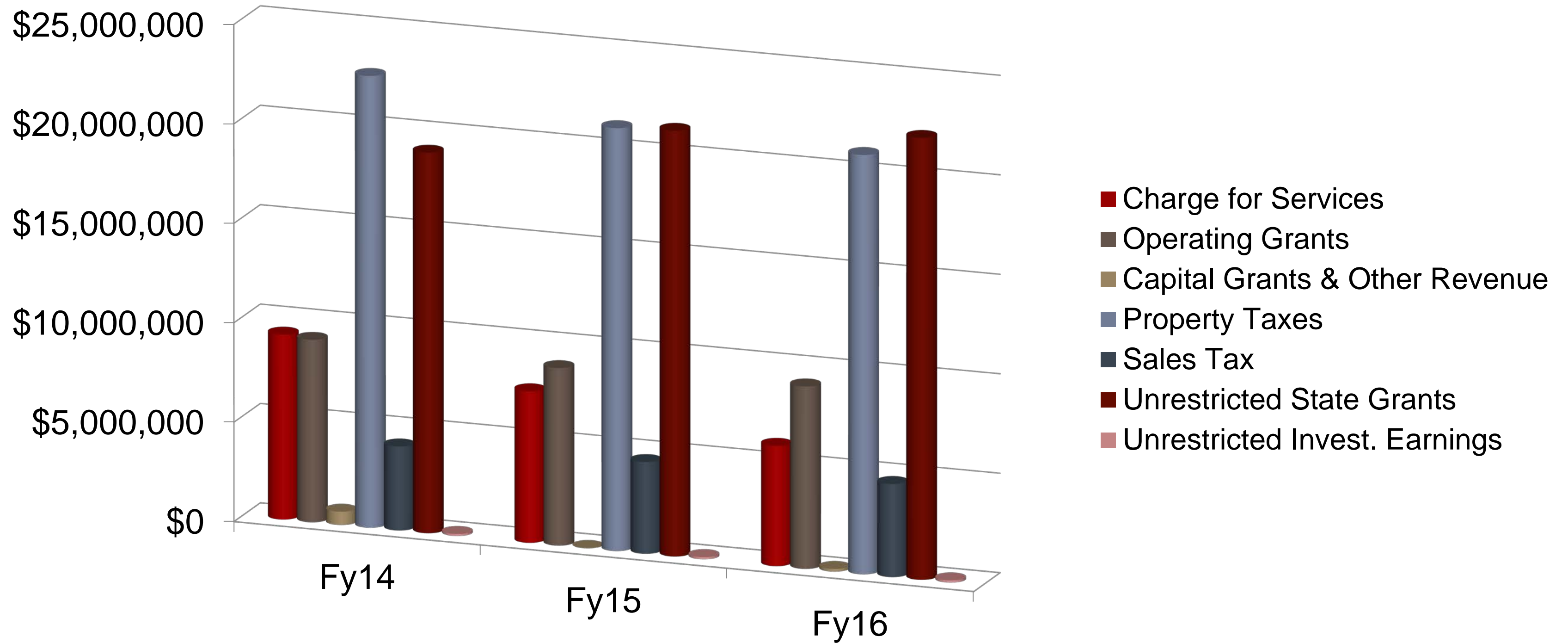
- Auditor responsibility is to express opinions on the management's (District) financial statements in accordance with U.S. generally accepted accounting principals.
- Auditors responsibility is to express opinions on these financial statements based on their audit. Audit is conducted in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Governmental Audit Standards, issued by the Comptroller General of the United States.

