

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

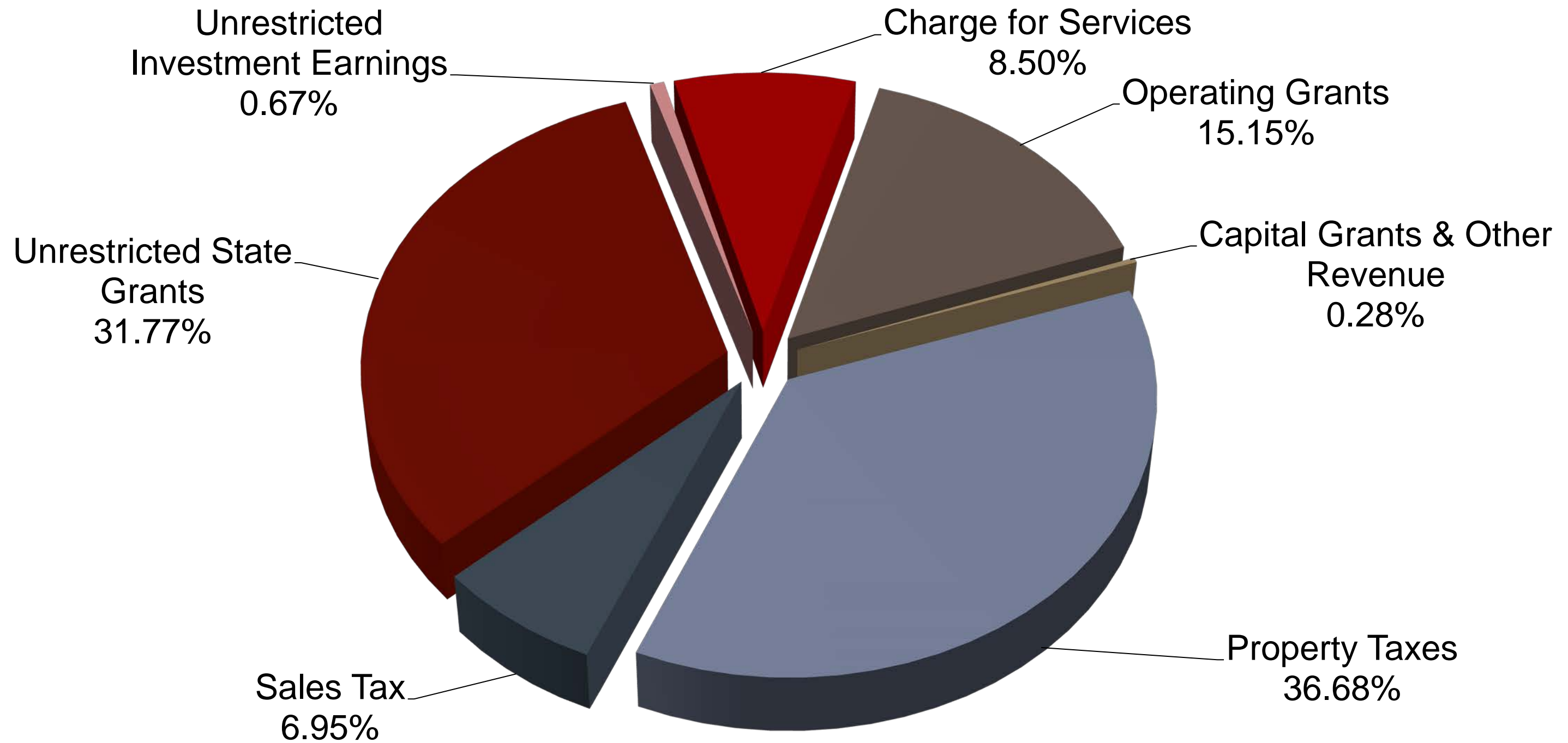


**Audit Report for the Year Ending June 30, 2019
Presented to the Board of Education on January 27, 2020**

Audit

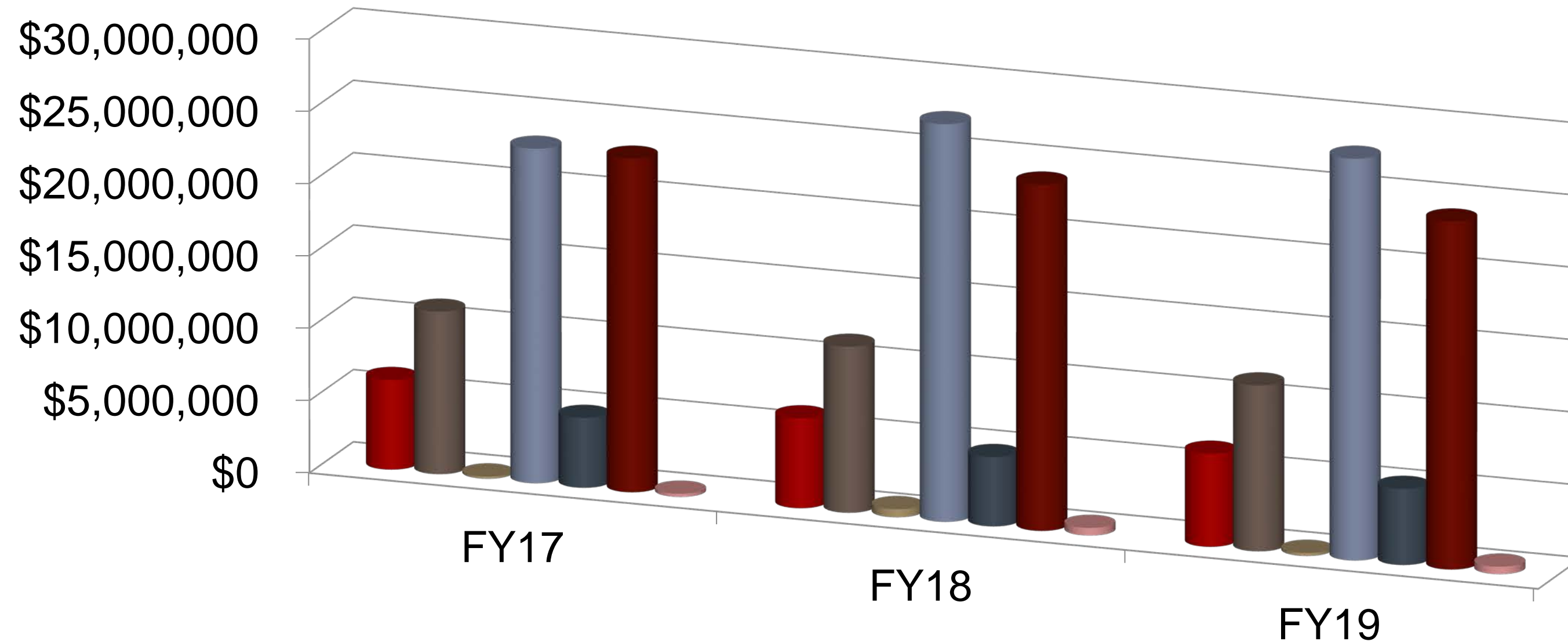
- Auditor responsibility is to express opinions on the management's (District) financial statements in accordance with U.S. generally accepted accounting principals.
- Auditors responsibility is to express opinions on these financial statements based on their audit. Audit is conducted in accordance with 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 2019 Revenue – All Funds



