

# **CEDAR FALLS COMMUNITY SCHOOL DISTRICT**

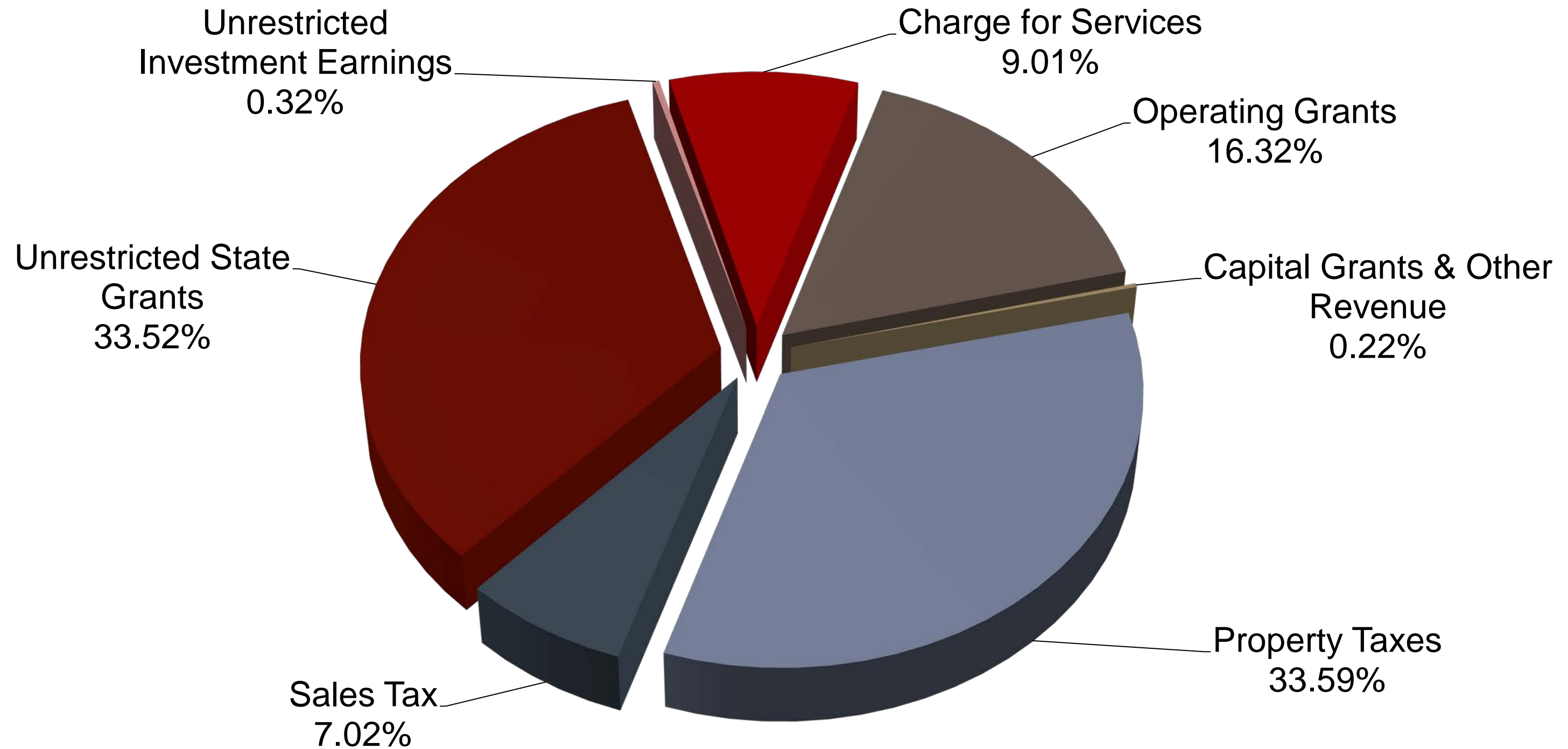


**Audit Report for the Year Ending June 30, 2017  
Presented to the Board of Education on January 22, 2018**

# Audit

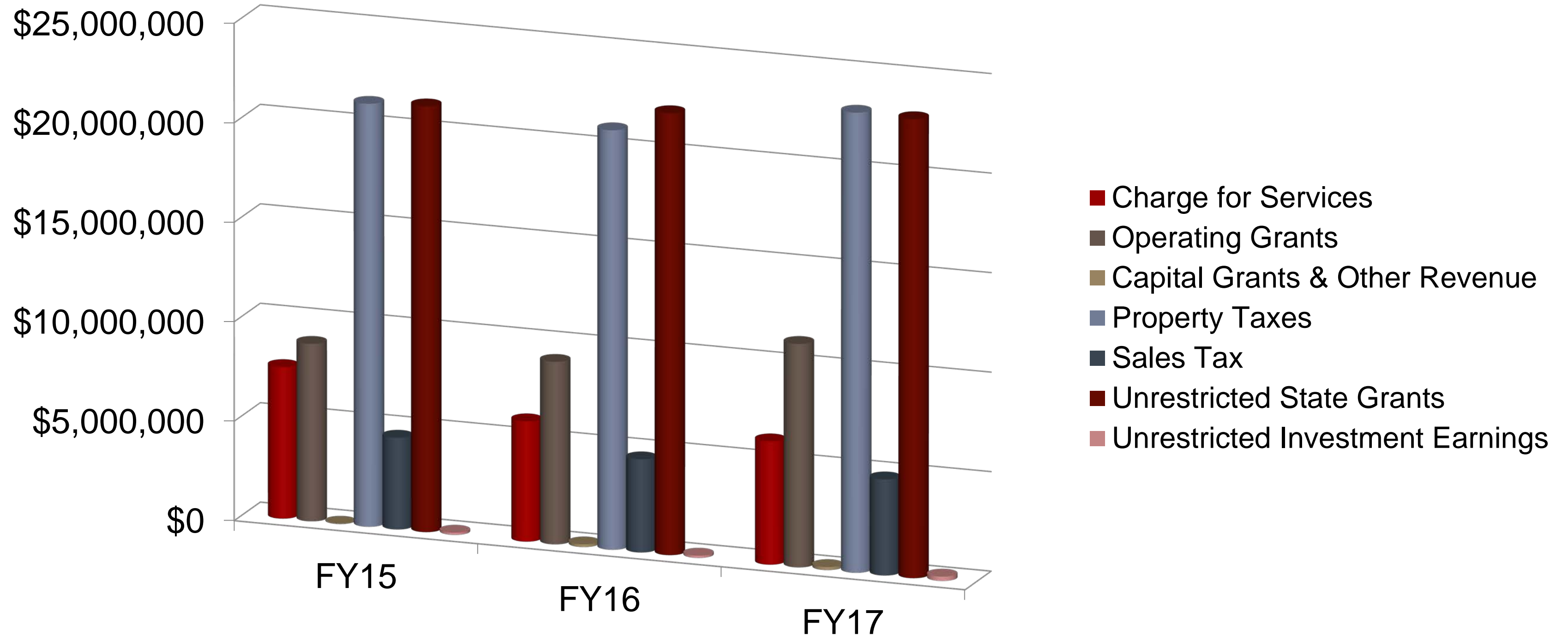
- Auditor responsibility is to express opinions on the management's (District) financial statements in accordance with U.S. generally accepted accounting principals.
- Auditors responsibility is to express opinions on these financial statements based on their audit. Audit is conducted in accordance with United States 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.