# Fiscal 2016 Revenue – All Funds

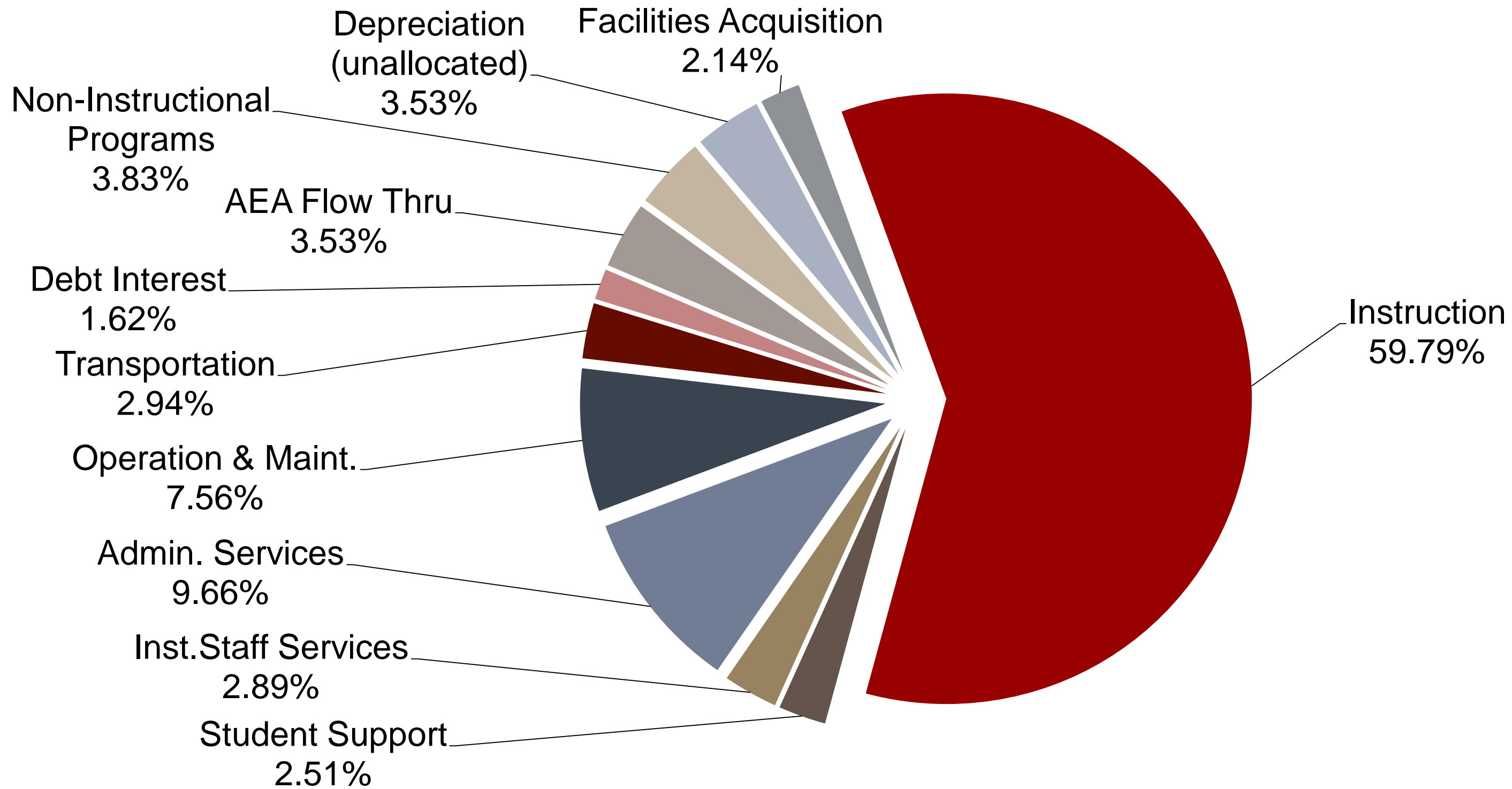


Due to rounding percentages may not total 100.00%

# Historical Revenue – All Funds

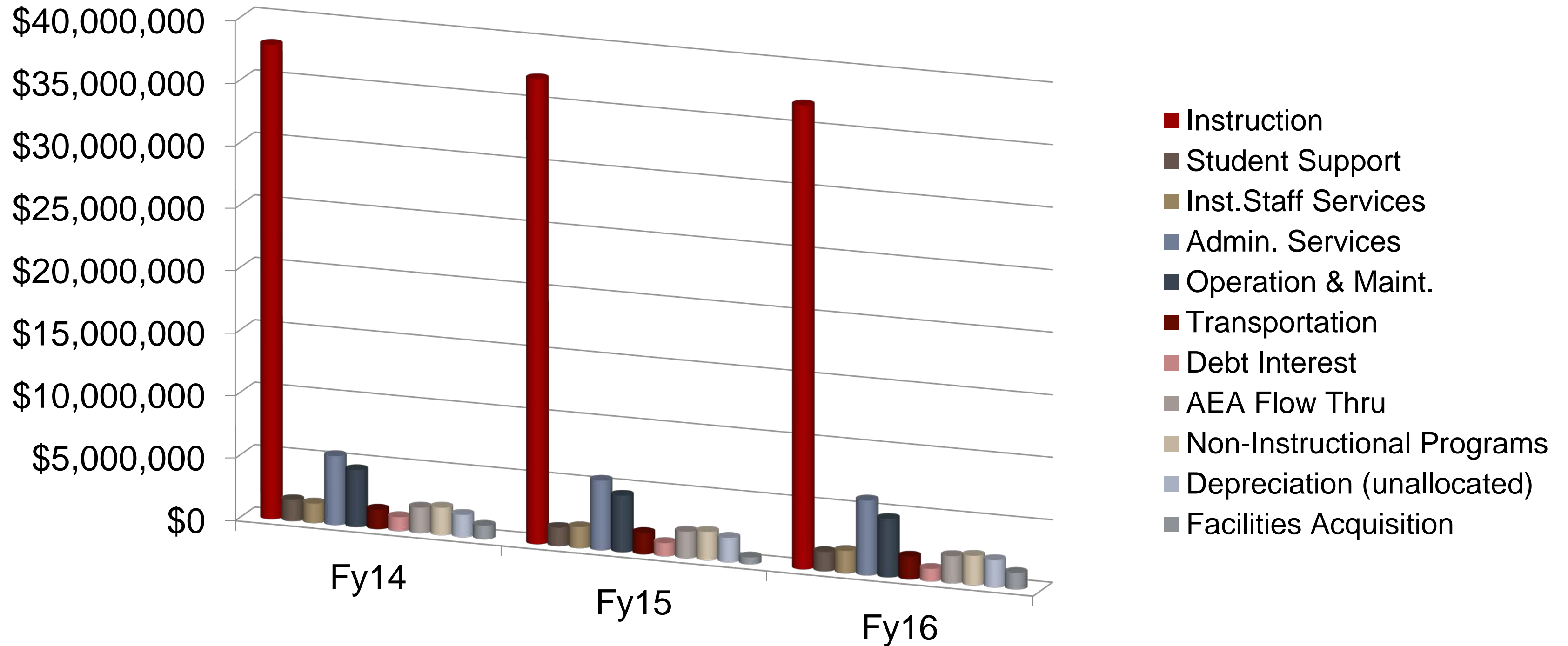


# Fiscal 2016 Expenditures – All Funds



Due to rounding percentages may not total 100.00%

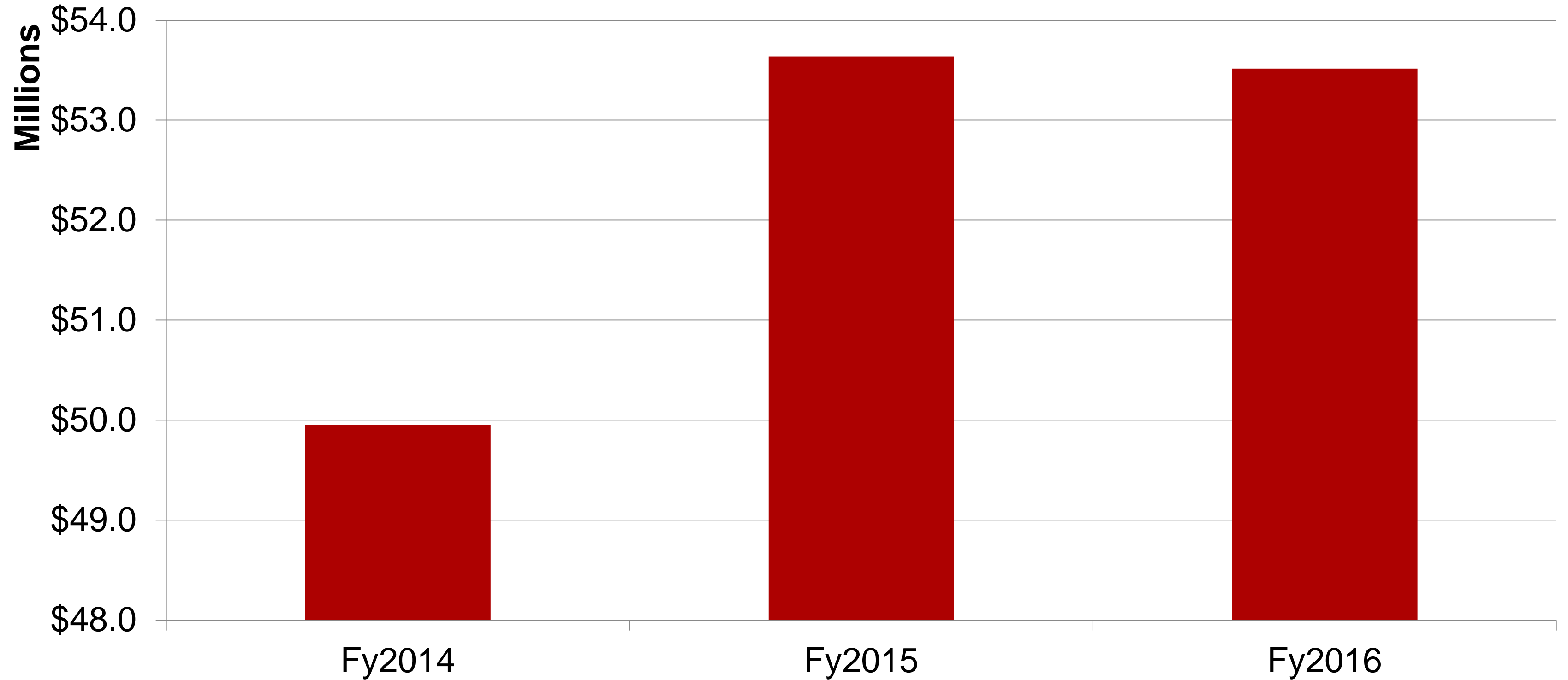
# Historical Expenditures – All Funds



# Condensed Statement of Net Position

	Fy2014	Fy2015	Fy2016
Total Assets	\$127,669,966	\$127,647,023	\$126,121,715
Less Total Liabilities	\$ 34,779,719	\$ 50,260,653	\$ 53,133,743
Less Net Deferred Inflows/Outflows	\$ 21,397,573	\$ 23,749,065	\$ 19,471,041
Less Restatement Value	\$ 21,539,815	\$ --	\$ --