Due to rounding percentages may not total 100.00%

Historical Revenue – All Funds



■ Charge for Services

■ Operating Grants

■ Capital Grants & Other Revenue

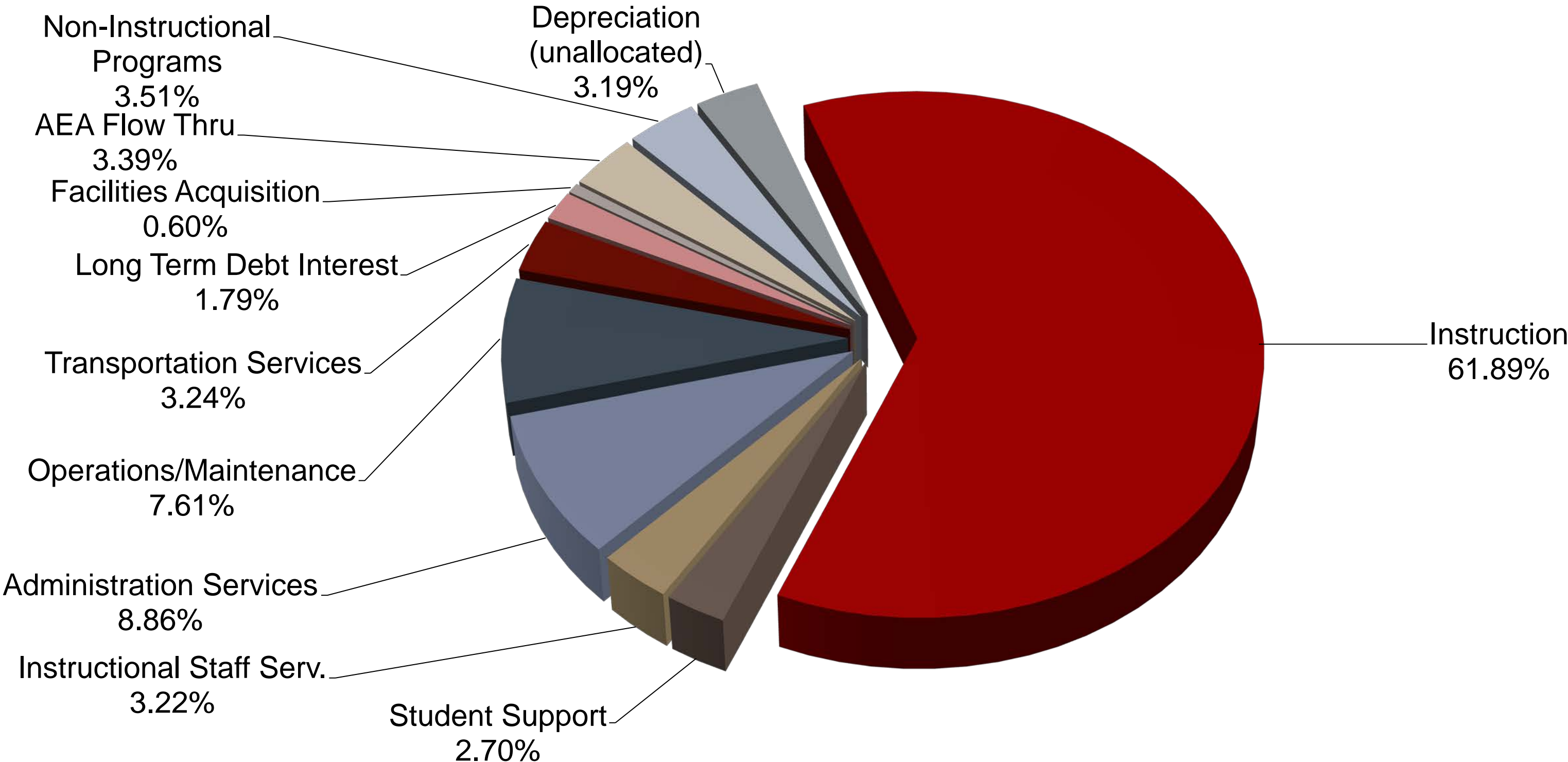
■ Property Taxes

■ Sales Tax

■ Unrestricted State Grants

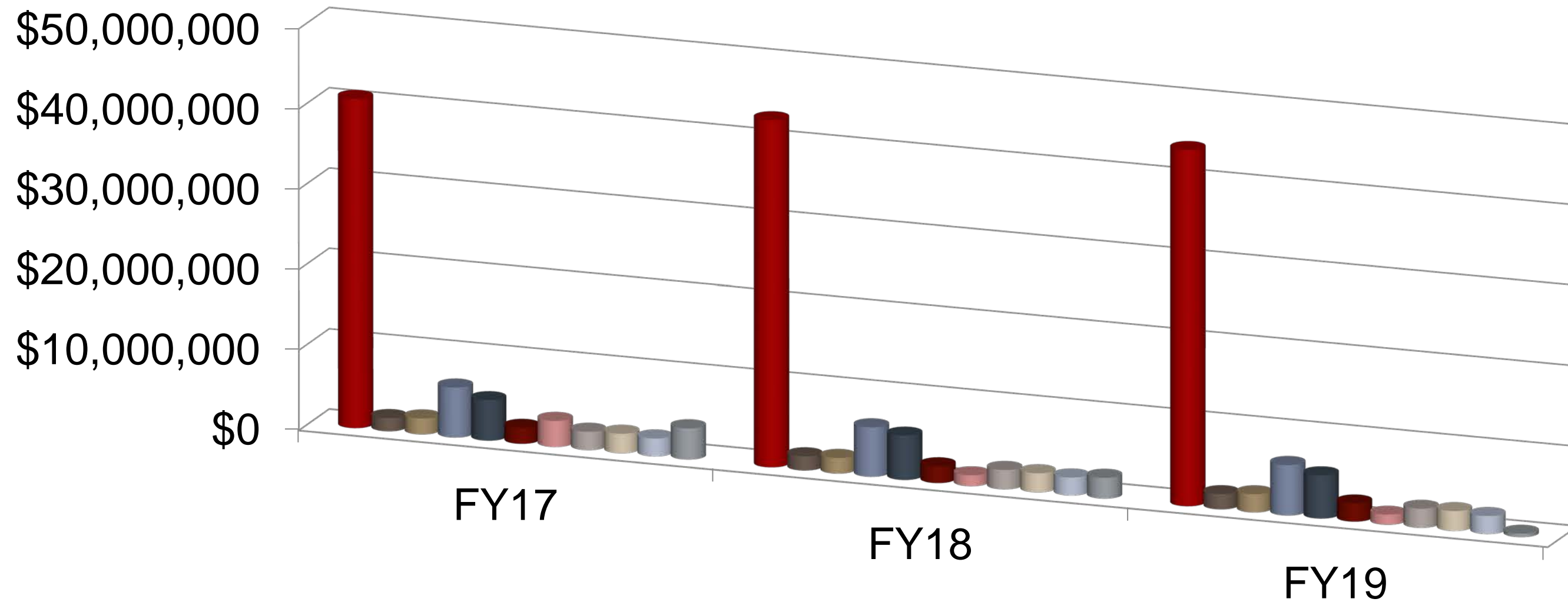
■ Unrestricted Investment Earnings

FY 2019 Expenditures – All Funds



Due to rounding percentages may not total 100.00%

Historical Expenditures – All Funds



- Instruction
 - Admin. Services
 - Debt Interest
 - Depreciation (unallocated)
- Student Support
 - Operation & Maint.
 - AEA Flow Thru
 - Facilities Acquisition
- Inst. Staff Services
 - Transportation
 - Non-Instructional Programs