# FY 2017 Revenue – All Funds

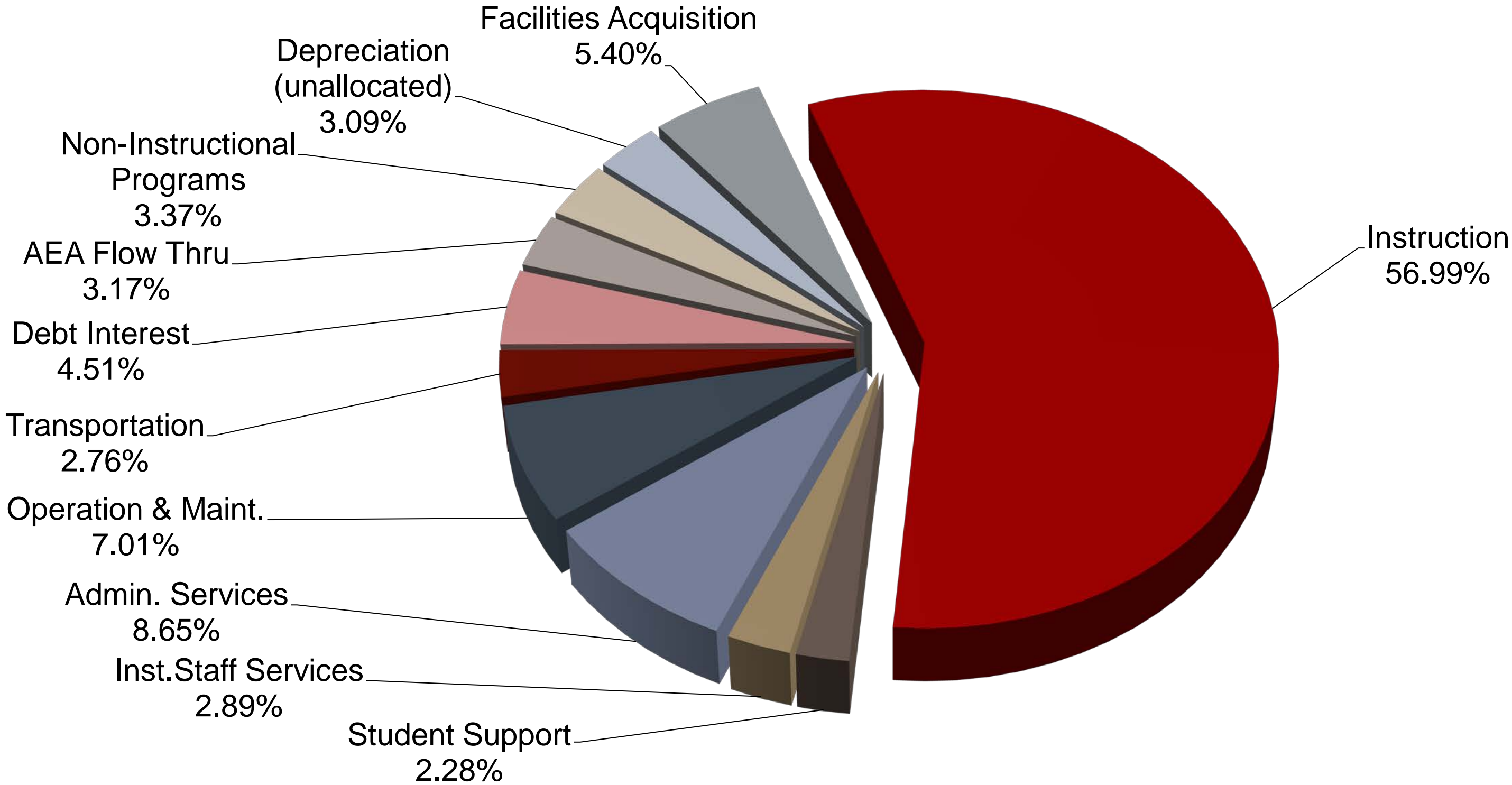


Due to rounding percentages may not total 100.00%

# Historical Revenue – All Funds

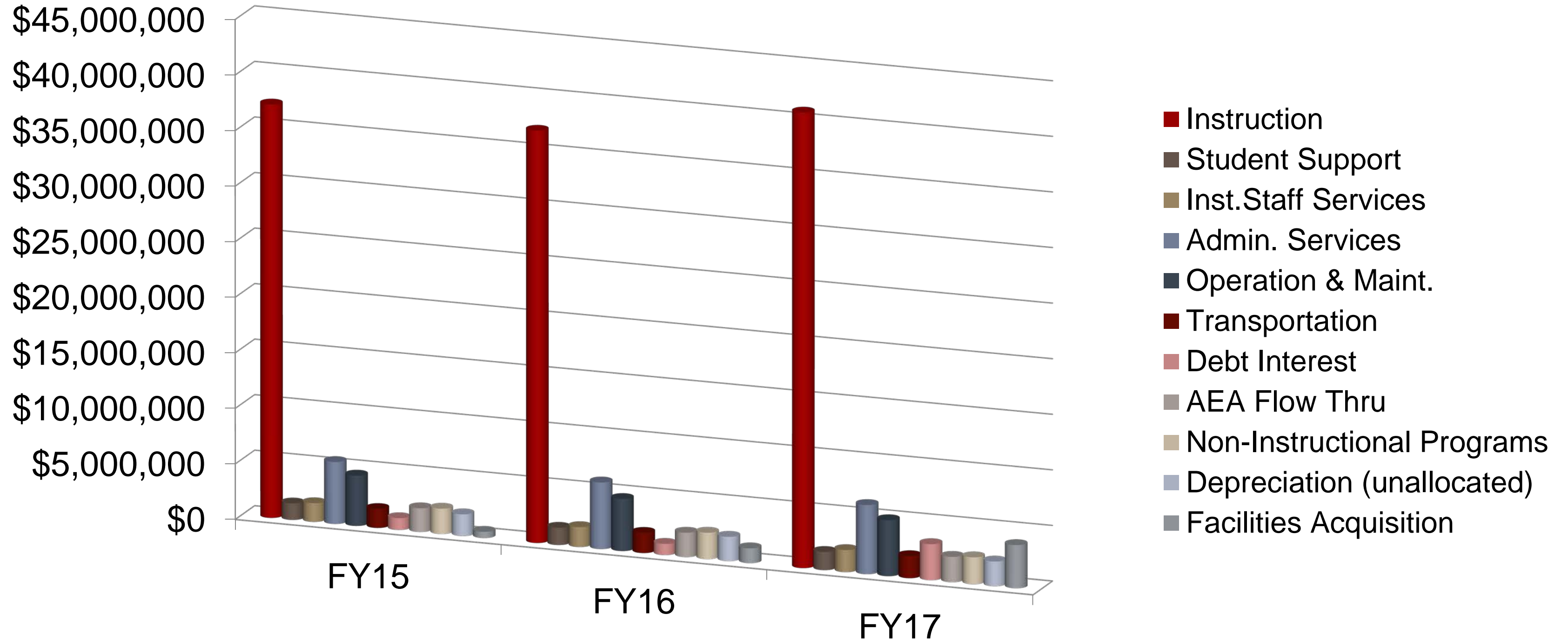


# FY 2017 Expenditures – All Funds



Due to rounding percentages may not total 100.00%

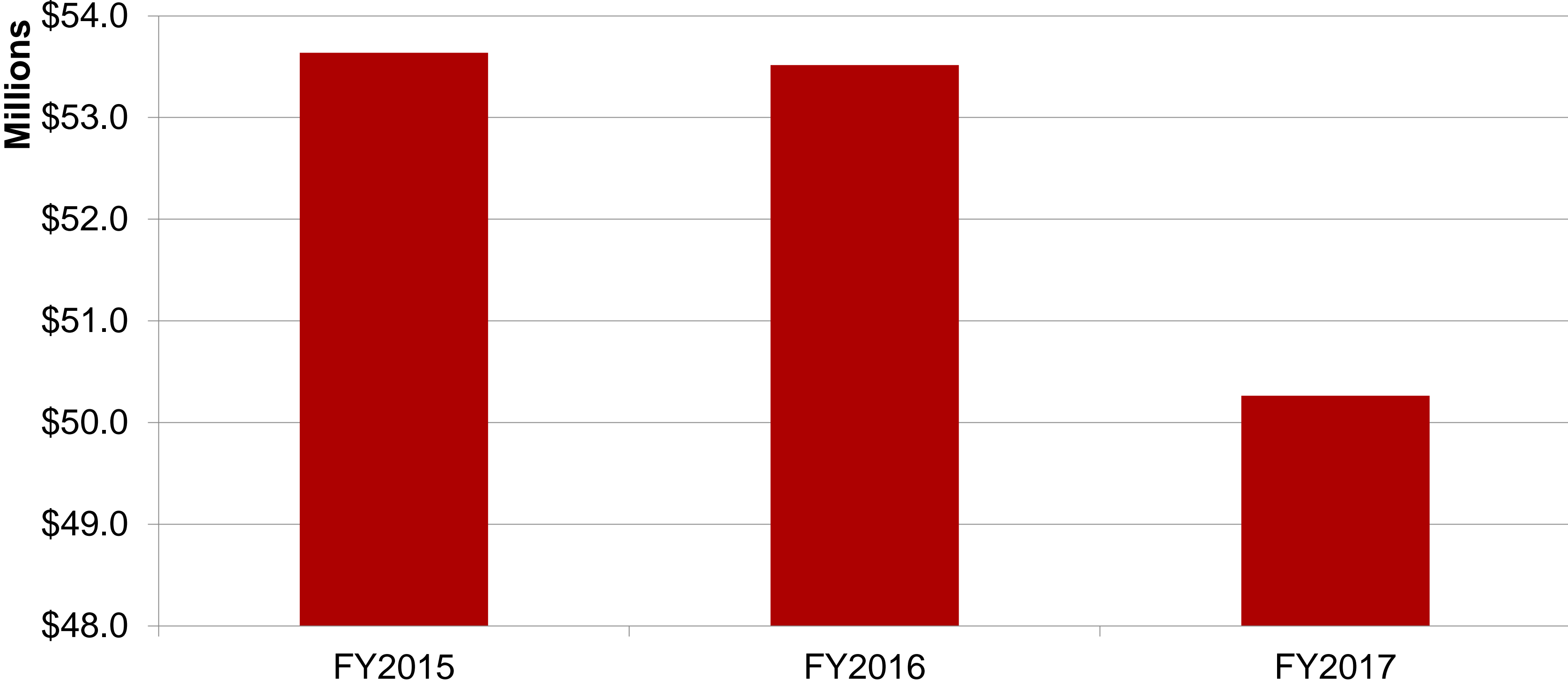
# Historical Expenditures – All Funds



# Condensed Statement of Net Position – Governmental Funds

	FY2015	FY2016	FY2017
Total Assets	\$127,647,023	\$126,121,715	\$161,700,852
Less Total Liabilities	\$ 50,260,653	\$ 53,133,743	\$92,354,055
Less Net Deferred Inflows/Outflows	\$ 23,749,065	\$ 19,471,041	\$19,084,128
Less Restatement Value	\$ --	\$ --	\$ --