<b>Net Assets</b>	<b>\$ 49,952,859</b>	<b>\$ 53,637,305</b>	<b>\$ 53,516,931</b>

# Historical Statement of Net Position





# Condensed Balance Sheet – Governmental Funds

	General Fund	Debt Service	Capital Projects	Non-Major	Total
<i>Assets</i>					
Cash	\$ 11,007,668	\$ -	\$ 12,883,474	\$ 1,599,472	\$ 25,490,614
Receivables	\$ 969,589	\$ -	\$ 798,599	\$ 1,981	\$ 1,770,169
Succeeding Year	\$ 18,716,953	\$ -	\$ 3,287,241	\$ 498,397	\$ 22,502,591
Inventories	\$ 18,336	\$ -	\$ -	\$ -	\$ 18,336
<b>Total Assets</b>	<b>\$ 30,712,546</b>	<b>\$ -</b>	<b>\$ 16,969,314</b>	<b>\$ 2,099,850</b>	<b>\$ 49,781,710</b>
<i>Liabilities/Inflows/Balance</i>					
<i>Liabilities</i>					
Accounts Payable	\$ 964,564	\$ -	\$ 425,036	\$ 35,798	\$ 1,425,398
Salaries/Benefits Payable	\$ 5,547,522	\$ -	\$ -	\$ -	\$ 5,547,522
<b>Total Liabilities</b>	<b>\$ 6,512,086</b>	<b>\$ -</b>	<b>\$ 425,036</b>	<b>\$ 35,798</b>	<b>\$ 6,972,920</b>
Deferred Inflows	\$ 18,716,953	\$ -	\$ 3,287,241	\$ 498,397	\$ 22,502,591
<i>Fund Balance</i>					
Nonspendable	\$ 18,336	\$ -	\$ -	\$ -	\$ 18,336
Restricted	\$ 683,317	\$ -	\$ 13,239,937	\$ 1,565,655	\$ 15,488,909
Unassigned	\$ 4,781,854	\$ -	\$ -	\$ -	\$ 4,781,854
<b>Total Fund Balance</b>	<b>\$ 5,483,507</b>	<b>\$ -</b>	<b>\$ 13,239,937</b>	<b>\$ 1,565,655</b>	<b>\$ 20,289,099</b>
<b>T Liabilities/Inflows/Balance</b>	<b>\$ 30,712,546</b>	<b>\$ -</b>	<b>\$ 16,952,214</b>	<b>\$ 2,099,850</b>	<b>\$ 49,764,610</b>

