

# **CEDAR FALLS COMMUNITY SCHOOL DISTRICT**

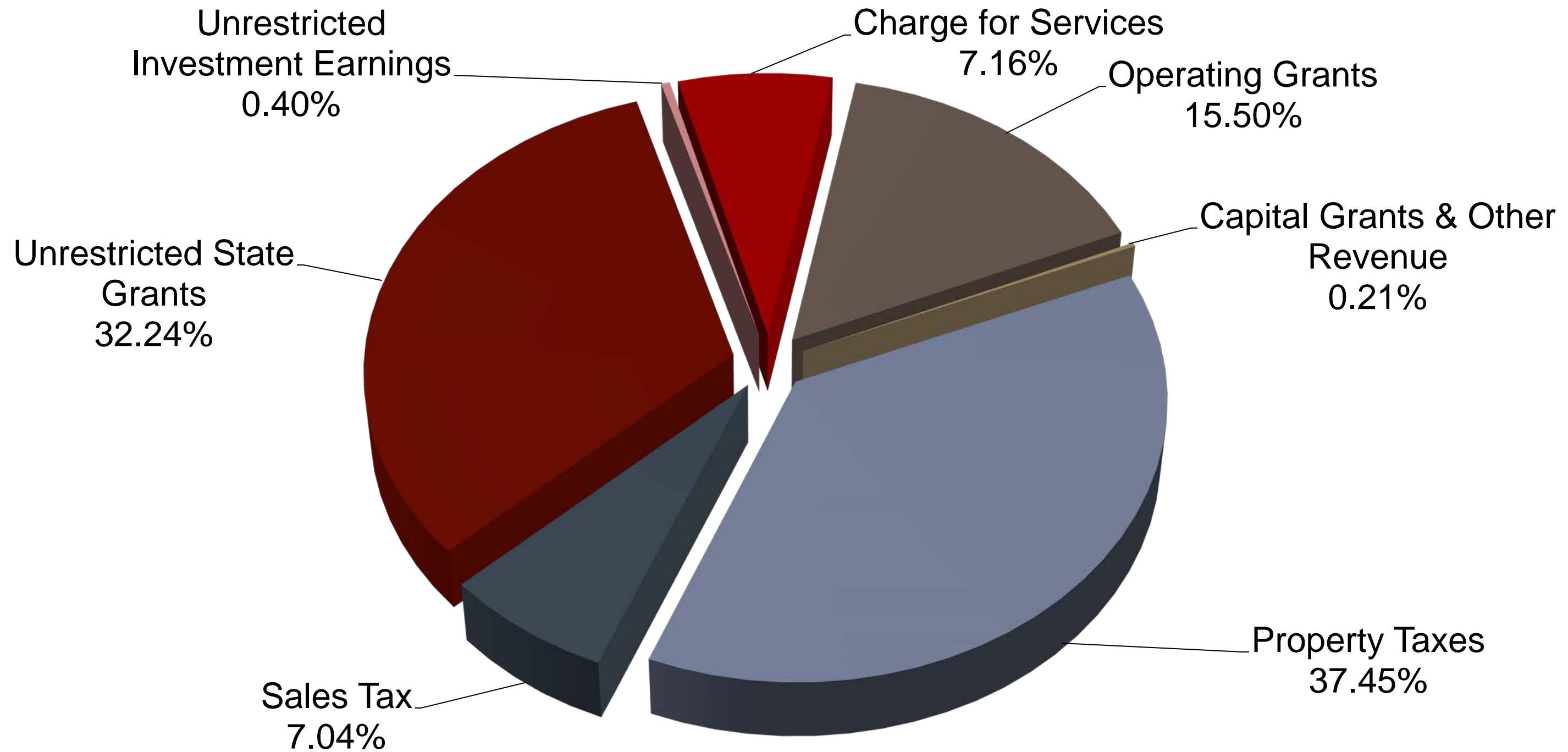


**Audit Report for the Year Ending June 30, 2020  
Presented to the Board of Education on December 14, 2020**

# Audit

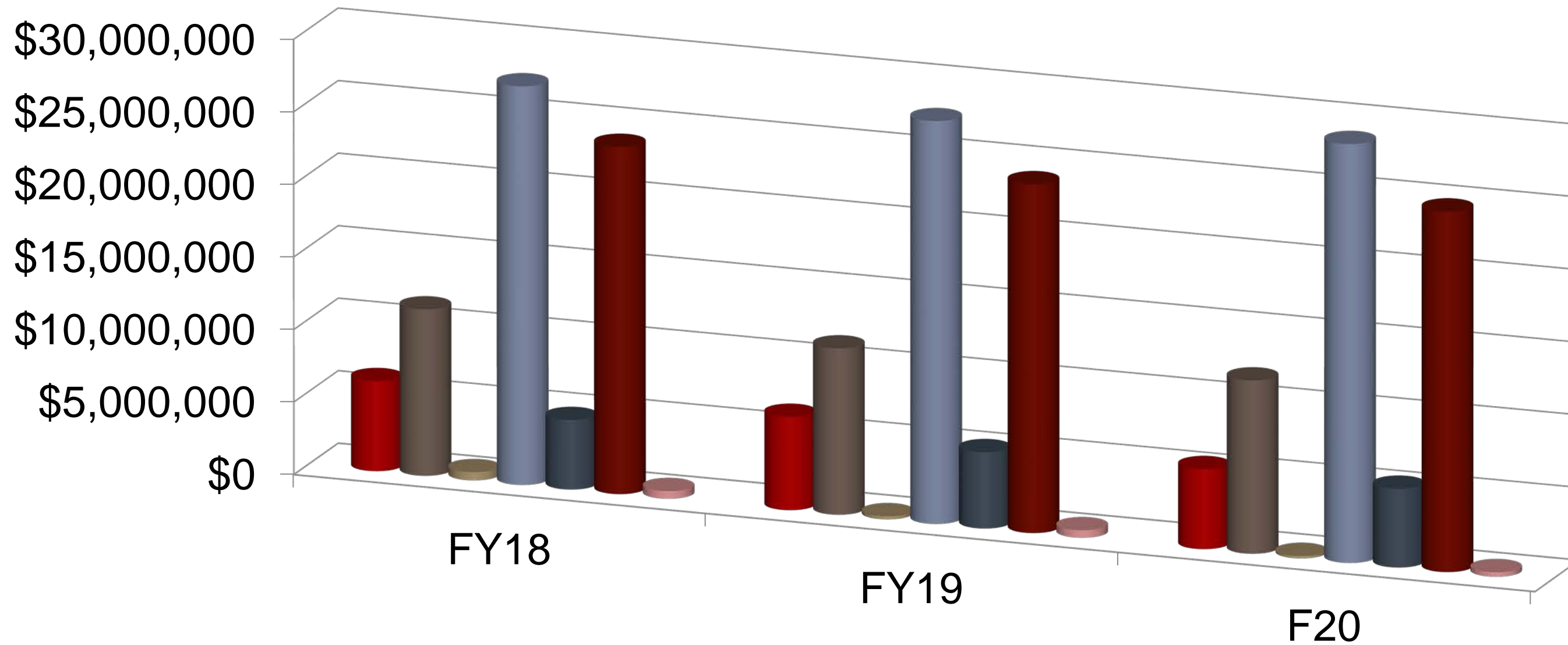
- Auditor responsibility is to express opinions on the management's (District) financial statements in accordance with U.S. generally accepted accounting principals.
- Auditors responsibility is to express opinions on these financial statements based on their audit. Audit is conducted in accordance with 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 2020 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