<b>Net Assets</b>	<b>\$ 53,637,305</b>	<b>\$ 53,516,931</b>	<b>\$50,262,669</b>

# Historical Statement of Net Position





# Condensed Balance Sheet – Governmental Funds

	General Fund	Debt Service	Capital Projects	Non-Major	Total
<i>Assets</i>					
Cash	\$ 10,882,114	\$ -	\$ 41,133,071	\$ 1,558,048	\$ 53,573,233
Receivables	\$ 1,076,114	\$ -	\$ 480,834	\$ 3,401	\$ 1,560,349
Succeeding Year	\$ 21,016,274	\$ 2,423,189	\$ 3,406,593	\$ 699,433	\$ 27,545,489
Inventories	\$ 18,239	\$ -	\$ -	\$ -	\$ 18,239
<b>Total Assets</b>	<b>\$ 32,992,741</b>	<b>\$ 2,423,189</b>	<b>\$ 45,020,498</b>	<b>\$ 2,260,882</b>	<b>\$ 82,697,310</b>
<i>Liabilities/Inflows/Balance</i>					
<i>Liabilities</i>					
Accounts Payable	\$ 801,585	\$ -	\$ 1,821,770	\$ 26,789	\$ 2,650,144
Salaries/Benefits Payable	\$ 6,298,024	\$ -	\$ -	\$ -	\$ 6,298,024
<b>Total Liabilities</b>	<b>\$ 7,099,609</b>	<b>\$ -</b>	<b>\$ 1,821,770</b>	<b>\$ 26,789</b>	<b>\$ 8,948,168</b>
Deferred Inflows	\$ 21,016,274	\$ 2,423,189	\$ 3,406,593	\$ 699,433	\$ 27,545,489
<i>Fund Balance</i>					
Nonspendable	\$ 18,239	\$ -	\$ -	\$ -	\$ 18,239
Restricted	\$ 576,150	\$ -	\$ 39,792,135	\$ 1,534,660	\$ 41,902,945
Unassigned	\$ 4,282,469	\$ -	\$ -	\$ -	\$ 4,282,469
<b>Total Fund Balance</b>	<b>\$ 4,876,858</b>	<b>\$ -</b>	<b>\$ 39,792,135</b>	<b>\$ 1,534,660</b>	<b>\$ 46,203,653</b>
<b>T Liabilities/Inflows/Balance</b>	<b>\$ 32,992,741</b>	<b>\$ 2,423,189</b>	<b>\$ 45,020,498</b>	<b>\$ 2,260,882</b>	<b>\$ 82,697,310</b>