# Statement of Net Position – Proprietary Funds

	School Nutrition	Coffee Shop	Total
<b><i>Current Assets</i></b>			
Cash	\$ 662,242	\$ 4,787	\$ 667,029
Receivables	\$ 2,061	\$ -	\$ 2,061
Inventories	\$ 51,632	\$ -	\$ 51,632
<i>Total Current Assets</i>	\$ 715,935	\$ 4,787	\$ 720,722
<b><i>Noncurrent Assets</i></b>			
Capital Assets, net of accumulated depreciation	\$ 117,391	\$ -	\$ 117,391
<b><i>Total Assets</i></b>	<b>\$ 833,326</b>	<b>\$ 4,787</b>	<b>\$ 838,113</b>
<b><i>Deferred Pension Related Outflows</i></b>	<b>\$ 100,036</b>	<b>\$ -</b>	<b>\$ 100,036</b>
<b><i>Current Liabilities</i></b>			
Accounts Payable	\$ 62,751	\$ -	\$ 62,751
Salaries/Benefits Payable	\$ 28,256	\$ -	\$ 28,256
Total Current Liabilities	\$ 91,007	\$ -	\$ 91,007
<b><i>Noncurrent Pension Liability</i></b>	<b>\$ 458,603</b>	<b>\$ -</b>	<b>\$ 458,603</b>
<b><i>Total Liabilities</i></b>	<b>\$ 549,610</b>	<b>\$ -</b>	<b>\$ 549,610</b>
<b><i>Deferred Pension Related Inflows</i></b>	<b>\$ 38,168</b>	<b>\$ -</b>	<b>\$ 38,168</b>
<b><i>Net Position</i></b>			
Invested in capital assets	\$ 117,391	\$ -	\$ 117,391
Unrestricted	\$ 228,193	\$ 4,787	\$ 232,980
<b>Total net position</b>	<b>\$ 345,584</b>	<b>\$ 4,787</b>	<b>\$ 350,371</b>

# Capital Assets

	2014	2015	2016	3 Yr. % Change
	Governmental Activities			
Land	\$ 1,725,334	\$ 1,725,334	\$ 1,725,334	0.00%
Construction in Progress	\$ 10,601,920	\$ 1,543,405	\$ 2,199,870	-79.25%
Land Improvements	\$ 3,169,966	\$ 3,169,966	\$ 3,169,966	0.00%
Buildings	\$ 83,846,649	\$ 96,427,199	\$ 96,427,199	15.00%
Furniture & Equipment	\$ 6,374,304	\$ 6,700,640	\$ 6,881,711	7.96%
Total Gov't Activities	\$ 105,718,173	\$ 109,566,544	\$ 110,404,080	4.43%
	Business-type Activities			
Furniture & Equipment	\$ 728,909	\$ 795,228	\$ 791,499	8.59%
Grand Total	\$ 106,447,082	\$ 110,361,772	\$ 111,195,579	4.46%

# Debt

	Balance 6/30/2014	Balance 6/30/2015	Balance 6/30/2016	Due Within 1 Year
	Governmental Activities			
Revenue Bonds				
Bonds Payable	\$ 26,510,000	\$ 24,290,000	\$ 22,515,000	\$ 1,810,000
Discount	\$ (169,850)	\$ (158,450)	\$ (147,050)	\$ (11,400)
Premium	\$ 45,495	\$ 40,440	\$ 35,385	\$ 5,055
Total Bonds	\$ 26,385,645	\$ 24,171,990	\$ 22,403,335	\$ 1,803,655
Other Liabilities				
Compensated Absences	\$ 163,446	\$ 188,852	\$ 204,631	\$ 204,631
Net OPEB Liability	\$ 855,000	\$ 1,004,000	\$ 1,004,000	\$ -
Total Other Liabilities	\$ 1,018,446	\$ 1,192,852	\$ 1,208,631	\$ 204,631
Long-term Debt less Pension	\$ 27,404,091	\$ 25,364,842	\$ 23,611,966	\$ 2,008,286
Net Pension Liability	\$ 24,155,085	\$ 17,749,772	\$ 22,471,549	\$ -
Total Gov't Long-term Debt	\$ 51,559,176	\$ 43,114,614	\$ 46,083,515	\$ 2,008,286
	Business-type Activities			
Net Pension Liability	\$ 492,961	\$ 362,240	\$ 458,603	\$ -
Grand Total	\$ 52,052,137	\$ 43,476,854	\$ 46,542,118	\$ 2,008,286