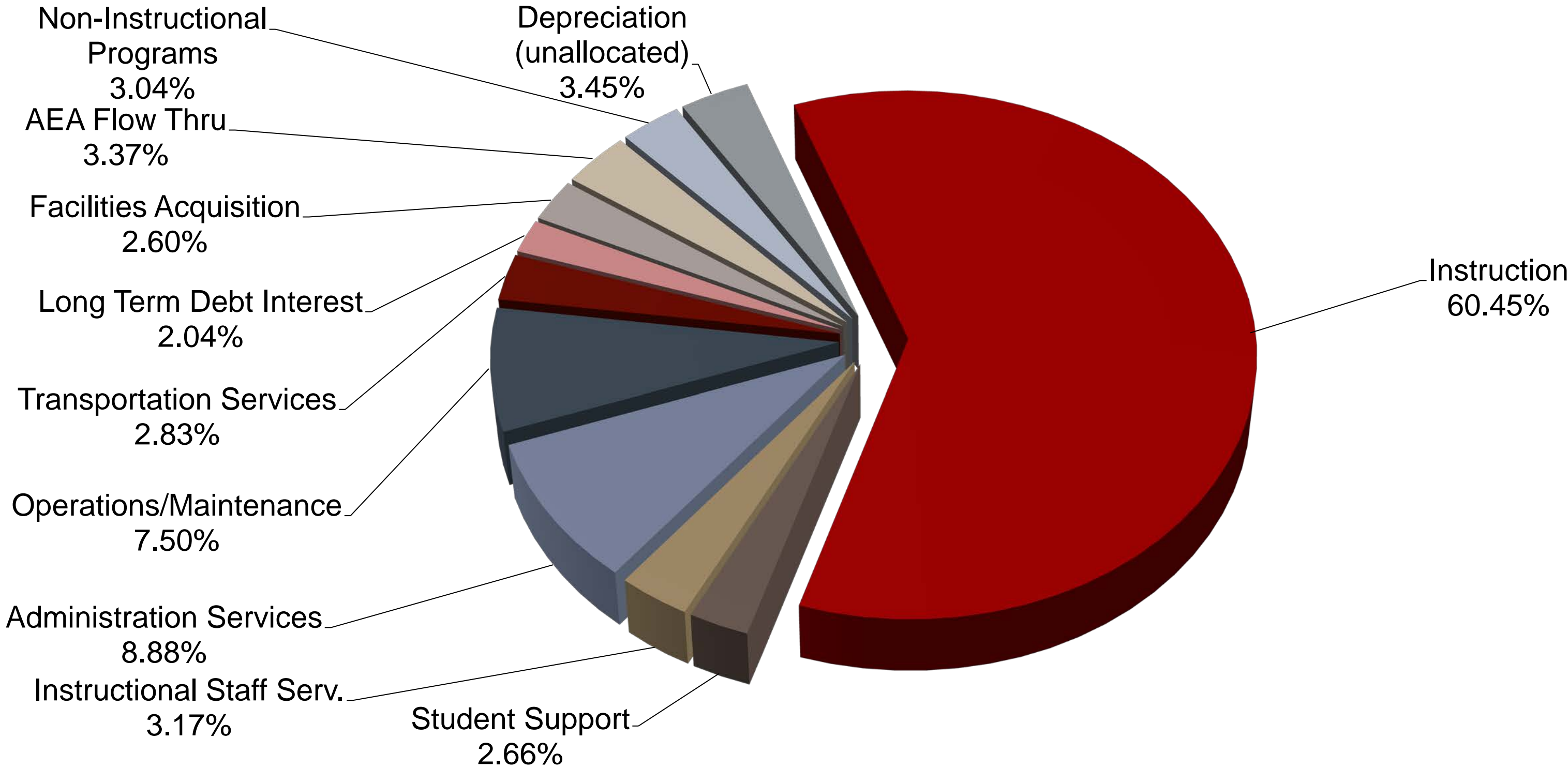
■ Property Taxes

■ Sales Tax

■ Unrestricted State Grants

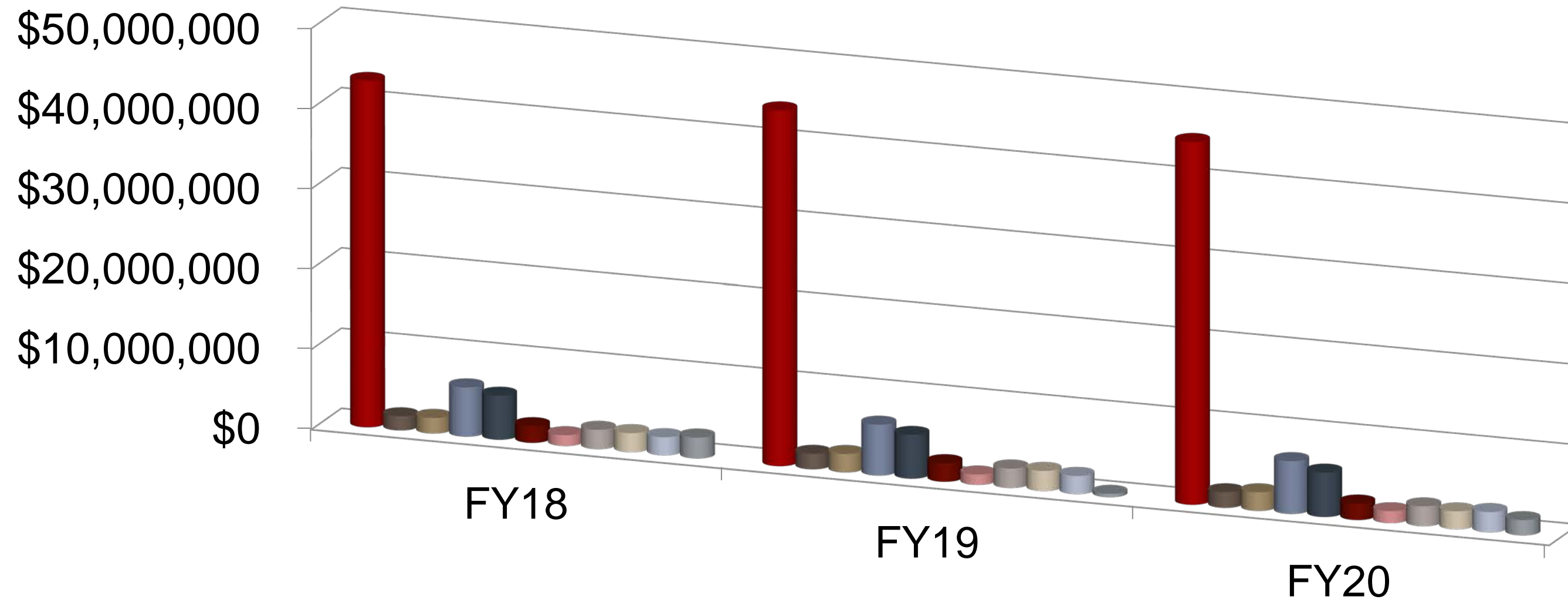
■ Unrestricted Investment Earnings

# FY 2020 Expenditures – All Funds



Due to rounding percentages may not total 100.00%

# Historical Expenditures – All Funds



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

# Condensed Statement of Net Position – Governmental Funds

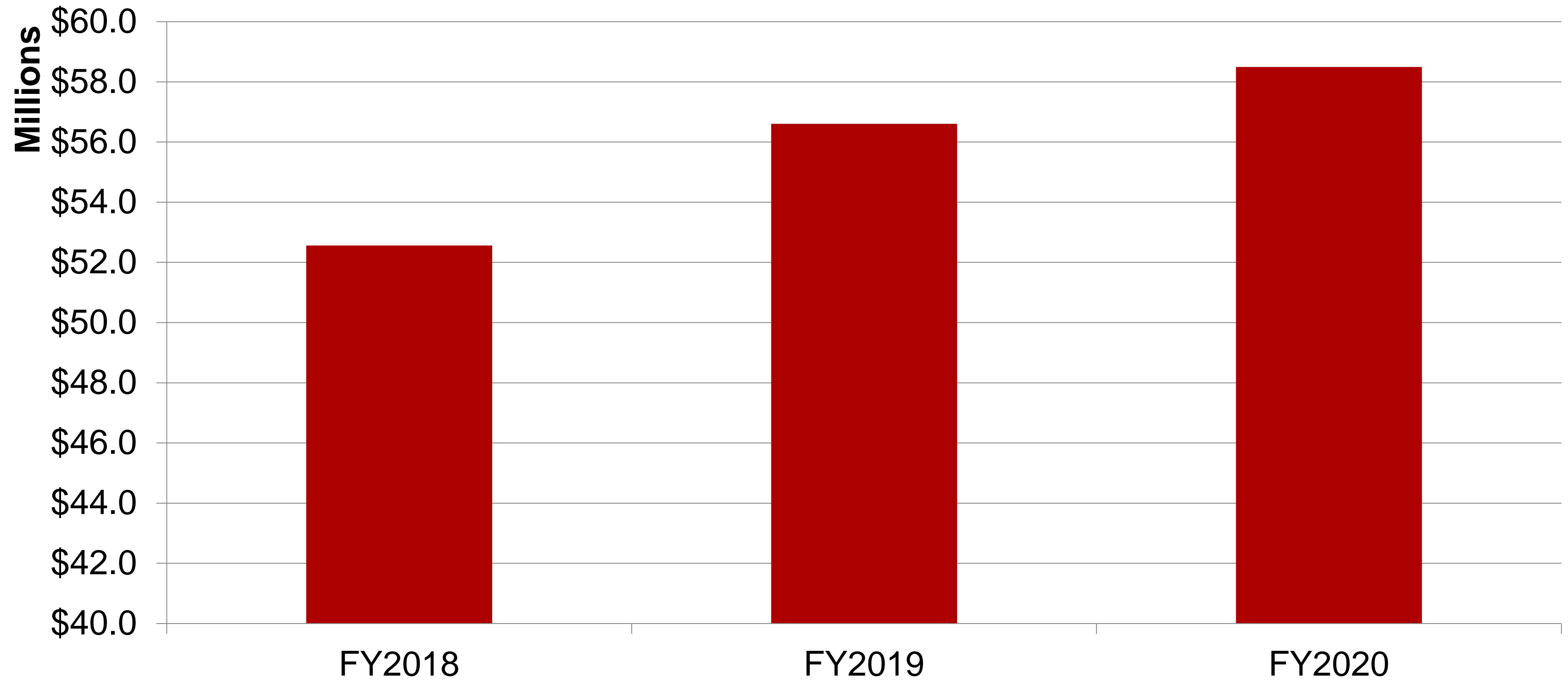
	FY2018	FY2019	FY2020
Total Assets	\$164,2017,389	\$165,727,744	\$175,636,521
Less Total Liabilities	\$ 93,714,493	\$88,285,832	\$90,995,182
Less Net Deferred Inflows/Outflows	\$ 17,939,365	\$20,838,092	\$26,147,802
Less Restatement Value	\$ --	\$ --	\$ --