# Statement of Net Position – Proprietary Funds

	School Nutrition	Coffee Shop	Total
<b>Current Assets</b>			
Cash	\$ 787,548	\$ 7,699	\$ 795,247
Receivables	\$ 232	\$ -	\$ 232
Inventories	\$ 81,986	\$ -	\$ 81,986
<i>Total Current Assets</i>	\$ 869,766	\$ 7,699	\$ 877,465
<b>Noncurrent Assets</b>			
Capital Assets, net of accumulated depreciation	\$ 130,962	\$ -	\$ 130,962
<b>Total Assets</b>	\$ 1,000,728	\$ 7,699	\$ 1,008,427
<b>Deferred Pension Related Outflows</b>	\$ 185,708	\$ -	\$ 185,708
<b>Current Liabilities</b>			
Accounts Payable	\$ 76,951	\$ 46	\$ 76,997
Salaries/Benefits Payable	\$ 30,859	\$ -	\$ 30,859
Total Current Liabilities	\$ 107,810	\$ 46	\$ 107,856
<b>Noncurrent Pension Liability</b>	\$ 588,172	\$ -	\$ 588,172
<b>Total Liabilities</b>	\$ 695,982	\$ 46	\$ 696,028
<b>Deferred Pension Related Inflows</b>	\$ 7,020	\$ -	\$ 7,020
<b>Net Position</b>			
Invested in capital assets	\$ 130,962	\$ -	\$ 130,962
Unrestricted	\$ 352,472	\$ 7,653	\$ 360,125
Total net position	\$ 483,434	\$ 7,653	\$ 491,087

# Governmental Capital Assets

		2015	2016	2017	3 Yr. % Change
<i>Assets Not Depreciated</i>					
A.	Land	\$ 1,725,334	\$ 1,725,334	\$ 1,745,334	1.15%
B.	Construction in Progress	\$ 1,543,405	\$ 2,199,870	\$ 4,398,116	64.91%
C.	Total (A + B)	\$ 3,268,739	\$ 3,925,204	\$ 6,143,450	46.79%
<i>Assets Depreciated</i>					
D.	Land Improvements	\$ 3,169,966	\$ 3,169,966	\$ 3,169,966	0.00%
E.	Buildings	\$ 96,427,199	\$ 96,427,199	\$ 98,922,324	2.52%
F.	Furniture & Equipment	\$ 6,700,640	\$ 6,881,711	\$ 7,254,568	7.64%
G.	Total (C + D + E)	\$ 106,297,805	\$ 106,478,876	\$ 109,346,858	2.79%
<i>Less Accumulated Depreciation</i>					
H.	Bldgs & Improvements	\$ 24,478,820	\$ 26,512,610	\$ 28,574,858	14.33%
I.	Improve. Other than Bldg.	\$ 2,448,460	\$ 2,562,646	\$ 2,673,666	8.42%
J.	Furniture & Equipment	\$ 2,039,874	\$ 2,255,849	\$ 2,562,204	20.39%
K.	Vehicles	\$ 2,586,500	\$ 2,715,870	\$ 2,676,038	3.35%
L.	Net Depreciated Assets (G - H - I - J - K)	\$ 74,744,151	\$ 72,431,901	\$ 72,860,092	-2.59%
Gov't Activities Net Capital Assets (C + L)		\$ 78,012,890	\$ 76,357,105	\$ 79,003,542	1.25%

