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CEDAR FALLS COMMUNITY SCHOOL DISTRICT

INDEPENDENT AUDITORS' REPORTS  
BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
INTERNAL CONTROLS AND COMPLIANCE

JUNE 30, 2024

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**CARNEY,  
ALEXANDER,  
MAROLD & Co., L.L.P.**  
Certified Public Accountants

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Table of Contents

	Page
Officials	1
Independent Auditors' Report	2 - 5
Management's Discussion and Analysis (MD&A)	6 - 18
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Governmental Fund Financial Statements:	
Balance Sheet	21
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	24
Proprietary Funds Financial Statements:	
Statement of Net Position	25
Statement of Revenues, Expenses and Changes in Fund Net Position	26
Statement of Cash Flows	27
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Position	29
Notes to Financial Statements	30 - 52
Required Supplementary Information:	
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund	53
Notes to Required Supplementary Information - Budgetary Reporting	54

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Table of Contents

	Page
Required Supplementary Information (continued):	
Schedule of the District's Proportionate Share of the Net Pension Liability	55
Schedule of District Contributions	56
Notes to Required Supplementary Information - Pension Liability	57
Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes	58
Component Unit Financial Statements:	
Statement of Net Position	59
Statement of Changes in Net Position	60
Supplementary Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	61
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	62
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	63 - 64
Capital Project Fund Accounts:	
Combining Balance Sheet	65
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	66
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds	67
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	68
Schedule of Expenditures of Federal Awards	69 - 70
Internal Controls and Compliance:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	71 - 72
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	73 - 75
Schedule of Findings and Questioned Costs	76 - 80
Audit Staff	81

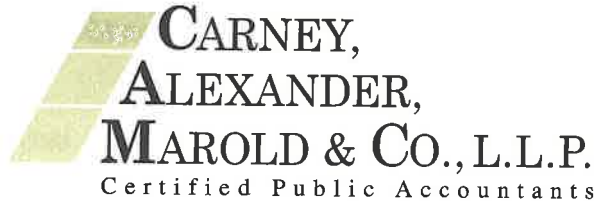
CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<b>Board of Education</b>		
Lowell Stutzman	President	2025
Jenny Stipe	Vice President	2025
Nate Gruber	Board Member	2027
Bett Peterson	Board Member	2027
Megan Witt	Board Member	2027
Jeff Orvis	Board Member	2027
R.J. Meyer	Board Member	2025
<b>School Officials</b>		
Dr. Andrew Pattee	Superintendent	Indefinite
Denelle Gonnerman	District Secretary	Indefinite
Dan Lynch	District Treasurer	2024
John C. Larsen	Attorney	Indefinite

Cedar Falls Community School District

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Thomas F. Thierman, CPA  
David J. Rogers, CPA/ABV  
Janel J. Ruzicka, CPA

## Independent Auditors' Report

To the Board of Education of the  
Cedar Falls Community School District

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information; and we were engaged to audit the aggregate discretely presented component unit, of Cedar Falls Community School District, Cedar Falls, Iowa, as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-type Activities	Unmodified
Aggregated Discretely Presented Component Unit	Qualified
General Fund	Unmodified
Debt Service Fund	Unmodified
Capital Projects Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

### Qualified Opinion on the Aggregated Discretely Presented Component Unit

In our opinion, except for the possible effects of the matter discussed in the "Basis for Qualified and Unmodified Opinions" paragraph, the financial statements referred to above present fairly in all material respects, the financial position of the discretely presented component unit of Cedar Falls Community School District as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

### Unmodified Opinions on Governmental Activities, Business-type Activities, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Cedar Falls Community School District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Cedar Falls Community School District and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

### *Matter Giving Rise Qualified Opinion on Discretely Presented Component Unit*

The financial statements of the Cedar Falls Community School Foundation have not been audited, and we were not engaged to audit the Cedar Falls Community School Foundation as part of our audit of the District's basic financial statements. The Cedar Falls Community School Foundation financial activities are included in the District's basic financial statements as a discretely presented component unit.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles, 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.

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 Cedar Falls Community School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditors' 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 GAAS 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, 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 Cedar Falls Community School District'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 Cedar Falls Community School District'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

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes to District's Total OPEB Liability, Related Ratios and Notes and the financial statements for the discretely presented component unit on pages 5 through 16 and 28 through 56 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 GAAS, 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 Cedar Falls Community School District'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 unmodified opinions on those financial statements.

The supplementary information included on pages 59 - 68, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.



The supplementary 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 GAAS. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025 on our consideration of Cedar Falls Community School District'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 to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing and not to provide an opinion on the 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 Cedar Falls Community School District's internal control over financial reporting and compliance.

*Carmy. Alexander. Mauld + Co. L.L.P.*

Waterloo, Iowa  
January 13, 2025

**CEDAR FALLS COMMUNITY SCHOOL DISTRICT  
CEDAR FALLS, IOWA**

**Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2024**

This section of the Cedar Falls Community School District's annual financial report presents the District's management discussion and analysis of the District's financial activities during the fiscal year ending June 30, 2024.

The intent of this discussion and analysis is to look at the Cedar Falls Community School District's financial performance as a whole with comparisons to the previous fiscal year activities. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for the 2024 fiscal year include the following:

- In total, net position increased by \$36,180,576 or 42.91% from fiscal 2023. Governmental activities net position increased \$35,601,669 or 43.62% from fiscal year 2023. Net position in business-type activity, which represents the Districts food service and student coffee shop operations, decreased \$578,907 or 21.51% from fiscal year 2023.
- General Fund revenues (which include the Instructional Support fund) accounted for \$72,348,773 in revenue or 70.94% of all revenues. General Fund expenses, which include the Instructional Support fund, accounted for \$70,193,418 in expenditures or 59.32% of all expenses.

This report also reflects improved accounting and financial reporting by state and local governments as required by the Governmental Accounting Standards Board (GASB) Statement No. 68 and Statement No. 75.

GASB Statement No. 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics:

- Contributions from employers and non-employer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- Pension plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

As required by Iowa law, the District participates in the Iowa Public Employees' Retirement System (IPERS).

GASB Statement No. 75 establishes improved accounting and financial reporting requirements for state and local governments which provide their employees with "Other Postemployment

Benefits (OPEB).” The objective Statement No. 75 is to improve the usefulness of financial information about postemployment benefits other than pensions (other postemployment benefits or OPEB). Statement No. 75 replaces Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan*.

### **Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Cedar Falls Community School District as a financial whole, or as an entire operating entity.

The statement of net position and statement of activities provides information about the activities of the whole District, presenting both an aggregate view of the District’s finances and a long-term view of those finances. Fund financial statements report individual parts of District operations in more detail than District wide statements. For governmental funds these statements tell how educational and operational services were funded in the short term as well as what remains for future funding. The fund financial statements also look at the District’s most significant funds with all other non-major funds presented in total in a single column.

### **Reporting the School District as a Whole**

#### **Statement of Net Position and Statement of Activities**

While this report includes all the funds used by the District to provide programs and activities, the report strives to show how the District performed financially during the 2024 fiscal year. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. These bases of accounting reflect all of the current year’s revenues and expenses regardless of when cash was received or paid.

These statements report the District’s net position and changes in net position. Reporting changes in net position is important because it identifies whether the financial picture of the District has improved or diminished for the District as whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include District property tax assessed valuation, facility needs, required educational programs, and other factors.

In the statement of net position and statement of activities, the District is divided into three distinct kinds of activities:

**Governmental Activities** - Most of the District’s programs and services are reported here, including instruction, co-curricular activities, support services (health services, guidance, media, and administration), custodial, building operations and maintenance, and pupil transportation.

**Business-Type Activity** – This service is provided on a charge for goods or services basis to recover all of the expenses for good or services provided. These types of activities are also known as Enterprise funds. The Nutrition and High School Student Coffee Shop funds are reported as a business activity.

**Fiduciary/Trust Activity** – The District is the trustee or fiduciary for assets that belong to others. The District is responsible for ensuring that the assets in these funds are used for their intended purpose. These assets are excluded from the government-wide financial statements because the District cannot use these assets to finance its' operations. The River Hills School consortium, private purpose trust and agency funds are reported here.

## Reporting the School District's Most Significant Funds

### **Fund Financial Statements**

Fund financial reports provide detailed information about the District's major fund(s). The District uses different funds in accordance with the Uniform Financial Accounting for Iowa LEA's, as required by the Iowa Department of Education, to record its financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major funds for 2024 are:

- **Governmental Funds**
  - General Fund
  - Debt Service Fund
  - Capital Project Funds
    - Capital Projects (GO Bond Proceeds) Fund
    - Statewide Sales, Services and Use Tax Fund
    - Physical Plant & Equipment Levy
- **Enterprise Fund**
  - Nutrition Fund

### **Governmental Funds**

Most of the District's transactions are reported in governmental funds, which focus on how monies flow into and out of these funds and the balances left at fiscal year end for spending in the future. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The differences between governmental activities reported in the statement of net position and the statement of activities are reconciled in the financial statements.

### **Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

## District Net Position as a Whole

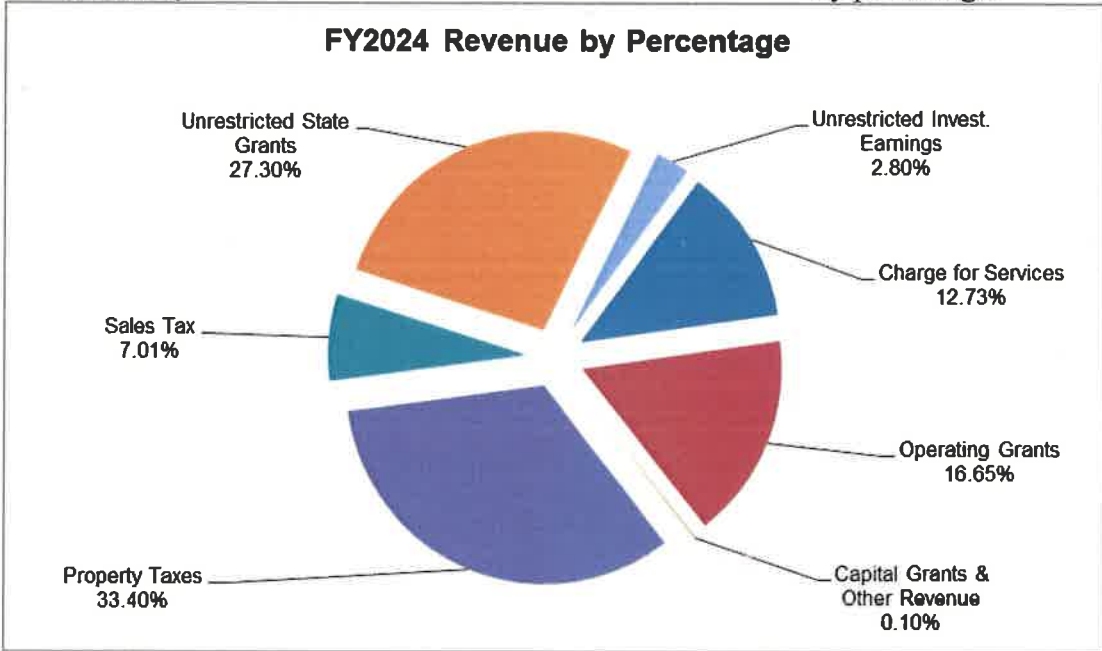
The following is a summary of the District's net position as a whole. The Cedar Falls Community School District's total net position increased from the fiscal 2023 total of \$84,311,427 to a total of \$120,492,003 in fiscal 2024 or a 42.91% increase from the previous fiscal year.