Condensed Statement of Net Position – Governmental Funds

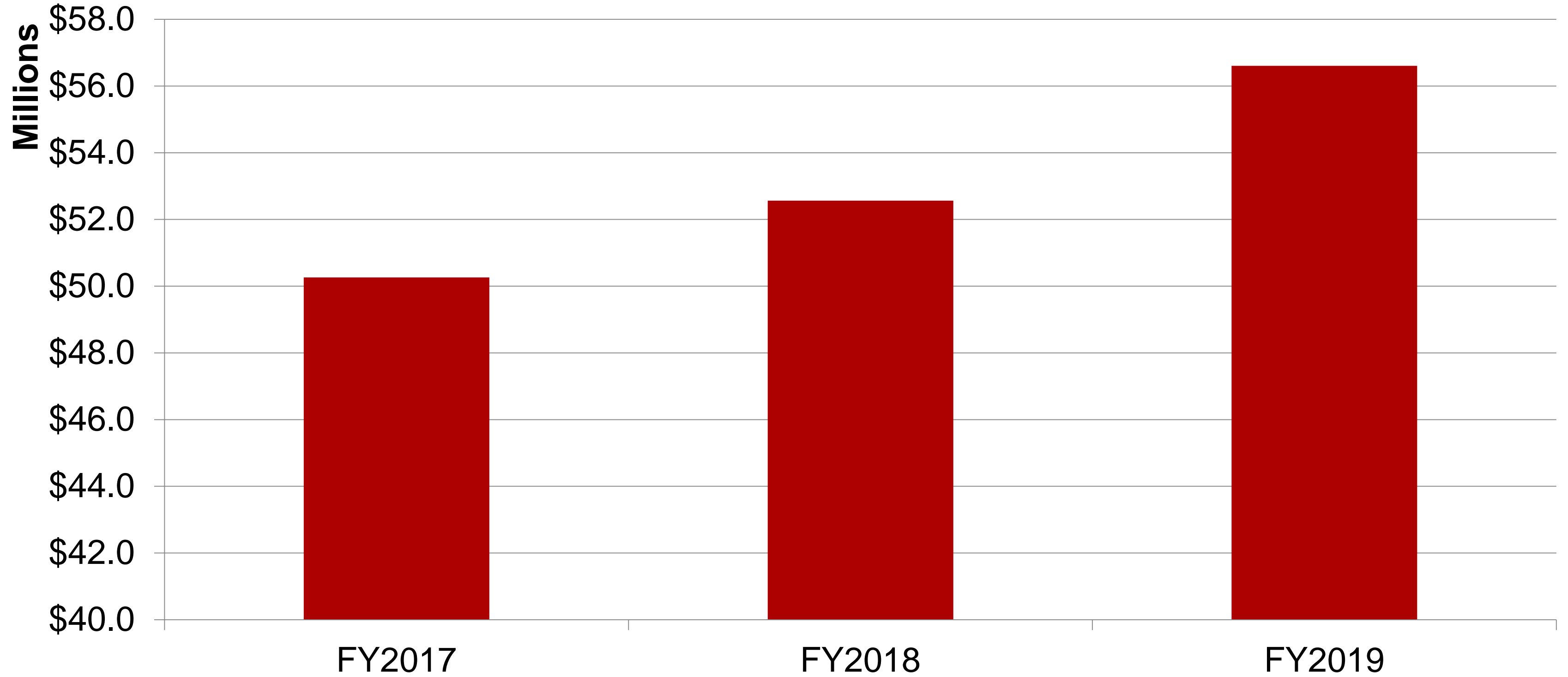
	FY2017	FY2018	FY2019
Total Assets	\$161,700,852	\$164,217,389	\$165,727,744
Less Total Liabilities	\$ 92,354,055	\$93,714,493	\$88,285,832
Less Net Deferred Inflows/Outflows	\$ 19,084,128	\$17,939,365	\$20,838,092
Less Restatement Value	\$ --	\$ --	\$ --
Net Assets	\$ 50,262,669	\$ 52,563,531	\$56,603,820

FY2017 Audit page 17, column 1

FY2018 Audit page 17, column 1

FY2019 Audit page 17, column 1

Historical Statement of Net Position – Governmental Funds



Condensed Balance Sheet – Governmental Funds

	General Fund	Debt Service	Capital Projects	Non-Major	Total
<i>Assets</i>					
Cash	\$ 10,165,353	\$ 13,128	\$ 11,219,583	\$ 1,628,230	\$ 23,026,294
Receivables	\$ 1,034,658	\$ 9,925	\$ 437,150	\$ 7,085	\$ 1,488,818
Succeeding Year	\$ 22,517,056	\$ 2,438,425	\$ 3,631,683	\$ 500,783	\$ 29,087,947
Inventories	\$ 9,156	\$ -	\$ -	\$ -	\$ 9,156
Total Assets	\$ 33,726,223	\$ 2,461,478	\$ 15,288,416	\$ 2,136,098	\$ 53,612,215
<i>Liabilities/Inflows/Balance</i>					
Liabilities					
Accounts Payable	\$ 865,544	\$ -	\$ 903,321	\$ 36,946	\$ 1,805,811
Salaries/Benefits Payable	\$ 6,028,438	\$ -	\$ -	\$ -	\$ 6,028,438
Total Liabilities	\$ 6,893,982	\$ -	\$ 903,321	\$ 36,946	\$ 7,834,249
Deferred Inflows	\$ 22,517,056	\$ 2,438,425	\$ 3,631,683	\$ 500,783	\$ 29,087,947
<i>Fund Balance</i>					
Nonspendable	\$ 9,156	\$ -	\$ -	\$ -	\$ 9,156
Restricted	\$ 346,111	\$ 23,053	\$ 10,753,412	\$ 1,598,369	\$ 12,720,945
Unassigned	\$ 3,959,918	\$ -	\$ -	\$ -	\$ 3,959,918
Total Fund Balance	\$ 4,315,185	\$ 23,053	\$ 10,753,412	\$ 1,598,369	\$ 16,690,019
T Liabilities/Inflows/Balance	\$ 33,726,223	\$ 2,461,478	\$ 15,288,416	\$ 2,136,098	\$ 53,612,215