# Business & District Total Capital Assets

	2015	2016	2017	3 Yr. % Change
Business type Activities				
Furniture/Equip./Vehicles	\$ 795,228	\$ 791,499	\$ 824,773	3.58%
Less Accum. Depreciation	\$ 647,467	\$ 674,108	\$ 693,811	6.68%
Business type Activities Net Capital Assets	\$ 147,761	\$ 117,391	\$ 130,962	-12.83%
Total Net Capital Assets				
	\$ 78,160,651	\$ 76,474,496	\$ 79,134,504	1.23%

# Debt

	Balance 6/30/2015	Balance 6/30/2016	Balance 6/30/2017	Due Within 1 Year
Government Activities				
General Obligation Bonds				
Bonds Payable			\$32,000,000	\$1,045,000
Payable			906,121	\$66,961
Total G.O. Bonds			32,906,121	1,111,961
Revenue Bonds				
Bonds Payable (2011 & 2013)	\$ 24,290,000	\$ 22,515,000	\$ 5,560,000	\$ 880,000
Discount	\$ (158,450)	\$ (147,050)	\$ -	\$ -
Premium	\$ 40,440	\$ 35,385	\$ 30,330	\$ 5,055
Bonds Payable (2016)			\$ 14,360,000	\$ 1,085,000
Total Revenue Bonds	\$ 24,171,990	\$ 22,403,335	\$ 19,950,330	\$ 1,970,055
Total Bonds	\$ 24,171,990	\$ 22,403,335	\$ 52,856,451	\$ 3,082,016
Other Liabilities				
Compensated Absences	\$ 188,852	\$ 204,631	\$ 195,742	\$ 195,742
Net OPEB Liability	\$ 1,004,000	\$ 1,004,000	\$ 1,162,000	\$ -
Total Other Liabilities	\$ 1,192,852	\$ 1,208,631	\$ 1,357,742	\$ 195,742
Long-term Debt less Pension	\$ 25,364,842	\$ 23,611,966	\$ 54,214,193	\$ 3,277,758
Net Pension Liability	\$ 17,749,772	\$ 22,471,549	\$ 28,820,440	\$ -
Total Gov't Long-term Debt	\$ 43,114,614	\$ 46,083,515	\$ 83,034,633	\$ 3,277,758
Business Type Activities				
Net Pension Liability	\$ 362,240	\$ 458,603	\$ 588,172	\$ -
Grand Total - Government & Business Type Activities	\$ 43,476,854	\$ 46,542,118	\$ 83,622,805	\$ 3,277,758

# 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	\$453,349,009	480,771.9	\$943	4,907.4	\$2,779,441	1.665
FY2017	\$454,300,056	483,450.9	\$940	5,052.1	\$2,769,691	1.715
FY2018 (est)	\$465,440,617	485,147.3	\$959	5,146.8	\$2,406,210	2.051

*Enrollment is determined on Oct. 1st of the previous fiscal year. i.e. Fy2017 enrollment is taken on Oct. 1, 2015*

*Total statewide allocation includes reconciliation payment. Minimum required debt coverage is 1.20.*

*FY2017 debt service coverage ratio without issuance of advance refunding bonds would have been 1.785 (\$2,764,741).*

# Component Unit

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

Net Position - July 1, 2016		\$ 2,182,473
Income		
Contributions/Restricted Income	\$ 137,505	
Other Income	\$ 160,558	
Investment Income	\$ 69,689	
		\$ 367,752
Total Available		\$ 2,550,225
Expenses		\$ 102,995
Net Position - June 30, 2017		\$ 2,447,230

# 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:
  - CFDA #84.010 – Title I to Local Education Agencies
  - CFDA #84.027 – Special Education – Grants to States (IDEA Part B)
- 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 – Expenditures for the year ending June 30, 2017 did not exceed the amended certified budget amounts.
- 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.

# Acknowledgements

- Special thank you to the staff at Carney, Alexander, Marold & Co.
- Special thank you to the entire business office staff
  - Denelle Gonnerman
  - Lori Beth Roberts
  - Jana Speck
  - Michelle Weber
  - Lori Wiley
- Also a special thank you to
  - Carrie DeBerg (Special Ed)
  - Pam Zeigler (Title I)
  - Jill White (Medicaid)





**Questions?**