<b>Condensed Statement of Net Position</b>								
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>		<b>Percent</b>	<b>Change</b>
	<b>Activities</b>		<b>Activities</b>					
	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>		
Current & Other Assets	\$ 106,707,726	89,047,793	\$ 3,178,377	3,658,877	\$ 109,886,103	92,706,670	-15.63%	
Capital Assets	180,340,476	223,531,052	118,532	115,410	180,459,008	223,646,462	23.93%	
<b>Total Assets</b>	<b>287,048,202</b>	<b>312,578,845</b>	<b>3,296,909</b>	<b>3,774,287</b>	<b>290,345,111</b>	<b>316,353,132</b>	<b>8.96%</b>	
Deferred Outflow s of Resources								
Pension/OPEB Related Def Outflow	4,975,267	8,137,656	101,536	162,971	5,076,803	8,300,627	63.50%	
Long-term Obligations:								
Due Within One Year	7,198,925	7,427,224	-	-	7,198,925	7,427,224	3.17%	
Due After One Year	153,222,750	148,168,337	398,759	447,546	153,621,509	148,615,883	-3.26%	
Other Liabilities	12,338,839	10,145,028	258,562	205,061	12,597,401	10,350,089	-17.84%	
<b>Total Liabilities</b>	<b>172,760,514</b>	<b>165,740,589</b>	<b>657,321</b>	<b>652,607</b>	<b>173,417,835</b>	<b>166,393,196</b>	<b>-4.05%</b>	
Deferred Inflow s of Resources								
Unavailable Property Tax Revenue	34,575,474	35,937,294	-	-	34,575,474	35,937,294	3.94%	
Pension/OPEB Related Deferred Inflow	3,067,296	1,816,764	49,882	14,502	3,117,178	1,831,266	-41.25%	
Advanced Refunding Deferred Inflow	-	-	-	-	-	-	-	
<b>Total Deferred Inflow s of Resources</b>	<b>37,642,770</b>	<b>37,754,058</b>	<b>49,882</b>	<b>14,502</b>	<b>37,692,652</b>	<b>37,768,560</b>	<b>0.20%</b>	
<b>Net Assets</b>								
Invested in Capital Assets -								
Net of Related Debt	42,360,783	92,509,486	118,532	115,410	42,479,315	92,624,896	118.05%	
Restricted	7,017,720	8,180,056	-	-	7,017,720	8,180,056	16.56%	
Unrestricted	32,241,682	16,532,312	2,572,710	3,154,739	34,814,392	19,687,051	43.45%	
<b>Total Net Assets</b>	<b>\$ 81,620,185</b>	<b>117,221,854</b>	<b>\$ 2,691,242</b>	<b>3,270,149</b>	<b>\$ 84,311,427</b>	<b>120,492,003</b>	<b>42.91%</b>	
<b>Total Assets</b>	<b>\$ 287,048,202</b>	<b>312,578,845</b>	<b>3,296,909</b>	<b>3,774,287</b>	<b>\$ 290,345,111</b>	<b>316,353,132</b>		
Less Total long term oblig	172,760,514	165,740,589	657,321	652,607	173,417,835	166,393,196		
Less Deferred inflow s	37,642,770	37,754,058	49,882	14,502	37,692,652	37,768,560		
Plus Deferred outflow s	4,975,267	8,137,656	101,536	162,971	5,076,803	8,300,627		
<b>Net Assets</b>	<b>\$ 81,620,185</b>	<b>117,221,854</b>	<b>2,691,242</b>	<b>3,270,149</b>	<b>\$ 84,311,427</b>	<b>120,492,003</b>		

The following analysis identifies the change in net position for the year ending June 30, 2024:

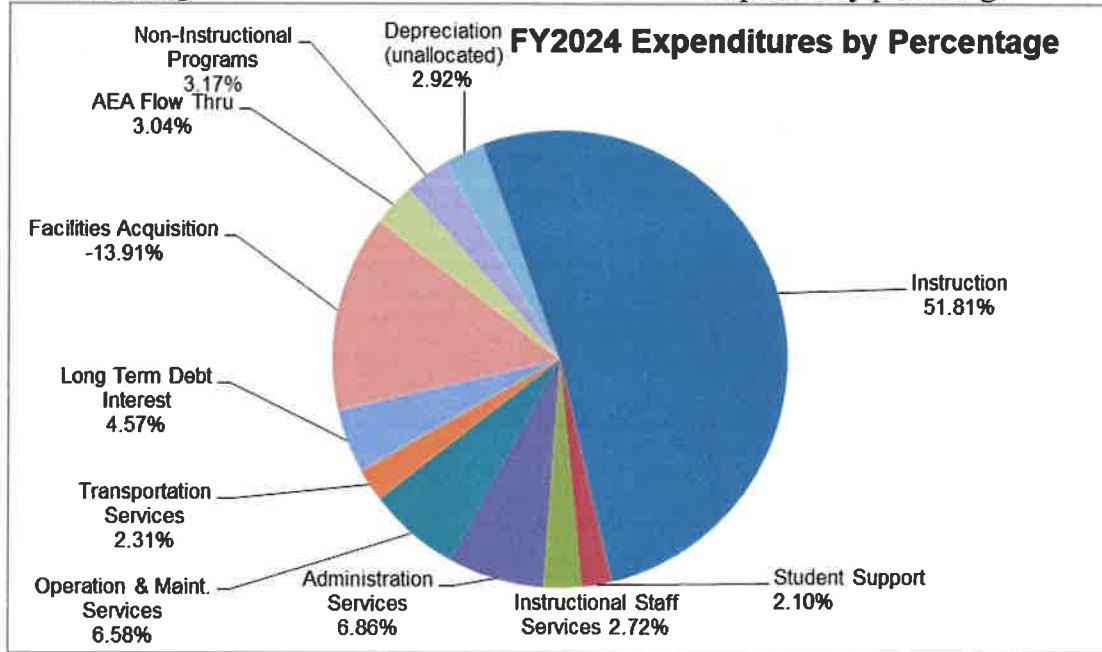
	Change in Net Position							
	Governmental		Business-type				Total	Percent Change
	Activities		Activities					
	2023	2024	2023	2024	2023	2024		
<b>Revenue</b>								
Program Revenue								
Charge for Services	\$ 4,806,926	11,705,012	\$ 1,634,546	1,744,436	\$ 6,441,472	13,449,448	108.79%	
Operating Grants	16,249,839	15,899,335	1,883,742	1,688,109	18,133,581	17,587,444	-3.01%	
Capital Grants	-	59,712	-	-	-	59,712	100.00%	
General Revenue								
Property Taxes	31,716,077	35,273,230	-	-	31,716,077	35,273,230	11.22%	
Sales and Income Tax	11,621,154	7,401,195	-	-	11,621,154	7,401,195	-36.31%	
Unrestricted State Grants	28,512,236	28,835,239	-	-	28,512,236	28,835,239	1.13%	
Unrestricted Invest. Earnings	2,809,690	2,807,079	89,428	149,932	2,899,118	2,957,011	2.00%	
Other Revenue	40,008	50,194	-	-	40,008	50,194	25.46%	
Transfers	28,661	6,802	(28,661)	(6,802)	-	-	0.00%	
<b>Total Revenue</b>	<b>95,784,591</b>	<b>102,037,798</b>	<b>3,579,055</b>	<b>3,575,675</b>	<b>99,363,646</b>	<b>105,613,473</b>	<b>6.29%</b>	
<b>Program Expense</b>								
Instruction	46,167,639	49,880,143	-	-	46,107,039	49,880,143	8.04%	
Student Support	1,997,719	2,025,558	-	-	1,997,719	2,025,558	1.39%	
Instructional Staff Services	2,515,152	2,618,067	-	-	2,515,152	2,618,067	4.09%	
Administration Services	6,222,580	6,604,976	-	-	6,222,580	6,604,976	6.15%	
Operation & Maint. Services	6,013,971	6,332,819	-	-	6,013,971	6,332,819	5.30%	
Transportation Services	1,671,495	2,228,157	-	-	1,671,495	2,228,157	33.30%	
Long Term Debt Interest	4,570,910	4,404,217	-	-	4,570,910	4,404,217	-3.65%	
Facilities Acquisition	6,007,335	(13,391,772)	-	-	6,007,335	(13,391,772)	-322.92%	
AEA Flow Thru	2,904,258	2,923,145	-	-	2,904,258	2,923,145	0.65%	
Non-Instructional Programs	-	-	2,864,382	3,047,698	2,864,382	3,047,698	6.40%	
Depreciation (unallocated)	2,880,011	2,810,819	-	-	2,880,011	2,810,819	-2.40%	
<b>Total Expenses</b>	<b>80,951,070</b>	<b>66,436,129</b>	<b>2,864,382</b>	<b>3,047,698</b>	<b>83,815,452</b>	<b>69,483,827</b>	<b>-17.10%</b>	
<b>Increase (Decrease) Net Position</b>	<b>14,833,521</b>	<b>35,601,669</b>	<b>714,673</b>	<b>527,977</b>	<b>15,548,194</b>	<b>36,129,646</b>	<b>132.37%</b>	
<b>Net Position Beginning of Year</b>	<b>66,786,664</b>	<b>81,620,185</b>	<b>1,976,569</b>	<b>2,691,242</b>	<b>68,763,233</b>	<b>84,311,427</b>	<b>22.61%</b>	
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,930</b>	<b>-</b>	<b>50,930</b>		
<b>Net Position End of Year</b>	<b>\$ 81,620,185</b>	<b>117,221,854</b>	<b>\$ 2,691,242</b>	<b>3,270,149</b>	<b>\$ 84,311,427</b>	<b>120,492,003</b>	<b>42.91%</b>	

The following chart indicates total fiscal 2024 District revenue by percentage:



Note: Due to rounding percentages may not total 100.00 %

The following chart indicates total fiscal 2024 District expenses by percentage:



Note: Due to rounding percentages may not total 100.00 %

## Financial Analysis of the District's Funds

The Cedar Falls Community School District uses fund accounting on the modified accrual basis to ensure and demonstrate compliance with finance-related legal requirements.

The District governmental funds reported combined fund balances of \$43,306,411. This is a \$16,258,637 decrease from the 2023 fiscal year combined fund balances of \$59,565,048.

The District's General Fund (including the Instructional Support Fund) end of year fund balance increased \$2,242,351 to \$13,881,723 from the 2023 fiscal year end balance of \$11,639,372.

## Budgeting Highlights

The Cedar Falls Community School District Board of Education annually adopts a budget as required by Iowa law. Proper public notice and a required public hearing are held before final approval of the budget. The State of Iowa requires approval of the budget on or before April 15<sup>th</sup> of each year. The budget documents present functional disbursements by fund and the legal level of control is at the expense level by total Instruction, total Support Services, total Non-Instructional Programs, total Other Expenditures and total Expenditures. The District amends the budget, as allowed by Iowa law, to reflect the additional revenues and expenditures that may occur during the school year. The District amended its budget for fiscal 2024 in two categories: total support services and total other expenditures. Amendments were related to the new high school and natatorium construction.

The following chart identifies the original and amended budget for fiscal 2024 as well as the actual revenue and expenditures for the year:

<b>Budgetary Comparison Schedule</b>				
	<b>Original Budget</b>	<b>Final Amended</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenue</b>				
Local Sources	\$ 51,912,575	\$ 51,912,575	\$ 51,689,279	\$ (223,296)
Intermediate Sources	-	-	-	-
State Sources	48,630,931	48,630,931	49,155,270	524,339
Federal Sources	4,020,864	4,020,864	4,702,037	681,173
<b>Total Budget Revenue</b>	<b>\$ 104,564,370</b>	<b>\$ 104,564,370</b>	<b>\$ 105,546,586</b>	<b>\$ 982,216</b>
<b>Expenditures</b>				
Instruction	\$ 53,949,311	\$ 53,949,311	\$ 50,795,126	\$ 3,154,185
Support Services	24,285,482	24,392,057	20,507,792	3,884,265
Non-Instructional	3,288,631	3,288,631	3,047,698	240,933
Other Expenditures	56,191,651	59,733,940	47,013,517	12,720,423
<b>Total Budget Expenses</b>	<b>\$ 137,715,075</b>	<b>\$ 141,363,939</b>	<b>\$ 121,364,133</b>	<b>\$ 19,999,806</b>



**Fund Balance vs. Unspent (Unused) Budget Authority**

Unspent budget authority is a unique feature of the Iowa school foundation formula. Iowa public school districts are required to report fund balance and unused budget authority.

Simply stated, fund balance is the balance remaining assuming the District would cease operations at the end of the fiscal year. The following pages within the audit report will state fund balances for the various funds required to operate the District.

The Iowa public school funding formula is a pupil-based formula. Each district receives an amount of funding (cash) and the authorization to spend it (authority). Another way to look at authority is to think of it as a credit card limit. Simply stated the budget authority is the number of student’s times the formula amount per student. Unspent budget authority is the total authority (credit card limit) minus expenditures for the fiscal year. This “unspent budget authority” amount is carried forward and is included in the total authorized budget or spending authority for the next fiscal year.

Total authorized budget or spending authority is the legal limit an Iowa public school district can spend in a fiscal year. As stated above, this is not the same as cash or fund balance. The State of Iowa has established spending authority to enforce per pupil spending equity across the state. Unspent budget authority gained more importance in 2007 when the Iowa Legislature passed a law allowing the initiation of a Phase II review of public-school districts that overspend their budget spending authority for two consecutive years. This review is both a financial viability review as well as a full academic review. At the completion of the review, the School Budget Review Committee (SBRC), through the State Board of Education, may order remedies up to and including dissolution of the school district.

Adequate unspent budget authority is critical in management of the District in the event of unforeseen increases or decreases in enrollment as well unanticipated mid-year across the board reductions in state foundation aid. With 80% to 85% of a public-school districts expenses directly tied to labor contracts, it is very difficult to make mid-year corrections when state mandated across the board funding reductions are implemented.

The following chart shows the change in Unspent Budget Authority between fiscal years 2023 and 2024.