# School Infrastructure Sales, Service & Use Tax Debt Coverage

	<b>Statewide Allocation</b>	<b>Statewide Enrollment</b>	<b>Avg. Dollars per Pupil</b>	<b>Cedar Falls Enrollment</b>	<b>Cedar Falls Funds Pledged</b>	<b>Debt Service Coverage Ratio</b>
Fy2011	\$382,812,657	474,227.3	\$807	4,452.2	\$0	
Fy2012	\$401,369,617	473,493.4	\$848	4,753.7	\$1,834,532	2.197
Fy2013	\$410,929,431	473,504.2	\$868	4,781.3	\$1,769,641	2.345
Fy2014	\$429,873,936	476,245.0	\$903	4,862.4	\$3,275,529	1.340
Fy2015	\$441,848,931	478,920.9	\$923	4,859.1	\$3,277,841	1.368
Fy2016 (Est.)	\$435,270,155	480,771.9	\$905	4,907.4	\$2,779,441	1.598
Fy2017 (Est.)	\$444,681,000	483,450.9	\$920	5,052.1	\$2,769,691	1.678

Enrollment is determined on Oct. 1st of the previous fiscal year. i.e. Fy2015 enrollment is taken on Oct. 1, 2013

Total statewide allocation includes reconciliation payment.

Minimum required debt coverage ratio is 1.20.

# Component Unit

- Beginning with the 2015/16 audit, District component unit (Cedar Falls Schools Foundation) activities are included.

Net Position - July 1, 2015		\$ 642,903
Income		
Contributions/Restricted Income	\$ 69,713	
Other Income	\$ 67,235	
Investment Income	\$ 41,863	
Christensen Grant Transfer	<u>\$ 1,435,429</u>	
		<u>\$ 1,614,240</u>
Total Available		\$ 2,257,143
Expenses		<u>\$ 74,670</u>
Net Position - June 30, 2016		<u>\$ 2,182,473</u>

# Part I: Summary of the Independent Auditors' Results

- a. Unmodified opinions were issued on the financial statements.
- b. The audit did not disclose any significant deficiencies in internal controls over financial reporting.
- c. The audit did not disclose any non-compliance which is material to the financial statements.
- d. The audit did not disclose any significant deficiencies in internal control over major programs.
- e. An unmodified opinion was issued on compliance with requirements applicable to each major program



# Part I: Summary of the Independent Auditors' Results

- f. The audit did not disclose any findings which were required to be reported in accordance with the Uniform Guidance, Section 200.515.
- g. Major programs were as follows:
  - Child Nutrition Cluster
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- i. Cedar Falls Community School did qualify as a low-risk auditee.



# Part II: Findings Related to the Financial Statements

## Instances of Non-Compliance

No matters were noted.

## Internal Control Deficiencies:

No matters were noted.

# Part III: Findings and Questioned Costs for Federal Awards

## Instances of Non-Compliance

No matters were noted.

## Internal Control Deficiencies:

No matters were noted.

## Part IV: Other Findings Related to Required Statutory Reporting

- A.** Certified Budget – While the total overall authorized amended budget for the year ending June 30, 2016 was not exceeded, expenditures did exceed the instructional function amended budget amount by \$45,529 (0.12%).
- B.** Noted no disbursements that may not meet the requirements of public purpose.
- C.** No expenditures for travel expenses of spouses of District officials or employees were noted.
- D.** No business transactions between the District and District officials or employees were noted.

## Part IV: Other Findings Related to Required Statutory Reporting

- E.** Surety bond coverage of District officials and employees is in accordance with statutory provisions.
- F.** Noted no transactions required Board approval which had not been approved by the Board.
- G.** Noted no variances in the basic enrollment data certified to the Iowa Department of Education.
- H.** Noted no variances regarding the supplementary weighting certified to the Iowa Department of Education.

## Part IV: Other Findings Related to Required Statutory Reporting

- I. Noted no instances of non-compliance with the deposit and investment provisions of Chapter 12B & Chapter 12C of the Code of Iowa and District investment policy.
- J. Certified Annual Report was filed with the Department of Education timely with no significant deficiencies in the amounts reported.
- K. No instances of categorical funding used to supplant rather than supplement other funds.

## Part IV: Other Findings Related to Required Statutory Reporting

- L.** No instances of non-compliance with the use of Statewide Sales and Service Tax revenue provisions of Chapter 423F of the Code of Iowa.
- M.** Activity Fund – Public purpose determination needs to be made by governing board in accordance with Attorney General's opinion dated April 25, 1979 and new guidance issued by the Department of Education on March 23, 2016.

# Acknowledgements

- Special thank you to the staff at Carney, Alexander, Marold & Co.
- Special thank you to the entire business office staff
  - Denelle Gonnerman
  - Jana Speck
  - Lori Beth Roberts
  - Michelle Weber
  - Lori Wiley



**Questions?**