Statement of Net Position – Proprietary Funds

	School Nutrition	Coffee Shop	Total
Current Assets			
Cash	\$ 854,626	\$ 4,927	\$ 859,553
Receivables	\$ 265		\$ 265
Inventories	\$ 81,581	\$ -	\$ 81,581
<i>Total Current Assets</i>	\$ 936,472	\$ 4,927	\$ 941,399
Noncurrent Assets			
Capital Assets, net of accumulated depreciation	\$ 117,933	\$ -	\$ 117,933
Total Assets	\$ 1,054,405	\$ 4,927	\$ 1,059,332
Deferred Pension Related Outflows	\$ 199,682	\$ -	\$ 199,682
Current Liabilities			
Accounts Payable	\$ 72,634	\$ -	\$ 72,634
Salaries/Benefits Payable	\$ 35,731	\$ -	\$ 35,731
Total Current Liabilities	\$ 108,365	\$ -	\$ 108,365
Noncurrent Pension Liability	\$ 636,181	\$ -	\$ 636,181
Total Liabilities	\$ 744,546	\$ -	\$ 744,546
Deferred Pension Related Inflows	\$ 31,859	\$ -	\$ 31,859
Net Position			
Invested in capital assets	\$ 117,933	\$ -	\$ 117,933
Unrestricted	\$ 359,749	\$ 4,927	\$ 364,676
Total net position	\$ 477,682	\$ 4,927	\$ 482,609

Governmental Capital Assets

		2017	2018	2019	3 Yr. % Change
<i>Assets Not Depreciated</i>					
A.	Land	\$ 1,745,334	\$ 2,965,334	\$ 2,965,334	41.14%
B.	Construction in Progress	\$ 4,398,116	\$ 26,021,807	\$ 17,135,098	74.33%
C.	Total (A + B)	\$ 6,143,450	\$ 28,987,141	\$ 20,100,432	69.44%
<i>Assets Depreciated</i>					
D.	Land Improvements	\$ 3,169,966	\$ 3,169,966	\$ 3,169,966	0.00%
E.	Buildings	\$ 98,922,324	\$ 98,922,324	\$ 122,120,404	19.00%
F.	Furniture & Equipment	\$ 7,254,568	\$ 7,910,693	\$ 8,326,001	12.87%
G.	Total (C + D + E)	\$ 109,346,858	\$ 110,002,983	\$ 133,616,371	18.16%
<i>Less Accumulated Depreciation</i>					
H.	Bldgs & Improvements	\$ 28,574,858	\$ 30,606,652	\$ 32,635,128	12.44%
I.	Improve. Other than Bldg.	\$ 2,673,666	\$ 2,779,904	\$ 2,884,261	7.30%
J.	Furniture & Equipment	\$ 2,562,204	\$ 2,782,916	\$ 3,049,886	15.99%
K.	Vehicles	\$ 2,676,038	\$ 2,971,283	\$ 3,031,999	11.74%
L.	Net Depreciated Assets (G - H - I - J - K)	\$ 72,860,092	\$ 70,862,228	\$ 92,015,097	20.82%
Gov't Activities Net Capital Assets (C + L)		\$ 79,003,542	\$ 99,849,369	\$ 112,115,529	29.53%

Business & District Total Capital Assets

	2017	2018	2019	3 Yr. % Change
Business type Activities				
Furniture/Equip./Vehicles	\$ 824,773	\$ 809,531	\$ 775,630	-6.34%
Less Accum. Depreciation	\$ 693,811	\$ 690,067	\$ 657,697	-5.49%
Business type Activities Net Capital Assets	\$ 130,962	\$ 119,464	\$ 117,933	-11.05%
Total Net Capital Assets	\$ 79,134,504	\$ 99,968,833	\$ 112,233,462	29.49%