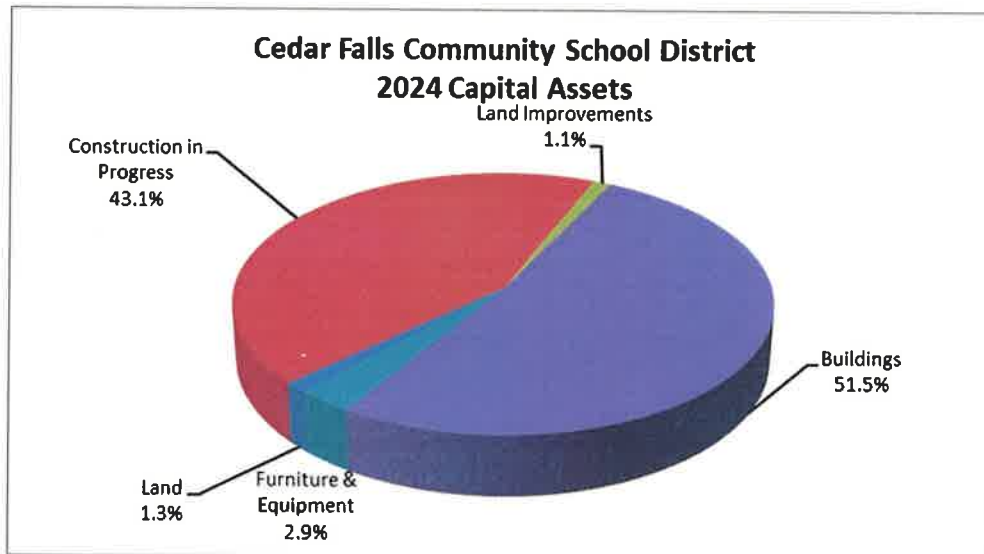
	<b>Unspent Budget Authority Comparison</b>		
	<b>2023</b>	<b>2024</b>	<b>Change</b>
<b>Budget Revenue</b>			
Maximum General Fund District Cost	\$ 58,644,841	\$ 60,693,386	\$ 2,048,545
Preschool Foundation Aid	618,986	645,158	26,172
Instructional Support Fund	3,051,949	3,110,372	58,423
Other Miscellaneous Income	8,422,096	8,363,585	(58,511)
Previous Year Unspent Budget Authority	10,045,747	11,623,504	1,577,757
<b>Maximum Budget Authority</b>	<b>\$ 80,783,619</b>	<b>\$ 84,436,005</b>	<b>\$ 3,652,386</b>
<b>Total Expenditures</b>	<b>\$ 69,160,115</b>	<b>\$ 70,217,639</b>	<b>\$ 1,057,524</b>
<b>End Fiscal Year Unspent Budget Authority</b>	<b>\$ 11,623,504</b>	<b>\$ 14,218,366</b>	<b>\$ 2,594,862</b>

## Capital Assets Administration

### Capital Assets

At the end of the 2024 fiscal year, the District had invested \$233,646,463 (net of accumulated depreciation) in a broad range of capital assets, including land, buildings, vehicles, technology, media/audio visual equipment, and classroom equipment. The District had depreciation expense of \$3,225,551 and total accumulated depreciation of \$55,791,318 as of June 30, 2024. The following chart shows the comparison in capital assets for 2023 and 2024.

	Capital Assets (net of depreciation)							
	Governmental Activities		Business-type Activities		Total		Percent Change	
	2023	2024	2023	2024	2023	2024		
Land	\$ 3,745,334	3,745,334	\$ -	-	\$ 3,745,334	3,745,334	0.00%	
Construction in Progress	74,389,275	120,490,349	-	-	74,389,275	120,490,349	61.97%	
Land Improvements	3,153,099	3,153,099	-	-	3,153,000	3,153,000	0.00%	
Buildings	143,909,143	143,909,143	-	-	143,909,143	143,909,143	0.00%	
Furniture & Equipment	7,188,316	7,483,584	644,860	656,272	7,833,176	8,139,856	3.92%	
<b>Total</b>	<b>\$ 232,385,167</b>	<b>278,781,509</b>	<b>\$ 644,860</b>	<b>656,272</b>	<b>\$ 233,030,027</b>	<b>279,437,781</b>	<b>19.91%</b>	



More detailed information is available in the Notes to Financial Statements, item 4.

## Debt Administration

As of June 30, 2024, total District outstanding long-term debt is \$156,043,107. Debt consists of \$88,151,566 in general obligation bonds, \$42,870,000 in revenue bonds, \$2,430,149 in compensated absences and OPEB liabilities and \$21,929,749 in long-term pension liabilities in governmental activities. Business type activities debt consisted of \$447,546 in long-term pension liabilities. The following shows the debt comparison between fiscal years 2023 and 2024.

	<u>Long-term Debt Obligations</u>				
	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
<b><u>Governmental Activities</u></b>					
<b><u>General Obligation Bonds</u></b>					
Bonds Payable	91,425,000	-	3,950,000	87,475,000	4,085,000
Premium	729,693	-	53,127	676,566	53,127
<b>Total General Obligation Bonds</b>	<b>\$ 92,154,693</b>	<b>\$ -</b>	<b>\$ 4,003,127</b>	<b>\$ 88,151,566</b>	<b>\$ 4,138,127</b>
<b><u>Revenue Bonds</u></b>					
Bonds Payable	45,825,000	-	2,955,000	42,870,000	3,075,000
Premium	-	-	-	-	-
<b>Total Revenue Bonds</b>	<b>\$ 45,825,000</b>	<b>\$ -</b>	<b>\$ 2,955,000</b>	<b>\$ 42,870,000</b>	<b>\$ 3,075,000</b>
<b><u>Other Liabilities</u></b>					
Note Payable	-	-	-	-	-
Compensated Absences	240,798	214,097	240,798	214,097	214,097
Net OPEB Liability	19,539,166	2,390,583	-	21,929,749	-
Net Pension Liability	2,662,018	-	231,869	2,430,149	-
<b>Total Other Liabilities</b>	<b>\$ 22,441,982</b>	<b>\$ 2,604,680</b>	<b>\$ 472,667</b>	<b>\$ 24,573,995</b>	<b>\$ 214,097</b>
<b>Total Governmental Activities</b>	<b>\$ 160,421,675</b>	<b>\$ 2,604,680</b>	<b>\$ 7,430,794</b>	<b>\$ 155,595,561</b>	<b>\$ 7,427,224</b>
<b><u>Business Type Activities</u></b>					
Net Pension Liability	398,759	48,787	-	447,546	-
<b>Total District Long-Term Debt</b>	<b>\$ 160,820,434</b>	<b>\$ 2,653,467</b>	<b>\$ 7,430,794</b>	<b>\$ 156,043,107</b>	<b>\$ 7,427,224</b>

More detailed information can be found in the Notes to Financial Statements, item 5.

The District has pledged revenue bonds sold will maintain a coverage ratio of 1.20 or greater. The coverage ratio is determined by dividing total revenue per year by funds pledged for the same year. The chart below shows the historical and projected revenue bond debt coverage ratio.

<b>School Infrastructure Sales, Service &amp; Use Tax Debt Service</b>						
	<b>Statewide</b>	<b>Statewide</b>	<b>Avg. Dollars</b>	<b>Cedar Falls</b>	<b>Cedar Falls</b>	<b>Debt Service</b>
	<b>Allocation</b>	<b>Enrollment</b>	<b>per Pupil</b>	<b>Enrollment</b>	<b>Funds Pledged</b>	<b>Coverage Ratio</b>
FY2021	\$544,784,034	489,913.7	\$1,112	5,371.4	\$2,398,205	2.491
FY2022	\$594,841,975	484,004.9	\$1,229	5,456.4	\$3,608,938	1.858
FY2023	\$583,190,634	485,587.5	\$1,201	5,565.8	\$3,954,320	1.690
FY2024	\$640,864,200	486,609.1	\$1,317	5,520.1	\$3,913,795	1.858
FY2025 (est)	\$661,436,254	483,859.7	\$1,367	5,525.2	\$3,973,440	1.901

Enrollment is determined on Oct.1st of the previous fiscal year. i.e. FY2024 enrollment is taken on Oct. 1, 2022

Total statewide allocation includes reconciliation payment.

## Future Consideration

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

- The Iowa Legislature established an increase in “supplemental state aid” (formally “allowable growth”) of 2.5% (\$191) for the 2024/2025 school year.
- Other 2023 and 2024 legislative session actions that will directly impact Iowa public school districts include:
  - House File 68 – Student First Act establishes the Education Savings Account program. This bill establishes a framework and funding for education savings accounts (ESAs), which may be used by eligible families to cover tuition, fees, and other qualified education expenses at accredited nonpublic schools in Iowa. This program will cost an estimated \$345 million annually by 2027. Students First ESAs will be available based on the following eligibility:
    - Year 1: 2023-2024
      - All entering kindergarten students
      - All students enrolled in public school
      - A student enrolled in an accredited nonpublic school with a household income at or below 300% of the 2023 Federal Poverty Guidelines
    - Year 2: 2024-2025
      - All entering kindergarten students
      - All students enrolled in public school
      - A student enrolled in an accredited nonpublic school with a household income at or below 400% of the 2024 Federal Poverty Guidelines
    - Year 3 2025-2026
      - All K-12 students in Iowa regardless of income
  - House File 2612 – Minimum Teacher Salaries & AEA Education Agencies. This bill increased the minimum teacher salary of \$47,500 for the fiscal year beginning July 1, 2024; increased to at least \$50,000 for the fiscal year beginning July 1, 2025 and each subsequent fiscal year. Establishes a minimum teacher salary of \$60,000 for an individual with at least 12 years of experience for the fiscal year beginning July 1, 2024; increases to at least \$62,000 for the fiscal year beginning July 1, 2025 and each subsequent fiscal year. The bill also establishes authority within the Department of Education to provide general oversight of the Area Education Agencies. Re-establishes authority, modifies the Board of Directors of each Area Education Agency, incorporates recommendation of the nonpublic special education task force, phased in adjustments related to funding to the Area Education Agencies for special education purposes, media, teacher salary supplement and educational services.
  - Senate File 2368 – Sale of Real Property and Open Enrollment Funding. This bill prevents a school board from prohibiting the sale of property to an educational institution, which includes a school district, nonpublic school, charter school, institution of higher education under the Board of regents, a community college, a private college or university and the state training school. It also provides payments

for an open enrolled student and student attending a charter school be based on the current year state cost per pupil and teacher leadership and compensation amounts, instead of the prior year amount. Adds the state cost per pupil of professional development and early intervention categorical amounts to the funds that are paid by the resident district to the receiving district or charter school.

- Senate File 2435 – Open Enrollment Deadlines. This bill re-establishes open enrollment deadlines. Specifies March 1 open enrollment deadline for students entering grades 1 through 12 and a September 1 open enrollment deadline for students entering kindergarten. A school district has until June 1 of each year to approve or deny an open enrollment request.
- The October 1, 2024 certified student enrollment count, which is used to determine state foundation aid for the District for 2025/26 school year, decreased by 60.41 students from the October 1, 2023 count. The number of open enrollment students from neighboring district's attending Cedar Falls Schools increased 6 from 343.0 to 349.0. The number of open enrollment students attending neighboring school districts decreased 17.3 from 141.7 to 124.4. The 225.6 open enrollment student net gain provides approximately \$1.71 million in revenue for the District general operating fund.
- The District's 4-year-old (pre-school) program enrollment totaled 183. The State of Iowa provides funding for four-year-old students enrolled in the program at 50% of regular program cost per student, or \$3,913 per student for the 2024/2025 school year.
- The demand for new homes within the District continues to be strong. New residential neighborhoods with over 500 lots are under development in the southern and western sections of Cedar Falls to include the newest addition West Fork Crossing. In addition, the River Place project continues to bring new residential and commercial property expansion to downtown Cedar Falls.
- Industrial and retail construction continues to grow in both the north and south industrial parks. Growth also continues in the Viking Road retail shopping district and the Pinnacle Prairie planned development.
- Revenue received from the State Secure and Advanced Vision for Education (SAVE) one-cent sales tax increased from \$7,601,111 FY2023 to \$7,271,968 in FY2024. Revenue from the SAVE fund is determined by dividing the total amount of one cent sales tax dollars generated throughout Iowa by the total number of students enrolled in Iowa public schools.
- The District sold \$69.9 million dollars of General Obligation Bonds on June 7, 2022 for the purpose of providing funds to the new high school construction located at 2701 W. 27<sup>th</sup> Street, West of the University of Northern Iowa Dome.
- The District continues to work on facility needs including a new high school and natatorium. The new high school, phase I and phase II of the natatorium anticipated completion FY2025. The Scheels Tiger Performance Center phase I anticipated construct to begin summer of 2025.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. If you have any questions about this report, or need additional financial information, please contact Ms. Denelle Gonnerman, Chief Financial Officer/Board Secretary, Cedar Falls Community School District, 1002 West First St., Cedar Falls, Iowa 50613.

It is the policy of the Cedar Falls Community School District to not discriminate in its educational activities on the basis of race, color, creed, marital status, socio-economic status, national origin, religion, sex, sexual orientation, gender identity or disability.

## Basic Financial Statements

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Net Position

June 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 48,543,409	\$ 3,571,145	\$ 52,114,554	\$ 8,049,221
Receivables:				
Property tax:				
Delinquent	144,707	-	144,707	-
Succeeding year	35,179,583	-	35,179,583	-
Accounts	2,934,981	-	2,934,981	-
Due from other funds	4,046	24,221	28,267	-
Due from other governments	2,213,030	-	2,213,030	-
Inventories	28,037	63,511	91,548	-
Capital assets, net of accumulated depreciation	223,531,052	115,410	223,646,462	-
Total assets	<u>312,578,845</u>	<u>3,774,287</u>	<u>316,353,132</u>	<u>8,049,221</u>
<b>Deferred Outflows of Resources</b>				
Pension related deferred outflows	7,985,574	162,971	8,148,545	-
OPEB related deferred outflows	152,082	-	152,082	-
Total deferred outflows of resources	<u>8,137,656</u>	<u>162,971</u>	<u>8,300,627</u>	<u>-</u>
<b>Liabilities</b>				
Accounts payable	2,365,385	110,148	2,475,533	1,637
Due to other funds	24,221	-	24,221	-
Salaries and benefits payable	7,414,482	37,552	7,452,034	-
Deferred revenue	-	57,361	57,361	-
Accrued interest payable	340,940	-	340,940	-
Long-term liabilities:				
Portion due within one year:				
Compensated absences	214,097	-	214,097	-
General obligation bonds	4,138,127	-	4,138,127	-
Revenue bonds	3,075,000	-	3,075,000	-
Portion due after one year:				
General obligation bonds	84,013,439	-	84,013,439	-
Revenue bonds	39,795,000	-	39,795,000	-
Net pension liability	21,929,749	447,546	22,377,295	-
Net OPEB liability	2,430,149	-	2,430,149	-
Total liabilities	<u>165,740,589</u>	<u>652,607</u>	<u>166,393,196</u>	<u>1,637</u>
<b>Deferred Inflows of Resources</b>				
Unavailable property tax revenue	35,937,294	-	35,937,294	-
Pension related deferred inflows	710,607	14,502	725,109	-
OPEB related deferred inflows	1,106,157	-	1,106,157	-
Total deferred inflows of resources	<u>37,754,058</u>	<u>14,502</u>	<u>37,768,560</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	92,509,486	115,410	92,624,896	-
Restricted for:				
Categorical funding	1,424,159	-	1,424,159	-
Management levy	605,533	-	605,533	-
Student activities	848,658	-	848,658	-
Other special revenue purposes	109,764	-	109,764	-
Physical plant and equipment levy	5,191,942	-	5,191,942	-
Unrestricted	<u>16,532,312</u>	<u>3,154,739</u>	<u>19,687,051</u>	<u>8,047,584</u>
Total net position	<u>\$ 117,221,854</u>	<u>\$ 3,270,149</u>	<u>\$ 120,492,003</u>	<u>\$ 8,047,584</u>

See notes to financial statements.



CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest	Primary Government			Component Unit
					Governmental Activities	Business Type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental Activities:</b>								
Instruction:								
Regular instruction	\$ 33,229,986	\$ 2,761,101	\$ 11,564,582	\$ -	\$ (18,904,303)	\$ -	\$ (18,904,303)	\$ -
Special instruction	9,566,299	1,119,176	427,768	-	(8,019,355)	-	(8,019,355)	-
Other instruction	7,083,858	1,308,679	907,739	-	(4,867,440)	-	(4,867,440)	-
	<u>49,880,143</u>	<u>5,188,956</u>	<u>12,900,089</u>	<u>-</u>	<u>(31,791,098)</u>	<u>-</u>	<u>(31,791,098)</u>	<u>-</u>
Support services:								
Student services	2,025,558	-	-	-	(2,025,558)	-	(2,025,558)	-
Instructional staff services	2,618,067	-	-	-	(2,618,067)	-	(2,618,067)	-
Administration services	6,604,976	6,331	-	-	(6,598,645)	-	(6,598,645)	-
Operation and maintenance of plant services	6,332,819	6,501,473	-	59,712	228,366	-	228,366	-
Transportation services	2,228,157	8,252	76,101	-	(2,143,804)	-	(2,143,804)	-
	<u>19,809,577</u>	<u>6,516,056</u>	<u>76,101</u>	<u>59,712</u>	<u>(13,157,708)</u>	<u>-</u>	<u>(13,157,708)</u>	<u>-</u>
Other expenditures:								
Facilities acquisition	(13,391,772)	-	-	-	13,391,772	-	13,391,772	-
Long-term debt interest and other charges	4,404,217	-	-	-	(4,404,217)	-	(4,404,217)	-
AEA flowthrough	2,923,145	-	2,923,145	-	-	-	-	-
Depreciation (unallocated)	2,810,819	-	-	-	(2,810,819)	-	(2,810,819)	-
	<u>(3,253,591)</u>	<u>-</u>	<u>2,923,145</u>	<u>-</u>	<u>6,176,736</u>	<u>-</u>	<u>6,176,736</u>	<u>-</u>
Total governmental activities	<u>66,436,129</u>	<u>11,705,012</u>	<u>15,899,335</u>	<u>59,712</u>	<u>(38,772,070)</u>	<u>-</u>	<u>(38,772,070)</u>	<u>-</u>
<b>Business Type Activities:</b>								
Non-instructional programs:								
Food service operations	3,047,698	1,744,436	1,688,109	-	-	384,847	384,847	-
Total	<u>\$ 69,483,827</u>	<u>\$ 13,449,448</u>	<u>\$ 17,587,444</u>	<u>\$ 59,712</u>	<u>(38,772,070)</u>	<u>384,847</u>	<u>(38,387,223)</u>	<u>-</u>
<b>Component Unit:</b>								
Cedar Falls Community Schools Foundation	<u>\$ 1,508,402</u>	<u>\$ -</u>	<u>\$ 2,524,941</u>	<u>\$ -</u>				<u>1,016,539</u>
<b>General Revenues:</b>								
Property taxes, levied for:								
General purposes					35,273,230	-	35,273,230	-
Statewide sales, services and use tax					7,401,195	-	7,401,195	-
Unrestricted state grants					28,835,239	-	28,835,239	-
Unrestricted investment earnings					2,807,079	149,932	2,957,011	267,156
Other					50,194	-	50,194	98,130
Transfers					6,802	(6,802)	-	-
Total general revenues					<u>74,373,739</u>	<u>143,130</u>	<u>74,516,869</u>	<u>365,286</u>
Change in net position					<u>35,601,669</u>	<u>527,977</u>	<u>36,129,646</u>	<u>1,381,825</u>
Net position beginning of year					81,620,185	2,691,242	84,311,427	6,665,759
prior period adjustment					-	50,930	50,930	-
Net position end of year					<u>81,620,185</u>	<u>2,742,172</u>	<u>84,362,357</u>	<u>6,665,759</u>
Net position end of year					<u>\$ 117,221,854</u>	<u>\$ 3,270,149</u>	<u>\$120,492,003</u>	<u>\$ 8,047,584</u>

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Balance Sheet  
Governmental Funds

June 30, 2024

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash, cash equivalents and pooled investments	\$ 19,493,100	\$ 262,367	\$ 27,205,933	\$ 1,582,009	\$ 48,543,409
Receivables:					
Property tax:					
Delinquent	85,608	35,335	18,964	4,800	144,707
Succeeding year	21,577,959	7,399,033	4,260,411	1,942,180	35,179,583
Accounts	1,777,248	-	1,156,454	1,279	2,934,981
Due from other funds	4,046	-	-	-	4,046
Due from other governments	1,423,999	-	789,031	-	2,213,030
Inventories	28,037	-	-	-	28,037
<b>Total assets</b>	<b>\$ 44,389,997</b>	<b>\$ 7,696,735</b>	<b>\$ 33,430,793</b>	<b>\$ 3,530,268</b>	<b>\$ 89,047,793</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 853,804	\$ -	\$ 1,487,448	\$ 24,133	\$ 2,365,385
Due to other funds	24,221	-	-	-	24,221
Salaries and benefits payable	7,414,482	-	-	-	7,414,482
Total liabilities	<u>8,292,507</u>	<u>-</u>	<u>1,487,448</u>	<u>24,133</u>	<u>9,804,088</u>
Deferred Inflows of Resources:					
Unavailable revenues:					
Succeeding year property tax	22,215,767	7,399,033	4,380,314	1,942,180	35,937,294
	<u>22,215,767</u>	<u>7,399,033</u>	<u>4,380,314</u>	<u>1,942,180</u>	<u>35,937,294</u>
Fund balances:					
Nonspendable	28,037	-	-	-	28,037
Restricted for:					
Categorical funding	1,424,159	-	-	-	1,424,159
Debt service	-	297,702	-	-	297,702
Management levy purposes	-	-	-	605,533	605,533
Student activities	-	-	-	848,658	848,658
Public purpose trust funds	-	-	-	109,764	109,764
School infrastructure	-	-	22,371,089	-	22,371,089
Physical plant and equipment	-	-	5,191,942	-	5,191,942
Unassigned	12,429,527	-	-	-	12,429,527
Total fund balances	<u>13,881,723</u>	<u>297,702</u>	<u>27,563,031</u>	<u>1,563,955</u>	<u>43,306,411</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 44,389,997</b>	<b>\$ 7,696,735</b>	<b>\$ 33,430,793</b>	<b>\$ 3,530,268</b>	<b>\$ 89,047,793</b>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

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

June 30, 2024

Total fund balances of governmental funds (page 19)		\$ 43,306,411
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		223,531,052
Accrued interest payable on long-term liabilities is not due and payable in the current year and, therefore, is not reported as a liability in the governmental funds.		(340,940)
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:		
Deferred outflows of resources	\$ 7,985,574	
Deferred inflows of resources	<u>(1,664,682)</u>	6,320,892
Long-term liabilities, including bonds payable, compensated absences payable, total OPEB liability and net pension liability are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(155,595,561)</u>
Net position of governmental activities (page 17)		<u><u>\$ 117,221,854</u></u>

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year ended June 30, 2024

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
<b>Local sources:</b>					
Local tax	\$ 22,695,137	\$ 7,469,166	\$ 4,008,058	\$ 1,100,869	\$ 35,273,230
Tuition	3,443,125	-	-	-	3,443,125
Other	1,505,226	34,475	8,224,457	1,331,091	11,095,249
State sources	41,672,792	113,046	7,332,630	18,237	49,136,705
Federal sources	3,032,493	-	-	-	3,032,493
<b>Total revenues</b>	<u>72,348,773</u>	<u>7,616,687</u>	<u>19,565,145</u>	<u>2,450,197</u>	<u>101,980,802</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular instruction	32,964,787	-	873,411	120,410	33,958,608
Special instruction	9,614,897	-	-	-	9,614,897
Other instruction	6,056,775	-	-	1,164,846	7,221,621
	<u>48,636,459</u>	<u>-</u>	<u>873,411</u>	<u>1,285,256</u>	<u>50,795,126</u>
<b>Support services:</b>					
Student services	2,075,450	-	-	-	2,075,450
Instructional staff services	2,661,395	-	7,210	-	2,668,605
Administration services	6,560,396	-	199,505	14,245	6,774,146
Operation and maintenance of plant services	5,341,757	-	395,174	816,922	6,553,853
Transportation services	1,994,816	-	319,735	121,187	2,435,738
	<u>18,633,814</u>	<u>-</u>	<u>921,624</u>	<u>952,354</u>	<u>20,507,792</u>
<b>Other expenditures:</b>					
Facilities acquisition and construction	-	-	32,709,302	-	32,709,302
<b>Long-term debt:</b>					
Principal	-	6,905,000	-	-	6,905,000
Interest and other charges	-	4,476,070	-	-	4,476,070
AEA flowthrough	2,923,145	-	-	-	2,923,145
	<u>2,923,145</u>	<u>11,381,070</u>	<u>32,709,302</u>	<u>-</u>	<u>47,013,517</u>
<b>Total expenditures</b>	<u>70,193,418</u>	<u>11,381,070</u>	<u>34,504,337</u>	<u>2,237,610</u>	<u>118,316,435</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>2,155,355</u>	<u>(3,764,383)</u>	<u>(14,939,192)</u>	<u>212,587</u>	<u>(16,335,633)</u>
<b>Other financing sources (uses):</b>					
Proceeds from sale of real or personal property	70,194	-	-	-	70,194
Operating transfers in	41,023	3,915,495	-	-	3,956,518
Operating transfers out	(24,221)	-	(3,915,495)	(10,000)	(3,949,716)
<b>Total other financing sources (uses)</b>	<u>86,996</u>	<u>3,915,495</u>	<u>(3,915,495)</u>	<u>(10,000)</u>	<u>76,996</u>
<b>Change in fund balances</b>	<u>2,242,351</u>	<u>151,112</u>	<u>(18,854,687)</u>	<u>202,587</u>	<u>(16,258,637)</u>
<b>Fund balances beginning of year</b>	<u>11,639,372</u>	<u>146,590</u>	<u>46,417,718</u>	<u>1,361,368</u>	<u>59,565,048</u>
<b>Fund balances end of year</b>	<u>\$ 13,881,723</u>	<u>\$ 297,702</u>	<u>\$ 27,563,031</u>	<u>\$ 1,563,955</u>	<u>\$ 43,306,411</u>

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2024

Net change in fund balances - total governmental funds (page 21) \$ (16,258,637)

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. These costs are not reported in the Statement of Activities, but they are allocated over the estimated useful lives of the capital assets as depreciation expense in the Statement of Activities. Capital outlay expenditures exceeded depreciation in the current year, as follows:

Expenditures for capital assets	\$ 46,583,990	
Depreciation expense	<u>(3,211,017)</u>	43,372,973

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Current year repayments exceeded issuances, as follows:

Issuances	-	
Repayments	<u>6,905,000</u>	6,905,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

18,726

Amortization of premium on long-term liabilities decreases long-term liabilities on the Statement of Net Position, and is included with interest on long-term debt on the Statement of Activities.

53,127

The current year District IPERS contributions are reported as expenditures in the governmental funds, but are reported as a deferred outflow of resources in the Statement of Net Position.