<b>Net Assets</b>	<b>\$ 52,563,531</b>	<b>\$ 56,603,820</b>	<b>\$58,493,537</b>

FY2018 Audit page 17, column 1

FY2019 Audit page 17, column 1

FY2020 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	\$ 10,473,778	\$ 31,059	\$ 17,364,776	\$ 1,486,009	\$ 29,355,622
Receivables	\$ 1,413,250	\$ 39,819	\$ 571,768	\$ 8,264	\$ 2,033,101
Succeeding Year	\$ 22,808,084	\$ 2,394,281	\$ 3,693,854	\$ 497,429	\$ 29,393,648
Inventories	\$ 13,564	\$ -	\$ -	\$ -	\$ 13,564
<b>Total Assets</b>	<b>\$ 34,708,676</b>	<b>\$ 2,465,159</b>	<b>\$ 21,630,398</b>	<b>\$ 1,991,702</b>	<b>\$ 60,795,935</b>
<i>Liabilities/Inflows/Balance</i>					
<i>Liabilities</i>					
Accounts Payable	\$ 565,822	\$ -	\$ 729,958	\$ 10,323	\$ 1,306,103
Salaries/Benefits Payable	\$ 6,297,971	\$ -	\$ -	\$ -	\$ 6,297,971
<b>Total Liabilities</b>	<b>\$ 6,863,793</b>	<b>\$ -</b>	<b>\$ 729,958</b>	<b>\$ 10,323</b>	<b>\$ 7,604,074</b>
Deferred Inflows	\$ 23,137,812	\$ 2,394,281	\$ 3,693,854	\$ 497,429	\$ 29,723,376
<i>Fund Balance</i>					
Nonspendable	\$ 13,564	\$ -	\$ -	\$ -	\$ 13,564
Restricted	\$ 578,001	\$ 70,878	\$ 17,206,586	\$ 1,483,950	\$ 19,339,415
Unassigned	\$ 4,115,506	\$ -	\$ -	\$ -	\$ 4,115,506
<b>Total Fund Balance</b>	<b>\$ 4,707,071</b>	<b>\$ 70,878</b>	<b>\$ 17,206,586</b>	<b>\$ 1,483,950</b>	<b>\$ 23,468,485</b>
<b>T Liabilities/Inflows/Balance</b>	<b>\$ 34,708,676</b>	<b>\$ 2,465,159</b>	<b>\$ 21,630,398</b>	<b>\$ 1,991,702</b>	<b>\$ 60,795,935</b>