Debt

	Balance 6/30/2017	Balance 6/30/2018	Balance 6/30/2019	Due Within 1 Year
Government Activities				
General Obligation Bonds				
Bonds Payable	\$ 32,000,000	\$ 30,955,000	\$ 29,620,000	\$ 1,400,000
Bonds Payable Premium	\$ 906,121	\$ 839,160	\$ 792,540	\$ 46,620
Total G.O. Bonds	\$ 32,906,121	\$ 31,794,160	\$ 30,412,540	\$ 1,446,620
Revenue Bonds				
Bonds Payable (2011 & 2013)	\$ 5,560,000	\$ 4,680,000	\$ 3,780,000	\$ 920,000
Discount	\$ -	\$ -	\$ -	\$ -
Premium	\$ 30,330	\$ 25,275	\$ 20,220	\$ 5,055
Bonds Payable (2016)	\$ 14,360,000	\$ 13,275,000	\$ 12,175,000	\$ 1,120,000
Total Revenue Bonds	\$ 19,950,330	\$ 17,980,275	\$ 15,975,220	\$ 2,045,055
Total Bonds	\$ 52,856,451	\$ 49,774,435	\$ 46,387,760	\$ 3,491,675
Other Liabilities				
Note Payable		\$ 310,000	\$ -	\$ -
Compensated Absences	\$ 195,742	\$ 202,074	\$ 204,648	\$ 204,648
Net OPEB Liability	\$ 1,162,000	\$ 2,300,000	\$ 2,574,000	\$ -
Total Other Liabilities	\$ 1,357,742	\$ 2,812,074	\$ 2,778,648	\$ 204,648
Long-term Debt less Pension	\$ 54,214,193	\$ 52,586,509	\$ 49,166,408	\$ 3,696,323
Net Pension Liability	\$ 28,820,440	\$ 31,480,491	\$ 31,172,879	\$ -
Total Gov't Long-term Debt	\$ 83,034,633	\$ 84,067,000	\$ 80,339,287	\$ 3,696,323
Business Type Activities				
Net Pension Liability	\$ 588,172	\$ 642,659	\$ 636,181	\$ -
Grand Total - Government & Business Type Activities	\$ 83,622,805	\$ 84,709,659	\$ 80,975,468	\$ 3,696,323

School Infrastructure Sales, Service & Use Tax Debt Coverage

	Statewide Allocation	Statewide Enrollment	Avg. Dollars per Pupil	Cedar Falls Enrollment	Cedar Falls Funds Pledged	Debt Service Coverage Ratio
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	\$471,365,846	485,147.3	\$972	5,146.8	\$2,406,210	2.079
FY2019 (est)	\$483,939,957	486,264.3	\$995	5,127.5	\$2,400,825	2.125
FY2020 (est)	\$516,578,987	487,651.5	\$1,059	5,237.6	\$3,454,750	1.606

*Enrollment is determined on Oct. 1st of the previous fiscal year. i.e. Fy2019 enrollment is taken on Oct. 1, 2017
Total statewide allocation includes reconciliation payment. Minimum required debt coverage is 1.20.*

Component Unit

- District component unit (Cedar Falls Schools Foundation) activities are included.

Net Position - July 1, 2018		\$ 2,649,991
Income		
Contributions/Restricted Income	\$ 100,473	
Other Income	\$ 66,218	
Investment Income	\$ 124,980	
		\$ 291,671
Total Available		\$ 2,941,662
Expenses		\$ 107,781
Net Position - June 30, 2019		\$ 2,833,881

Part I: Summary of the Independent Auditors' Results

- a. Unmodified opinions were issued on the financial statements prepared in accordance with U.S. generally accepted accounting principles.
- 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.

Part I: Summary of the Independent Auditors' Results

- e. An unmodified opinion was issued on compliance with requirements applicable to each major program
- 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:
 - Title I Grants to Local Education Agencies
- 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, 2019 did not exceed the amended certified budget amounts.
- B. No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- C. No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- 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.** No transactions requiring Board approval which had not been approved by the Board were noted.
- G.** No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- H.** No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

Part IV: Other Findings Related to Required Statutory Reporting

- I. 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 were noted.
- 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 were noted.

Acknowledgements

- Special thank you to the staff at Carney, Alexander, Marold & Co.
- Special thank you to the entire business office staff
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 - Pam Zeigler (Title I)
 - Jill White (Medicaid)