4,110,021

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	(26,701)	
Pension expense	(2,340,971)	
OPEB expense	<u>(231,869)</u>	<u>(2,599,541)</u>

Change in net position of governmental activities (page 18)

\$ 35,601,669

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Net Position  
Proprietary Funds

June 30, 2024

	Enterprise		Total
	School Nutrition	Coffee Shop	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 3,535,949	\$ 35,196	\$ 3,571,145
Due from other funds	24,221	-	24,221
Inventories	63,511	-	63,511
Total current assets	<u>3,623,681</u>	<u>35,196</u>	<u>3,658,877</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>115,410</u>	<u>-</u>	<u>115,410</u>
Total assets	<u>3,739,091</u>	<u>35,196</u>	<u>3,774,287</u>
<b>Deferred Outflows of Resources</b>			
Pension related deferred outflows of resources	<u>162,971</u>	<u>-</u>	<u>162,971</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	109,549	599	110,148
Salaries and benefits payable	37,552	-	37,552
Deferred revenue	57,361	-	57,361
Total current liabilities	<u>204,462</u>	<u>599</u>	<u>205,061</u>
Noncurrent liabilities:			
Net pension liability	<u>447,546</u>	<u>-</u>	<u>447,546</u>
Total liabilities	<u>652,008</u>	<u>599</u>	<u>652,607</u>
<b>Deferred Inflows of Resources</b>			
Pension related deferred inflows of resources	<u>14,502</u>	<u>-</u>	<u>14,502</u>
<b>Net position</b>			
Investment in capital assets	115,410	-	115,410
Unrestricted	<u>3,120,142</u>	<u>34,597</u>	<u>3,154,739</u>
Total net position	<u>\$ 3,235,552</u>	<u>\$ 34,597</u>	<u>\$ 3,270,149</u>

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds

Year ended June 30, 2024

	Enterprise		Total
	School Nutrition	Coffee Shop	
Operating revenues:			
Local sources:			
Charges for service	\$ 1,703,002	\$ -	\$ 1,703,002
Other	8,950	32,484	41,434
Total operating revenues	<u>1,711,952</u>	<u>32,484</u>	<u>1,744,436</u>
Operating expenses:			
Non-instructional programs:			
Food service operations:			
Salaries	919,242	-	919,242
Benefits	258,706	-	258,706
Purchased services	85,658	-	85,658
Supplies	1,748,701	20,857	1,769,558
Depreciation	14,534	-	14,534
Total operating expenses	<u>3,026,841</u>	<u>20,857</u>	<u>3,047,698</u>
Operating income (loss)	<u>(1,314,889)</u>	<u>11,627</u>	<u>(1,303,262)</u>
Non-operating revenues:			
State sources	18,565	-	18,565
Federal sources	1,669,544	-	1,669,544
Interest on investments	149,932	-	149,932
Total non-operating revenues	<u>1,838,041</u>	<u>-</u>	<u>1,838,041</u>
Non-operating expenses:			
Operating transfer in	24,221	-	24,221
Operating transfer out	<u>(31,023)</u>	<u>-</u>	<u>(31,023)</u>
Change in net position	<u>516,350</u>	<u>11,627</u>	<u>527,977</u>
Net position beginning of year	2,668,272	22,970	2,691,242
Prior period adjustment	50,930	-	50,930
Net position beginning of year, adjusted	<u>2,719,202</u>	<u>22,970</u>	<u>2,742,172</u>
Net position end of year	<u>\$ 3,235,552</u>	<u>\$ 34,597</u>	<u>\$ 3,270,149</u>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Cash Flows  
Proprietary Funds

Year ended June 30, 2024

	Enterprise		Total
	School Nutrition	Coffee Shop	
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 1,858,274	\$ 32,484	\$ 1,890,758
Cash payments to employees for services	(1,265,223)	-	(1,265,223)
Cash payments to suppliers for goods or services	(1,769,601)	(20,258)	(1,789,859)
Net cash provided by (used by) operating activities	<u>(1,176,550)</u>	<u>12,226</u>	<u>(1,164,324)</u>
Cash flows from non-capital financing activities:			
State grants received	18,565	-	18,565
Federal grants received	1,462,156	-	1,462,156
Net cash provided by non-capital financing activities	<u>1,480,721</u>	<u>-</u>	<u>1,480,721</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(11,412)	-	(11,412)
Net cash used by capital and related financing activities	<u>(11,412)</u>	<u>-</u>	<u>(11,412)</u>
Cash flows from investing activities:			
Interest on investments	149,932	-	149,932
Net increase in cash and cash equivalents	442,691	12,226	454,917
Cash and cash equivalents at beginning of year	3,093,258	22,970	3,116,228
Cash and cash equivalents at end of year	<u>\$ 3,535,949</u>	<u>\$ 35,196</u>	<u>\$ 3,571,145</u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:			
Operating income (loss)	\$ (1,314,889)	\$ 11,627	\$ (1,303,262)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:			
Commodities used	234,981	-	234,981
Depreciation	14,534	-	14,534
Transfers	(6,802)	-	(6,802)
Increase in due from funds	(24,221)	-	(24,221)
Increase in inventories	(1,362)	-	(1,362)
Decrease in accounts payable	(29,146)	599	(28,547)
Decrease in salaries and benefits payable	(1,617)	-	(1,617)
Increase in net pension liability	48,787	-	48,787
Increase in deferred outflows of resources	(61,435)	-	(61,435)
Decrease in deferred inflows of resources	(35,380)	-	(35,380)
Net cash provided by (used by) operating activities	<u>\$ (1,176,550)</u>	<u>\$ 12,226</u>	<u>\$ (1,164,324)</u>

Non-cash investing, capital, and financing activities:

During the year ended June 30, 2024, the District received \$234,981 of federal commodities.

See notes to financial statements.



CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Fiduciary Net Position  
Fiduciary Funds

June 30, 2024

	Private Purpose Trust - Scholarships	Agency Funds
<b>Assets</b>		
Cash, cash equivalents and pooled investments	\$ 17,157	100,788
Accounts receivable	-	770,134
Due from others	-	329
	17,157	871,251
<b>Liabilities</b>		
Accounts payable	-	760,690
Due to others	-	106,515
	-	867,205
<b>Net position</b>		
Reserved for scholarships	\$ 17,157	\$ 4,046

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position  
Fiduciary Funds

Year ended June 30, 2024

	Private Purpose Trust - Scholarships
Additions:	
Local sources:	
Gifts and contributions	\$ 5,006
Total additions	<u>5,006</u>
Deductions:	
Support services:	
Scholarships awarded	<u>-</u>
Total deductions	<u>-</u>
Change in net position	5,006
Net position beginning of year	<u>12,151</u>
Net position end of year	<u>\$ 17,157</u>

See notes to financial statements.

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2024

### (1) Summary of Significant Accounting Policies

The Cedar Falls Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades pre-kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and vocational and recreational courses. The geographic area served includes the City of Cedar Falls, Iowa and the predominate agricultural territory in Black Hawk County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District'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.

#### A. Reporting Entity

For financial reporting purposes, the District has included all funds, organizations, agencies, boards, commissions and authorities. The District 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 District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board 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 District 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 District. The Cedar Falls Community School District has one discretely presented component unit which meets the Governmental Accounting Standards Board criteria.

Discretely Presented Component Unit - The Cedar Falls Community Schools Foundation is a legally separate nonprofit corporation. The Foundation was established to promote and further the Educational process of the Cedar Falls Community School District.

Jointly Governed Organization - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Black Hawk County Assessor's Conference Board.

#### B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Position and the Statement of Activities report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies - (continued)

B. Basis of Presentation - (continued)

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflow 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, 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 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 not meeting the definition of the preceding categories. Unrestricted net position is often subjected to constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 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, contributions and interest restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for the governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide 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. Combining schedules are also included for the Capital Project Fund accounts.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other revenues 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.

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies - (continued)

B. Basis of Presentation - (continued)

The Debt Service Fund is utilized to account for property tax and other revenues to be used for the payment of interest and principal on the District's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities and other capital assets.

The District reports the following major proprietary fund:

The Enterprise Fund, School Nutrition Fund is used to account for the food service operations of the District.

The District also reports fiduciary funds which focus on net position and changes in net position. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements which require income earned to be used to benefit individuals through scholarship awards.

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies - (continued)

C. Measurement Focus and Basis of Accounting - (continued)

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

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.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Fund is charges to customers for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies - (continued)

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

The following accounting policies are followed in preparing the financial statements:

Cash, Cash Equivalents, and Pooled Investments - The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost and non-negotiable certificates of deposit which are stated at cost.

For purposes of the Statement of Cash Flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable - Property tax in the governmental funds is accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years.

The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is reported as a deferred inflow of resources in both the government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 1/2% per month penalty for delinquent payments; is based on January 1, 2022 assessed property valuations; is for the tax accrual period July 1, 2023 through June 30, 2024 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2023.

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

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies - (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position - (continued)

Inventories - Inventories are valued at cost using the first-in, first-out method for purchased items and contributed value for government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets - Capital assets, which include property, furniture, and equipment, and intangibles acquired after July 1, 1980 are reported in the applicable governmental or business type activities column 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 District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Land	\$	5,000
Buildings and improvements		5,000
Improvements other than buildings		5,000
Intangibles		50,000
Furniture and equipment:		
School Nutrition Fund equipment		5,000
Other furniture and equipment		5,000
Vehicles		5,000

Capital assets are depreciated/amortized using the straight line method of depreciation over the following estimated useful lives:

Buildings and improvements	50 years
Improvements other than buildings	20 - 50 years
Intangibles	5 - 10 years
Furniture and equipment	5 - 20 years
Vehicles	4 - 7 years

Deferred Outflows of Resources - Deferred outflows of resources represent a consumption of net position that applies to a future year(s) which 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 and OPEB expense, the unamortized portion of the net difference between projected and actual earnings on pension plan investments and contributions from the District after the measurement date but before the end of the District's reporting period.



CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies - (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position - (continued)

Salaries and Benefits Payable - Payroll and expenditures for teachers, administrators and others with annual contracts corresponding to the current school year which are payable in July and August, have been accrued as liabilities.

Advances from Grantors - Grant proceeds which have been received by the District but will be spent in a succeeding fiscal year.

Compensated Absences - District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, retirement or death. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2024. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-Term Liabilities - In the government-wide financial statement, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column 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 Fund.

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 Cedar Falls Community School District'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 Fund and the Enterprise, School Nutrition Fund.

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies - (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position - (continued)

Deferred Inflows of Resources - Deferred inflows of resources represent an acquisition of net position that applies to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collectible 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 governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not 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 fund financial statements consist of property tax receivable and other receivables not collected within sixty days after year end and succeeding year property tax receivable that will not be recognized until the year for which it is levied.

Deferred inflows of resources on the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized as revenue until the year for which it is levied and unrecognized items not yet charged to pension expense.

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

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form, such as inventories, or legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, contributors 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 Education through resolution approved prior to year end. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned - Amounts that are constrained by the intent of the Board of Education, but are neither restricted nor committed.

Unassigned - All amounts not included in other spendable classifications.

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2024

(1) Summary of Significant Accounting Policies - (continued)

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2024 expenditures did not exceed the amounts budgeted, and the District did not exceed its General Fund unspent authorized budget.

F. Use of Estimates

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses, as appropriate during the reporting period. Actual results could differ from those estimates.

(2) Cash, Cash Equivalents and Pooled Investments

The District's deposits in banks at 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 there will be no loss of public funds.

The District 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 Education, 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. However, the Board policy is to only invest in obligations of the United States government, its agencies and public funds instrumentalities and certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education and the Treasurer of the State of Iowa.

During the year, the District had investments in the Iowa Schools Joint Investment Trust Direct (ISJIT) Government Obligations Portfolio which are valued at an amortized cost of \$9,456,499 at June 30, 2024. There were no limitations or restrictions on withdrawals of the ISJIT investments. The investments in ISJIT were rated AAAM by Standard & Poor's Financial Services.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(3) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and education services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$2,923,145 for the year ended June 30, 2024, and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

(4) Capital Assets

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

	Balance, Beginning of Year, as Adjusted	Increases	Decreases	Balance, End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,745,334	\$ -	\$ -	\$ 3,745,334
Construction in progress	74,389,275	46,101,074	-	120,490,349
Total capital assets not being depreciated	<u>78,134,609</u>	<u>46,101,074</u>	<u>-</u>	<u>124,235,683</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	143,909,143	-	-	143,909,143
Improvements other than buildings	3,153,099	-	-	3,153,099
Furniture and equipment	2,267,956	223,570	18,993	2,472,533
Vehicles	4,920,360	259,346	168,655	5,011,051
Total capital assets being depreciated/amortized	<u>154,250,558</u>	<u>482,916</u>	<u>187,648</u>	<u>154,545,826</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	43,538,000	2,754,575	-	46,292,575
Improvements other than buildings	3,039,453	23,870	-	3,063,323
Furniture and equipment	2,145,471	87,518	18,993	2,213,996
Vehicles	3,321,767	358,796	-	3,680,563
Total accumulated depreciation/amortization	<u>52,044,691</u>	<u>3,224,759</u>	<u>18,993</u>	<u>55,250,457</u>
Total capital assets being depreciated/amortized, net	<u>102,205,867</u>	<u>(2,741,843)</u>	<u>168,655</u>	<u>99,295,369</u>
Governmental activities capital assets, net	<u>\$ 180,340,476</u>	<u>\$ 43,359,231</u>	<u>\$ 168,655</u>	<u>\$ 223,531,052</u>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(4) Capital Assets - (continued)

**Business type activities:**

Furniture, equipment, vehicles	\$ 644,860	\$ 11,412	\$ -	\$ 656,272
Less accumulated depreciation	<u>526,327</u>	<u>14,534</u>	<u>-</u>	<u>540,861</u>

Business type activities  
capital assets, net

	<u>\$ 118,533</u>	<u>\$ (3,122)</u>	<u>\$ -</u>	<u>\$ 115,411</u>
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Depreciation/amortization expense was charged to the following functions:

**Governmental activities:**

Instruction:

Regular	\$ 43,144
Special	-
Other	7,706

Support services:

Support staff	-
Instructional staff	-
Administration	435
Operation and maintenance of plant	33,349
Transportation	<u>315,564</u>
	400,198

Unallocated depreciation/amortization

2,810,819

Total depreciation/amortization expense - governmental activities

\$ 3,211,017

**Business type activities:**

School nutrition

\$ 14,534

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(5) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2024 are summarized as follows:

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
<b>Governmental activities:</b>					
General Obligation					
Bonds payable	\$ 23,870,000	\$ -	\$ 1,510,000	\$ 22,360,000	\$ 1,545,000
Premium	606,060	-	46,620	559,440	46,620
Bonds payable	67,555,000	-	2,440,000	65,115,000	2,540,000
Premium	123,633	-	6,507	117,126	6,507
	<u>92,154,693</u>	<u>-</u>	<u>4,003,127</u>	<u>88,151,566</u>	<u>4,138,127</u>
Revenue					
Bonds payable	7,580,000	-	1,205,000	6,375,000	1,225,000
Bonds payable	7,845,000	-	1,000,000	6,845,000	1,000,000
Bonds payable	30,400,000	-	750,000	29,650,000	850,000
Compensated absences					
	240,798	214,097	240,798	214,097	214,097
Net pension liab.	19,539,166	2,390,583	-	21,929,749	-
Net OPEB liab.	2,662,018	-	231,869	2,430,149	-
	<u>2,662,018</u>	<u>-</u>	<u>231,869</u>	<u>2,430,149</u>	<u>-</u>
Total	<u>\$ 160,421,675</u>	<u>\$ 2,604,680</u>	<u>\$ 7,430,794</u>	<u>\$ 155,595,561</u>	<u>\$ 7,427,224</u>
<b>Business type activities:</b>					
Net pension liab.	<u>\$ 398,759</u>	<u>\$ 48,787</u>	<u>\$ -</u>	<u>\$ 447,546</u>	<u>\$ -</u>

General Obligation bonds:

Details of the District's June 30, 2024 general obligation indebtedness are as follows:

	Bond Issued February 7, 2017			Bond Issued May 11, 2022		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2025	5.000%	\$ 1,545,000	\$ 736,175	4.000%	\$ 2,540,000	\$ 2,604,600
2026	3.000%	1,585,000	658,925	4.000%	2,640,000	2,503,000
2027	3.000%	1,730,000	611,375	4.000%	2,745,000	2,397,400
2028	3.000%	1,730,000	559,475	4.000%	2,855,000	2,287,600
2029	3.000%	1,735,000	507,575	4.000%	2,970,000	2,173,400
2030-2031	3.000%	3,645,000	857,350	4.000%	6,300,000	3,985,600
2032-2035	3.125%-3.375%	8,145,000	1,004,994	4.000%	14,190,000	6,387,000
2036-2042	3.500%	2,245,000	78,575	4.000%	30,875,000	5,133,200
		<u>\$ 22,360,000</u>	<u>\$ 5,014,444</u>		<u>\$ 65,115,000</u>	<u>\$ 27,471,800</u>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(5) Long-Term Liabilities - (continued)

The proceeds of these bonds were expected to be used to (i) provide funds to construct, build, furnish, and equip a new elementary building and to improve the site; (ii) construct, build, furnish and equip additions to North Cedar and Orchard Hill elementary buildings, and to remodel, repair, improve, furnish and equip those buildings and improve those sites; and (iii) pay the cost of issuing the bonds. The bonds are a general obligation of the District, and the debt is subject to the constitutional debt limitation of the District.

The proceeds of these bonds were expected to be used to (i) provide funds to construct, build, furnish, and equip a high school building and to improve the site; (ii) construct, build, furnish and equip additions to North Cedar and Orchard Hill elementary buildings, and to remodel, repair, improve, furnish and equip those buildings and improve those sites; and (iii) pay the cost of issuing the bonds. The bonds are a general obligation of the District, and the debt is subject to the constitutional debt limitation of the District.

Revenue bonds:

Details of the District's June 30, 2024 School Infrastructure Sales, Services and Use Tax bonded indebtedness are as follows:

	Bond Issued November 21, 2016			Bond Issued November 12, 2019		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2025	2.100%	\$ 1,225,000	\$ 133,875	1.900%	\$ 1,000,000	\$ 130,005
2026	2.100%	1,250,000	108,150	1.900%	1,000,000	111,055
2027	2.100%	1,275,000	81,900	1.900%	1,000,000	92,055
2028	2.100%	1,300,000	55,125	1.900%	1,000,000	73,055
2029	2.100%	1,325,000	27,825	1.900%	1,400,000	54,055
2030		-	-	1.900%	1,445,000	27,455
		<u>\$ 6,375,000</u>	<u>\$ 406,875</u>		<u>\$ 6,845,000</u>	<u>\$ 487,680</u>

Year Ending June 30,	Bond Issued June 10, 2021			Total		
	Interest Rate	Principal	Interest	Principal	Interest	Total
2025	2.140%	\$ 850,000	\$ 634,510	\$ 3,075,000	\$ 898,390	\$ 3,973,390
2026	2.140%	850,000	616,320	3,100,000	835,525	3,935,525
2027	2.140%	850,000	598,130	3,125,000	772,085	3,897,085
2028	2.140%	850,000	579,940	3,150,000	708,120	3,858,120
2029	2.140%	600,000	561,750	3,325,000	643,630	3,968,630
2030-2039	2.140%	25,650,000	3,123,116	27,095,000	3,150,571	30,245,571
		<u>\$ 29,650,000</u>	<u>\$ 6,113,766</u>	<u>\$ 42,870,000</u>	<u>\$ 7,008,321</u>	<u>\$ 49,878,321</u>

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2024

(5) Long-Term Liabilities - (continued)

The District has pledged future school infrastructure sales, services and use tax revenues to repay the \$15,580,000 of refunding bonds issued November 21, 2016. These net proceeds, along with other resources, were paid to the bond escrow agent to provide for future debt service on the remaining \$16,095,000 balance of the \$20,500,000 bond issued June 1, 2011. As a result, that portion of the 2011 series bonds is considered defeased and the District has removed the liability from its accounts. The bonds are not a general obligation of the district, however, the debt is subject to the constitutional debt limitation of the District. The total principal and interest remaining to be paid on the bonds is \$6,781,875. For the current year, principal of \$1,205,000 and interest of \$159,180 was paid.

The District has pledged future school infrastructure sales, services and use tax revenues to repay the \$10,000,000 of bonds issued November 12, 2019, for the purpose of providing funds to pay for the planning and design costs, land preparation and construction related to the District's new high school. The bonds are not a general obligation of the District, however, the debt is subject to the constitutional debt limitation of the District. The total principal and interest remaining to be paid on the bonds is \$7,332,730. For the current year, principal of \$1,000,000 and interest of \$149,055 was paid.

The District has pledged future school infrastructure sales, services and use tax revenues to repay the \$32,900,000 of bonds issued June 10, 2021, for the purpose of providing funds to pay for the planning and design costs, land preparation and construction related to the District's new high school. The bonds are not a general obligation of the District, however, the debt is subject to the constitutional debt limitation of the District. The total principal and interest remaining to be paid on the bonds is \$35,763,766. For the current year, principal of \$750,000 and interest of \$650,560 was paid.

(6) Construction Commitment

The District has entered into contracts for various building construction, improvement and roofing projects totaling \$124,837,417 as of June 30, 2024. Costs of \$120,490,349 on these contracts had been incurred as of June 30, 2024, \$120,490,349 had been paid, and \$1,487,448 was included in the accounts payable on the balance sheet. The balance of \$4,347,068 remaining on these contracts will be paid as work on the various projects progresses.



# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Notes to Financial Statements

June 30, 2024

(7) Pension Plan

Plan Description - IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (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](http://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.

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, except members with service before June 30, 2012 will use the highest three-year average salary as of that date 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 on or after 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.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(7) Pension Plan (continued)

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 1 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.

In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of pay and the District contributed 9.44% for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2024 were \$4,110,021.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2024, the District recorded a liability of \$22,377,295 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 District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2023, the District's proportion was 0.484963%, which was a decrease of 0.017366% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$1,901,464. At June 30, 2024, the District 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
Difference between expected and actual experience	\$ 1,893,149	\$ 91,978
Changes of assumptions	-	355
Net difference between projected and actual earnings on IPERS investments	2,072,408	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	72,967	632,776
District contributions subsequent to the measurement date	4,110,021	-
Total	\$ 8,148,545	\$ 725,109

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(7) Pension Plan (continued)

\$4,110,021 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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 Ended June 30,	
2025	\$ (667,101)
2026	(1,766,010)
2027	4,933,633
2028	752,536
2029	60,356
Total	\$ 3,313,414

There were no non-employer contributing entities to IPERS.

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 increases (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 July 1, 2017 through June 30, 2021.

Mortality rates used in the 2023 valuation were based on the PubG-2010 mortality tables with future mortality improvements 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.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(7) Pension Plan (continued)

The target allocation and best estimates of arithmetic 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%	

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 District will be made at contractually required rates, actuarially determined. Based on those assumptions, the 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 47,579,115	\$ 22,377,295	\$ 1,257,754

IPERS' Fiduciary Net Position - Detailed information about the IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

Payables to IPERS- At June 30, 2024, the District reported payables to IPERS of \$0 for legally required employer contributions and \$0 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(8) Other Postemployment Benefits (OPEB)

Plan Description - The District administers a single-employer benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits - Individuals who are employed by the Cedar Falls Community School District 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 and prescription drug benefits as active employees, which results in an implicit subsidy and an OPEB liability.

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

Inactive employees or beneficiaries currently receiving benefits	15
Active employees	<u>727</u>
Total	<u><u>742</u></u>

Total OPEB Liability - The District's total OPEB liability of \$2,430,149 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 measurement:

Rate of inflation (effective June 30, 2024)	2.5% per annum.
Rates of salary increases (effective June 30, 2024)	3.25% per annum,
Discount rate (effective June 30, 2024)	3.97% compounded annually,
Healthcare cost trend rate (effective June 30, 2024)	7.6% per year

Discount Rate - the discount rate used to measure the total OPEB liability was 3.97% 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 June, 2018, IPERS Demographic Assumptions study with mortality rates based upon the RP-2014 mortality table and projected mortality improvements based upon Scale MP-2017 and other adjustments.

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.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(8) Other Postemployment Benefits (OPEB) (continued)

Changes in the Total OPEB Liability

Total OPEB liability beginning of year	\$ 2,662,018
Changes for the year:	
Service cost	221,234
Interest	109,067
Difference between expected and actual experiences	(32,858)
Changes in assumptions	(413,925)
Benefit payments	(115,387)
Net changes	(231,869)
Total OPEB liability end of year	\$ 2,430,149

Changes of assumptions reflect a change in the discount rate from 3.86% in fiscal year 2023 to 3.97% in fiscal year 2024.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.97%) or 1% higher (4.97%) than the current rate.

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 2,635,577	\$ 2,430,149	\$ 2,238,379

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.6%) or 1% higher (8.6%) than the current rate.

	1% Decrease (6.60%)	Healthcare Cost Trend Rate (7.60%)	1% Increase (8.60%)
Total OPEB Liability	\$ 2,121,701	\$ 2,430,149	\$ 2,799,616

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(8) Other Postemployment Benefits (OPEB) (continued)

For the year ended June 30, 2024, the District recognized OPEB expense of \$214,538. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows (Inflows) of Resources</u>
Difference between expected and actual experience	\$ 152,082
Changes of assumptions	<u>(1,106,157)</u>
Total	<u><u>\$ (954,075)</u></u>

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

Year Ended June 30,	
2025	\$ (115,763)
2026	(115,763)
2027	(115,763)
2028	(115,763)
2029	(115,763)
Thereafter	<u>(375,260)</u>
Total	<u><u>\$ (954,075)</u></u>

(9) Contingencies and Risk Management

At June 30, 2024, the District is involved in various claims and lawsuits against the District that arise in the normal course of operations, many of which are covered by insurance. The outcome and eventual liability of the District, if any, from these claims and any unasserted claims is not known at this time. The District is also 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 District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(10) Tax Abatements

Governmental Accounting Standards Board Statement No. 77 defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more government promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Tax Abatements of Other Entities

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2024 under agreements entered into by the following entities:

Entity	Tax Abatement Program	Amount of Tax Abated
City of Cedar Falls	Urban renewal and economic development projects	\$ 335,148

The State of Iowa reimburses the District an amount equivalent to the increment of valuation on which property tax is divided times \$5.40 per \$1,000 of taxable valuation. For the year ended June 30, 2024, this reimbursement amounted to \$191,073.

(11) Interfund Transfers

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

Transfer to:	Transfer from:																		
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Debt Service Fund</td> <td style="width: 50%; text-align: right;">\$ 3,915,495</td> </tr> <tr> <td>General Fund</td> <td style="text-align: right;">41,023</td> </tr> <tr> <td>Proprietary Fund: Enterprise Fund - School Nutrition</td> <td style="text-align: right;"><u>24,221</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 3,980,739</u></td> </tr> </table>	Debt Service Fund	\$ 3,915,495	General Fund	41,023	Proprietary Fund: Enterprise Fund - School Nutrition	<u>24,221</u>		<u>\$ 3,980,739</u>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Capital Projects Fund: Stateside Sales, Services and Use Tax</td> <td style="width: 50%; text-align: right;">\$ 3,915,495</td> </tr> <tr> <td>Proprietary Fund: Enterprise Fund - School Nutrition</td> <td style="text-align: right;">31,023</td> </tr> <tr> <td>Special Revenue Fund: Management Levy</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>General Fund</td> <td style="text-align: right;"><u>24,221</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 3,980,739</u></td> </tr> </table>	Capital Projects Fund: Stateside Sales, Services and Use Tax	\$ 3,915,495	Proprietary Fund: Enterprise Fund - School Nutrition	31,023	Special Revenue Fund: Management Levy	10,000	General Fund	<u>24,221</u>		<u>\$ 3,980,739</u>
Debt Service Fund	\$ 3,915,495																		
General Fund	41,023																		
Proprietary Fund: Enterprise Fund - School Nutrition	<u>24,221</u>																		
	<u>\$ 3,980,739</u>																		
Capital Projects Fund: Stateside Sales, Services and Use Tax	\$ 3,915,495																		
Proprietary Fund: Enterprise Fund - School Nutrition	31,023																		
Special Revenue Fund: Management Levy	10,000																		
General Fund	<u>24,221</u>																		
	<u>\$ 3,980,739</u>																		

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.



CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2024

(12) 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.

Program	Amount
TLC	\$ 649,975
Teacher salary supplement	39,053
Professional development	432,316
Successful Program for Early Readers	56,433
4-year old preschool	138,863
Talented and gifted program	<u>107,519</u>
Total	<u>\$ 1,424,159</u>

(13) Prior Period Adjustment

The District made an upward adjustment for pension liability for the school nutrition fund. On the Statement of Activities, this resulted in an adjustment to beginning net position of (\$450,062) in the business type activities and \$50,930 in the business type activities. The \$50,930 adjustment is also reflected on the Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds.

(14) Subsequent Events

Management has evaluated subsequent events through January 13, 2025, the date which the financial statements were available for issue.

Required Supplementary Information

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances -  
Budget and Actual - All Governmental Funds and Proprietary Fund

Required Supplementary Information

Year ended June 30, 2024

	Governmental Fund Types Actual	Proprietary Fund Type Actual	Budget Adjustments	Total Actual	Budgeted Amounts		Final to Actual Variance- Positive (Negative)
					Original	Final	
Revenues:							
Local sources	\$ 49,811,604	\$ 1,894,368	\$ 16,693	\$ 51,689,279	\$ 51,912,575	\$ 51,912,575	\$ (223,296)
Intermediate sources	-	-	-	-	-	-	-
State sources	49,136,705	18,565	-	49,155,270	48,630,931	48,630,931	524,339
Federal sources	3,032,493	1,669,544	-	4,702,037	4,020,864	4,020,864	681,173
Total receipts	<u>101,980,802</u>	<u>3,582,477</u>	<u>16,693</u>	<u>105,546,586</u>	<u>104,564,370</u>	<u>104,564,370</u>	<u>982,216</u>
Expenditures							
Instruction	50,795,126	-	-	50,795,126	53,949,311	53,949,311	3,154,185
Support services	20,507,792	-	-	20,507,792	24,285,482	24,392,057	3,884,265
Non-instructional programs	-	3,047,698	-	3,047,698	3,288,631	3,288,631	240,933
Other expenditures	47,013,517	-	-	47,013,517	56,191,651	59,733,940	12,720,423
Total disbursements	<u>118,316,435</u>	<u>3,047,698</u>	<u>-</u>	<u>121,364,133</u>	<u>137,715,075</u>	<u>141,363,939</u>	<u>19,999,806</u>
Excess (deficiency) of revenues over (under) expenditures	(16,335,633)	534,779	16,693	(15,817,547)	(33,150,705)	(36,799,569)	20,982,022
Other financing sources, net	<u>76,996</u>	<u>(6,802)</u>	<u>-</u>	<u>70,194</u>	<u>(109,900)</u>	<u>(109,900)</u>	<u>180,094</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses and special items	(16,258,637)	527,977	16,693	(15,747,353)	(33,260,605)	(36,909,469)	21,162,116
Balance beginning of year	<u>59,565,048</u>	<u>2,742,172</u>	<u>121,422</u>	<u>62,185,798</u>	<u>62,256,292</u>	<u>62,256,292</u>	<u>(70,494)</u>
Balance end of year	<u>\$ 43,306,411</u>	<u>\$ 3,270,149</u>	<u>\$ 138,115</u>	<u>\$ 46,438,445</u>	<u>\$ 28,995,687</u>	<u>\$ 25,346,823</u>	<u>\$ 21,091,622</u>

See accompanying independent auditors' report.

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Notes to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2024

This budgetary comparison is presented as Required Supplementary Information in accordance with *Government Accounting Standards Board* 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.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except Private Purpose Trust and Agency Funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs, and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted expenditures by \$3,648,864.

During the year ended June 30, 2024, expenditures did not exceed the amounts budgeted, and the District did not exceed its General Fund unspent authorized budget.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability

Iowa Public Employees' Retirement System  
For the Last Ten Years\*  
(In Thousands)

Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability	0.484963%	0.502329%	0.501544%	0.498430%	0.501833%	0.502652%	0.482235%	0.467299%	0.464128%	0.456693%
District's proportionate share of the net pension liability	\$ 22,377	\$ 19,938	\$ 703	\$ 35,013	\$ 29,059	\$ 31,809	\$ 32,123	\$ 29,408	\$ 22,930	\$ 18,112
District's covered payroll	\$ 40,268	\$ 39,021	\$ 37,527	\$ 35,314	\$ 34,223	\$ 34,155	\$ 32,623	\$ 30,330	\$ 28,891	\$ 27,130
District's proportionate share of the net pension liability as a percentage of its covered payroll	55.57%	51.10%	1.87%	99.15%	84.91%	93.13%	98.47%	96.96%	79.37%	66.76%
IPERS' net position as a percentage of the total pension liability	90.13%	91.41%	100.81%	82.60%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

\* In accordance with GASB Statement No. 68, the amounts presented for each fiscal year were determined as of June 30 of the preceding year.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of District Contributions

Iowa Public Employees' Retirement System  
For the Last Ten Years  
(In Thousands)

Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 4,110	\$ 4,012	\$ 3,843	\$ 3,842	\$ 3,743	\$ 3,618	\$ 3,373	\$ 3,217	\$ 2,995	\$ 2,834
Contributions in relation to the statutorily required contribution	<u>(4,110)</u>	<u>(4,012)</u>	<u>(3,843)</u>	<u>(3,842)</u>	<u>(3,743)</u>	<u>(3,618)</u>	<u>(3,373)</u>	<u>(3,217)</u>	<u>(2,995)</u>	<u>(2,834)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 39,962	\$ 40,268	\$ 39,021	\$ 37,527	\$ 35,314	\$ 34,223	\$ 34,155	\$ 32,623	\$ 30,330	\$ 28,891
Contributions as a percentage of covered-employee payroll	10.28%	9.96%	9.85%	10.24%	10.60%	10.57%	9.88%	9.86%	9.87%	9.81%

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Pension Liability

Year ended June 30, 2024

Changes of benefit terms:

There are 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.

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%.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

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

For the Last Three Years  
Required Supplementary Information

	2024	2023	2022
Service cost	\$ 221,234	\$ 220,165	\$ 325,970
Interest cost	109,067	98,676	61,956
Difference between expected and actual experiences	(32,858)	-	(188,480)
Changes in assumptions	(413,925)	(37,292)	(509,242)
Benefit payments	<u>(115,387)</u>	<u>(147,009)</u>	<u>(127,260)</u>
Net change in OPEB liability	(231,869)	134,540	(437,056)
Total OPEB liability beginning of year	<u>2,662,018</u>	<u>2,527,478</u>	<u>2,964,534</u>
Total OPEB liability end of year	<u><u>\$ 2,430,149</u></u>	<u><u>\$ 2,662,018</u></u>	<u><u>\$ 2,527,478</u></u>
Covered-employee payroll	\$39,962,664	\$40,267,965	\$39,020,801
Total OPEB liability as a percentage of covered-employee payroll	6.08%	6.61%	6.48%

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

Changes of benefit terms:

There were no significant changes in benefit terms.

Changes of assumptions:

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year ended June 30, 2024	3.97%
Year ended June 30, 2023	3.86%
Year ended June 30, 2022	3.69%
Year ended June 30, 2021	1.92%

See accompanying independent auditors' report.



CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Net Position  
Component Unit

June 30, 2024

	Component Unit - Cedar Falls Community Schools Foundation
<b>Assets</b>	
Cash, cash equivalents and pooled investments	<u>\$ 8,049,221</u>
Total assets	<u>8,049,221</u>
<b>Liabilities</b>	
	<u>1,637</u>
<b>Net position</b>	
Unrestricted	<u><u>\$ 8,047,584</u></u>

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Changes in Net Position  
Component Unit

Year ended June 30, 2024

	Component Unit - Cedar Falls Community Schools Foundation
Support and Revenue:	
Contributions	\$ 2,524,941
Investment earnings	267,156
Other revenue	98,130
Total support and revenue	<u>2,890,227</u>
Expenses:	
Instructional support	1,410,075
Operation and maintenance	98,327
Total expenses	<u>1,508,402</u>
Change in net position	1,381,825
Net position beginning of year	<u>6,665,759</u>
Net position end of year	<u>\$ 8,047,584</u>

See accompanying independent auditors' report.

## Supplementary Information

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2024

	Special Revenue			
	Manage- ment Levy	Student Activity	Public Purpose Trust Fund	Total Special Revenue
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 600,733	\$ 868,170	\$ 113,106	\$ 1,582,009
Receivables:				
Property tax:				
Delinquent	4,800	-	-	4,800
Succeeding year	1,942,180	-	-	1,942,180
Accounts	-	1,279	-	1,279
	<u>\$ 2,547,713</u>	<u>\$ 869,449</u>	<u>\$ 113,106</u>	<u>\$ 3,530,268</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ 20,791	\$ 3,342	\$ 24,133
Total liabilities	<u>-</u>	<u>20,791</u>	<u>3,342</u>	<u>24,133</u>
Deferred Inflows of Resources:				
Unavailable revenues:				
Succeeding year property tax	1,942,180	-	-	1,942,180
Fund balances:				
Nonspendable	-	-	-	-
Restricted for:				
Management levy purposes	605,533	-	-	605,533
Student activities	-	848,658	-	848,658
Public purpose trust funds	-	-	109,764	109,764
Total fund balances	<u>605,533</u>	<u>848,658</u>	<u>109,764</u>	<u>1,563,955</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,547,713</u>	<u>\$ 869,449</u>	<u>\$ 113,106</u>	<u>\$ 3,530,268</u>

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

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

Year ended June 30, 2024

	Special Revenue			Total Special Revenue Funds
	Manage- ment Levy	Student Activity	Public Purpose Trust Fund	
Revenues:				
Local sources:				
Local tax	\$ 1,100,869	\$ -	\$ -	\$ 1,100,869
Other	5,719	1,308,679	16,693	1,331,091
State sources	18,237	-	-	18,237
Total revenues	<u>1,124,825</u>	<u>1,308,679</u>	<u>16,693</u>	<u>2,450,197</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction	120,410	-	-	120,410
Other instruction	-	1,136,495	28,351	1,164,846
Support services:				
Administration services	14,245	-	-	14,245
Operating and maintenance of plant services	816,922	-	-	816,922
Transportation services	121,187	-	-	121,187
Total expenditures	<u>1,072,764</u>	<u>1,136,495</u>	<u>28,351</u>	<u>2,237,610</u>
Excess (deficiency) of revenues over (under) expenditures	<u>52,061</u>	<u>172,184</u>	<u>(11,658)</u>	<u>212,587</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(10,000)	-	-	(10,000)
Total other financing sources (uses)	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>
Change in fund balances	42,061	172,184	(11,658)	202,587
Fund balances beginning of year	<u>563,472</u>	<u>676,474</u>	<u>121,422</u>	<u>1,361,368</u>
Fund balances end of year	<u>\$ 605,533</u>	<u>\$ 848,658</u>	<u>\$ 109,764</u>	<u>\$ 1,563,955</u>

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2024

Account	Balance Beginning of Year	Revenues and Interfund Transfers	Expen- ditures	Intra- Fund Transfers	Balance End of Year
Investment income	\$ 103,027	\$ 25,172	\$ -	\$ -	\$ 128,199
Miscellaneous	18,380	1,932	3,278	(222)	16,812
Drama arts	13,971	7,736	7,627	(318)	13,762
Speech	660	450	1,757	1,000	353
Recog.-music/speech	467	-	-	-	467
Yearbook	105,038	53,417	28,899	188	129,744
Music/vocal	7,244	24,979	20,484	142	11,881
Music/orchestra	1,333	9,361	3,899	-	6,795
Music/band	15,393	191,791	204,808	176	2,552
Athletics	35,912	331,627	317,945	(20,245)	29,349
Athletic resale	10,540	11,109	7,900	-	13,749
Bowling	728	2,318	3,294	1,500	1,252
Track meets	4,383	8,453	7,310	(3,000)	2,526
Tennis	1,061	218	2,915	2,000	364
Golf	2,046	1,653	1,314	-	2,385
Cheerleaders	1,293	19,956	17,123	-	4,126
Pom poms	8,240	19,633	21,895	-	5,978
Basketball-boys	2,400	18,725	14,921	-	6,204
Football	6,668	71,442	67,420	-	10,690
Soccer-boys	-	4,442	5,596	2,500	1,346
Baseball	-	16,750	24,142	7,392	-
Track-boys	2,645	5,226	2,275	-	5,596
Swimming-boys	650	4,259	3,322	-	1,587
Wrestling	671	11,108	13,116	2,000	663
Basketball-girls	444	12,608	12,121	2,000	2,931
Volleyball	2,698	15,152	11,273	(6,000)	577
Soccer-girls	2,098	6,087	3,532	-	4,653
Softball	400	6,316	4,302	-	2,414
Track-girls	1,908	3,707	8,346	5,000	2,269
Swimming-girls	6,157	4,553	1,855	-	8,855
Girls wrestling	697	4,104	6,331	2,000	470
Concessions-Robinsen/Dresser	4,190	73,030	58,672	-	18,548
A.P.A.	2,249	12,916	12,870	-	2,295
A.V. Dept.	1,040	-	38	-	1,002
P.C.B.C.	3,651	-	-	-	3,651
Campus improvement	22,468	11,278	11,667	(2,000)	20,079
CFHS Memorial Fund	4,171	-	-	-	4,171
Food Bank	2,083	11,476	12,504	-	1,055
DECA	1,484	25,210	23,074	-	3,620
English resource center	6,845	-	-	-	6,845
FBLA	13	-	-	-	13
Food service	1,321	-	-	-	1,321
General store	1,897	-	-	-	1,897
Activity tickets/Jr. high	12,226	38,380	485	-	50,121
Jr/Sr prom	22,934	11,455	7,217	-	27,172
Library	3,494	-	-	-	3,494
FTC	13,067	10,950	10,042	-	13,975
Mc Elroy Fund	40	-	-	(40)	-
M.R.C.	260	-	-	-	260