# Statement of Net Position – Proprietary Funds

	School Nutrition	Coffee Shop	Total
<b>Current Assets</b>			
Cash	\$ 769,227	\$ 10,371	\$ 779,598
Receivables	\$ -		\$ -
Inventories	\$ 105,755	\$ -	\$ 105,755
<i>Total Current Assets</i>	\$ 874,982	\$ 10,371	\$ 885,353
<b>Noncurrent Assets</b>			
Capital Assets, net of accumulated depreciation	\$ 75,575	\$ -	\$ 75,575
<b>Total Assets</b>	\$ 950,557	\$ 10,371	\$ 960,928
<b>Deferred Pension Related Outflows</b>	\$ 159,957	\$ -	\$ 159,957
<b>Current Liabilities</b>			
Accounts Payable	\$ 131,671	\$ -	\$ 131,671
Salaries/Benefits Payable	\$ 37,777	\$ -	\$ 37,777
Total Current Liabilities	\$ 169,448	\$ -	\$ 169,448
<b>Noncurrent Pension Liability</b>	\$ 581,189	\$ -	\$ 581,189
<b>Total Liabilities</b>	\$ 750,637	\$ -	\$ 750,637
<b>Deferred Pension Related Inflows</b>	\$ 90,389	\$ -	\$ 90,389
<b>Net Position</b>			
Invested in capital assets	\$ 75,575	\$ -	\$ 75,575
Unrestricted	\$ 193,913	\$ 10,371	\$ 204,284
<b>Total net position</b>	\$ 269,488	\$ 10,371	\$ 279,859

# Governmental Capital Assets

	2018	2019	2020	3 Yr. % Change	
<i>Assets Not Depreciated</i>					
A.	Land	\$ 2,965,334	\$ 2,965,334	\$ 3,745,334	20.83%
B.	Construction in Progress	\$ 26,021,807	\$ 17,135,098	\$ 363,223	-7064.14%
C.	Total (A + B)	\$ 28,987,141	\$ 20,100,432	\$ 4,108,557	-605.53%
<i>Assets Depreciated</i>					
D.	Land Improvements	\$ 3,169,966	\$ 3,169,966	\$ 3,169,966	0.00%
E.	Buildings	\$ 98,922,324	\$ 122,120,404	\$ 143,934,539	31.27%
F.	Furniture & Equipment	\$ 7,910,693	\$ 8,326,001	\$ 6,725,823	-17.62%
G.	Total (C + D + E)	\$ 110,002,983	\$ 133,616,371	\$ 153,830,328	28.49%
<i>Less Accumulated Depreciation</i>					
H.	Bldgs & Improvements	\$ 30,606,652	\$ 32,635,128	\$ 35,096,728	12.79%
I.	Improve. Other than Bldg.	\$ 2,779,904	\$ 2,884,261	\$ 2,935,020	5.29%
J.	Furniture & Equipment	\$ 2,782,916	\$ 3,049,886	\$ 1,796,791	-54.88%
K.	Vehicles	\$ 2,971,283	\$ 3,031,999	\$ 3,269,760	9.13%
L.	Net Depreciated Assets (G - H - I - J - K)	\$ 70,862,228	\$ 92,015,097	\$ 110,732,029	36.01%
<i>Gov't Activities Net Capital Assets (C + L)</i>					
		\$ 99,849,369	\$ 112,115,529	\$ 114,840,586	13.05%

# Business & District Total Capital Assets

	2018	2019	2020	3 Yr. % Change
Business type Activities				
Furniture/Equip./Vehicles	\$ 809,531	\$ 775,630	\$ 537,505	-50.61%
Less Accum. Depreciation	\$ 690,067	\$ 657,697	\$ 461,930	-49.39%
Business type Activities Net Capital Assets	\$ 119,464	\$ 117,933	\$ 75,575	-58.07%
Total Net Capital Assets	\$ 99,968,833	\$ 112,233,462	\$ 114,916,161	13.01%

# Debt

	Balance 6/30/2018	Balance 6/30/2019	Balance 6/30/2020	Due Within 1 Year
Government Activities				
General Obligation Bonds				
Bonds Payable	\$ 30,955,000	\$ 29,620,000	\$ 28,220,000	\$ 1,425,000
Bonds Payable Premium	\$ 839,160	\$ 792,540	\$ 745,920	\$ 46,620
Total G.O. Bonds	\$ 31,794,160	\$ 30,412,540	\$ 28,965,920	\$ 1,471,620
Revenue Bonds				
Bonds Payable (2011 & 2013)	\$ 4,680,000	\$ 3,780,000	\$ 2,860,000	\$ 950,000
Discount	\$ -	\$ -	\$ -	\$ -
Premium	\$ 25,275	\$ 20,220	\$ 15,165	\$ 5,055
Bonds Payable (2016)	\$ 13,275,000	\$ 12,175,000	\$ 11,055,000	\$ 1,135,000
Bonds Payable (2019)	\$ -	\$ -	\$ 9,050,000	\$ 225,000
Total Revenue Bonds	\$ 17,980,275	\$ 15,975,220	\$ 22,980,165	\$ 2,315,055
Total Bonds	\$ 49,774,435	\$ 46,387,760	\$ 51,946,085	\$ 3,786,675
Other Liabilities				
Note Payable	\$ 310,000	\$ -	\$ -	\$ -
Compensated Absences	\$ 202,074	\$ 204,648	\$ 246,388	\$ 246,388
Net OPEB Liability	\$ 2,300,000	\$ 2,574,000	\$ 2,603,205	\$ -
Total Other Liabilities	\$ 2,812,074	\$ 2,778,648	\$ 2,849,593	\$ 246,388
Long-term Debt less Pension	\$ 52,586,509	\$ 49,166,408	\$ 54,795,678	\$ 4,033,063
Net Pension Liability	\$ 31,480,491	\$ 31,172,879	\$ 28,478,270	\$ -
Total Gov't Long-term Debt	\$ 84,067,000	\$ 80,339,287	\$ 83,273,948	\$ 4,033,063
Business Type Activities				
Net Pension Liability	\$ 642,659	\$ 636,181	\$ 581,189	\$ -
Grand Total - Government & Business Type Activities	\$ 84,709,659	\$ 80,975,468	\$ 83,855,137	\$ 4,033,063

# 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>
FY2017	\$454,315,059	483,450.9	\$940	5,052.1	\$2,409,528	1.971
FY2018	\$471,365,846	485,147.3	\$972	5,146.8	\$2,406,210	2.079
FY2019	\$483,940,176	486,264.3	\$995	5,127.5	\$2,400,825	2.125
FY2020	\$505,593,619	487,651.5	\$1,037	5,237.6	\$3,454,750	1.572
FY2021 (est)	\$499,356,866	490,094.0	\$1,019	5,371.4	\$2,795,155	1.958

*Enrollment is determined on Oct. 1st of the previous fiscal year. i.e. Fy2020 enrollment is taken on Oct. 1, 2018  
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, 2019		\$ 2,833,881
Income		
Contributions/Restricted Income	\$ 169,803	
Other Income	\$ 19,664	
Investment Income	\$ 89,586	
		\$ 279,053
Total Available		\$ 3,112,934
Expenses		
		\$ 153,236
Net Position - June 30, 2020		\$ 2,959,698

# 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 principals.
- 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:
  - 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 – Expenditures for the year ending June 30, 2020 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.** No transactions were noted between the District, District officials or District employees and restricted donors in compliance with Chapter 68B of the Code of Iowa.
- F.** Surety bond coverage of District officials and employees is in accordance with statutory provisions.
- G.** No transactions requiring Board approval which had not been approved by the Board were noted.
- H.** No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- I.** No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

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

- J.** 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.
- K.** Certified Annual Report was filed with the Department of Education timely with no significant deficiencies in the amounts reported.
- L.** No instances of categorical funding used to supplant rather than supplement other funds.

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

- M.** 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
  - Jana Speck
  - Lisa Voves
  - Michelle Weber
  - Lori Wiley
  - Valarie Gibson
- Also a special thank you to
  - Carrie DeBerg (Special Ed)
  - Christine Mangrich & Pam Zeigler (Title I)
  - Jill White (Medicaid)
  - Allison Ketter & Lauri Coffman (Food Service)