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2024

Account	Balance Beginning of Year	Revenues and Interfund Transfers	Expen- ditures	Intra- Fund Transfers	Balance End of Year
(continued)					
Pop	3,929	-	478	(188)	3,263
AP textbooks	7,471	-	-	-	7,471
Programs	4,551	-	-	-	4,551
Revolving	22,474	7,362	7,741	-	22,095
Science club	177	11,940	13,506	1,423	34
Faculty	65	-	-	-	65
Tiger Hi-Line	3,535	-	-	-	3,535
Student forum	1,779	13,131	13,345	-	1,565
Class of 2008	5,459	-	-	-	5,459
Tiger bizness	1,629	2,998	2,827	-	1,800
Student council	37,390	28,452	25,358	-	40,484
Pictures	8,101	1,794	1,007	-	8,888
Lego League	16,939	11,083	9,393	-	18,629
Student activities	3,663	4,133	3,639	73	4,230
Math club	15	368	313	-	70
Tiger Time	21	-	10	(11)	-
Magazines	11,342	-	-	(2,681)	8,661
Gym padlocks	1,308	40	90	-	1,258
Recycling	160	37	34	-	163
Alpha	2,578	-	-	-	2,578
Robotics	36,910	77,595	40,348	-	74,157
SADD	645	50	95	-	600
Video yearbook	47	-	-	-	47
Culture Fair	7	-	-	(7)	-
Trapshooting	12,590	29,109	28,443	-	13,256
Drama clubs	23,816	23,757	7,044	-	40,529
Tech clubs	45	-	-	-	45
Choral/Dramatic	94	-	-	-	94
Echoes concessions	453	-	-	-	453
Amnesty International	957	-	50	-	907
PATT concessions	413	-	-	-	413
Brick Fundraiser	502	-	-	-	502
Art Club	1,830	-	106	-	1,724
AW	834	-	-	-	834
PLTW	37	-	-	-	37
Rocket Club	1,492	6,975	10,523	2,056	-
E-Sports	541	468	6,343	5,334	-
SAGA	1,090	73	131	(72)	960
Volunteer	584	-	52	-	532
Cultural Diversity	416	335	50	-	701
	<u>\$ 676,474</u>	<u>\$ 1,308,679</u>	<u>\$ 1,136,495</u>	<u>\$ -</u>	<u>\$ 848,658</u>

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet  
Capital Projects Accounts

June 30, 2024

	Capital Projects			Total
	GO Bond Proceeds	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 10,479,656	\$ 12,270,729	\$ 4,455,548	\$ 27,205,933
Receivables:				
Property tax:				
Delinquent	-	-	18,964	18,964
Succeeding year	-	-	4,260,411	4,260,411
Accounts	-	138	1,156,316	1,156,454
Due from other governments	-	669,128	119,903	789,031
	<u>\$ 10,479,656</u>	<u>\$ 12,939,995</u>	<u>\$ 10,011,142</u>	<u>\$ 33,430,793</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 937,016	\$ 111,546	\$ 438,886	\$ 1,487,448
Total liabilities	<u>937,016</u>	<u>111,546</u>	<u>438,886</u>	<u>1,487,448</u>
Deferred Inflows of Resources:				
Unavailable revenues:				
Succeeding year property tax	-	-	4,380,314	4,380,314
	<u>-</u>	<u>-</u>	<u>4,380,314</u>	<u>4,380,314</u>
Fund balances:				
Restricted for:				
School infrastructure	9,542,640	12,828,449	-	22,371,089
Physical plant and equipment	-	-	5,191,942	5,191,942
Total fund balances	<u>9,542,640</u>	<u>12,828,449</u>	<u>5,191,942</u>	<u>27,563,031</u>
	<u>\$ 10,479,656</u>	<u>\$ 12,939,995</u>	<u>\$ 10,011,142</u>	<u>\$ 33,430,793</u>

See accompanying independent auditors' report.



CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balances  
Capital Projects Accounts

Year ended June 30, 2024

	Capital Projects			Total
	GO Bond Proceeds	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	
Revenues:				
Local sources:				
Local tax	\$ -	\$ -	\$ 4,008,058	\$ 4,008,058
Other	1,093,907	571,050	6,559,500	8,224,457
State sources	-	7,271,968	60,662	7,332,630
Total revenues	<u>1,093,907</u>	<u>7,843,018</u>	<u>10,628,220</u>	<u>19,565,145</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction	-	873,411	-	873,411
Support services:				
Instructional staff services	-	7,210	-	7,210
Administration services	-	199,505	-	199,505
Operating and maintenance of plant services	-	265,464	129,710	395,174
Transportation services	-	297,535	22,200	319,735
Other expenditures:				
Facilities acquisition and construction	22,286,762	599,663	9,822,877	32,709,302
Long-term debt:				
Interest and other charges	-	-	-	-
Total expenditures	<u>22,286,762</u>	<u>2,242,788</u>	<u>9,974,787</u>	<u>34,504,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,192,855)</u>	<u>5,600,230</u>	<u>653,433</u>	<u>(14,939,192)</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	(3,915,495)	-	(3,915,495)
Total other financing sources (uses)	<u>-</u>	<u>(3,915,495)</u>	<u>-</u>	<u>(3,915,495)</u>
Change in fund balances	(21,192,855)	1,684,735	653,433	(18,854,687)
Fund balances beginning of year	<u>30,735,495</u>	<u>11,143,714</u>	<u>4,538,509</u>	<u>46,417,718</u>
Fund balances end of year	<u>\$ 9,542,640</u>	<u>\$ 12,828,449</u>	<u>\$ 5,191,942</u>	<u>\$ 27,563,031</u>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Fiduciary Assets and Liabilities

Agency Funds

Year ended June 30, 2024

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Assets</b>				
Cash, cash equivalents and pooled investments	\$ 438,071	\$ 5,210,524	\$ 5,547,807	\$ 100,788
Accounts receivable	32,727	770,134	32,727	770,134
Due from others	1,435,193	329	1,435,193	329
	<u>\$ 1,905,991</u>	<u>\$ 5,980,987</u>	<u>\$ 7,015,727</u>	<u>\$ 871,251</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,772,895	\$ 760,690	\$ 1,772,895	\$ 760,690
Due to other funds	-	4,046	-	4,046
Due to others	133,096	106,515	133,096	106,515
	<u>\$ 1,905,991</u>	<u>\$ 871,251</u>	<u>\$ 1,905,991</u>	<u>\$ 871,251</u>
Total assets				
Total liabilities				

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds

For the Last Ten Years

	2024			2023			2022			Modified Accrual Basis				
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015				
<b>Revenues:</b>														
<b>Local sources:</b>														
Local tax	\$ 35,273,230	\$ 35,692,923	\$ 29,890,894	\$ 29,728,652	\$ 28,847,585	\$ 27,746,837	\$ 27,474,490	\$ 22,485,509	\$ 21,081,789	\$ 21,261,265				
Tuition	3,443,125	3,207,226	2,910,639	2,788,011	2,754,397	2,742,104	2,738,786	2,937,262	2,760,127	4,490,514				
Other	11,095,249	4,770,366	1,707,372	1,478,435	1,914,062	2,846,788	2,705,844	1,890,341	1,807,832	1,803,536				
State sources	49,136,705	48,281,668	44,928,233	41,501,019	39,263,607	37,807,973	37,300,711	36,600,570	33,120,500	32,008,518				
Federal sources	3,032,493	3,583,282	4,869,327	3,664,272	1,678,535	1,908,924	2,123,041	2,282,521	2,153,972	2,081,670				
<b>Total revenues</b>	<b>\$ 101,980,802</b>	<b>\$ 95,535,465</b>	<b>\$ 84,306,465</b>	<b>\$ 79,160,389</b>	<b>\$ 74,458,186</b>	<b>\$ 73,052,626</b>	<b>\$ 72,342,872</b>	<b>\$ 66,196,203</b>	<b>\$ 60,924,220</b>	<b>\$ 61,645,503</b>				
<b>Expenditures:</b>														
<b>Instruction:</b>														
Regular instruction	\$ 33,958,608	\$ 33,551,655	\$ 33,853,413	\$ 30,477,906	\$ 29,395,269	\$ 29,290,322	\$ 28,125,705	\$ 27,360,072	\$ 25,390,983	\$ 24,272,128				
Special instruction	9,614,897	8,853,218	9,058,508	9,096,693	8,623,222	8,248,751	8,211,561	7,680,596	7,113,626	7,107,009				
Other instruction	7,221,621	6,571,935	5,800,859	5,242,536	5,544,142	5,512,184	5,471,743	5,252,702	5,153,356	6,630,397				
<b>Support services:</b>														
Student services	2,075,450	2,131,708	2,120,329	2,090,927	1,931,565	1,895,600	1,724,710	1,625,721	1,578,255	1,523,678				
Instructional staff services	2,668,605	2,638,006	2,323,383	2,253,339	2,312,262	2,260,104	1,908,763	1,966,626	1,814,357	1,709,134				
Administration services	6,774,146	6,673,023	6,445,196	6,382,307	6,373,680	6,190,142	6,001,549	6,146,806	6,063,674	5,722,790				
Operation and maintenance of plant services	6,553,853	6,312,488	6,211,699	6,006,178	5,447,948	5,441,321	5,293,802	4,885,892	4,582,929	4,453,088				
Transportation services	2,435,738	2,399,786	2,210,615	2,234,582	1,919,886	2,321,997	2,165,870	2,164,304	1,912,068	1,843,511				
<b>Other expenditures:</b>														
Facilities acquisition and construction	32,709,302	43,128,837	38,452,012	10,254,935	7,765,171	14,939,589	25,747,879	8,768,472	1,987,716	4,079,170				
<b>Long-term debt:</b>														
Principal	6,905,000	6,755,000	4,335,000	5,645,000	4,390,000	3,645,000	3,920,000	2,080,000	1,775,000	2,220,000				
Interest and other charges	4,476,070	4,639,571	1,909,653	1,690,818	1,576,446	1,490,825	1,817,435	3,029,453	1,005,441	1,059,159				
AEA flowthrough	2,923,145	2,904,258	2,786,509	2,663,053	2,524,526	2,426,393	2,407,144	2,280,604	2,192,843	2,132,291				
<b>Total expenditures</b>	<b>\$ 118,316,435</b>	<b>\$ 126,559,485</b>	<b>\$ 115,507,176</b>	<b>\$ 84,038,274</b>	<b>\$ 77,804,117</b>	<b>\$ 83,662,228</b>	<b>\$ 92,796,161</b>	<b>\$ 73,241,248</b>	<b>\$ 60,570,248</b>	<b>\$ 62,752,355</b>				

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Grantor/Program	Assistance Listing Number	Grant Number	Program Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education: Food Distribution (non-cash)	10.550	FY24	<u>234,981</u>
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY24	<u>188,427</u>
School Lunch Program	10.555	FY24	<u>1,086,745</u>
Total U.S. Department of Agriculture			<u>1,510,153</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Education Agencies	84.010	FY22 FY23	<u>430,994</u> <u>23,800</u>
Vocational Education - Basic Grants to States	84.048A	FY24	<u>42,420</u>
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	FY24	<u>57,579</u>
Improving Teacher Quality State Grants	84.367	FY24	<u>103,995</u>
Title IV Student Support and Academic Enrichment	84.424	FY24	<u>33,047</u>
Education Stabilization Fund (Elementary and Secondary School Emergency Relief Fund) (ESSER Fund)	84.425	FY24	<u>1,295,360</u>
Area Education Agency 267:			
Special Education - Grants to States (IDEA)	84.027	FY24	<u>256,867</u>
Total U.S. Department of Education			<u>2,244,062</u>
U.S. Department of Health & Human Services:			
Tri-County Child & Family Development Council, Inc.:			
Head Start	93.600	FY24	<u>262,346</u>
Total U.S. Department of Health & Human Services			<u>262,346</u>
Total Expenditures of Federal Awards			<u>\$ 4,016,561</u>

# CEDAR FALLS COMMUNITY SCHOOL DISTRICT

## Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

(continued)

### Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Cedar Falls Community School District 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 Cedar Falls Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Cedar Falls Community School District.

### Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following 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

Cedar Falls Community School District has elected to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

See accompanying independent auditors' report.

## Internal Controls and Compliance

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Independent Auditors' 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*

To the Board of Education  
Cedar Falls Community School District

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Cedar Falls Community School District as of and for the year ended June 30, 2024, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2025

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cedar Falls Community School District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cedar Falls Community School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Cedar Falls Community School District's internal control.

A deficiency in internal control exists when the design or operation of the 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 a material misstatement of the District'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 may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cedar Falls Community School District's financial statements are free of 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 statement. 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 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 District'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 District. 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 result of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Cedar Falls Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Carmy Alexander, Marshall + Co. L.L.P.*

Waterloo, Iowa  
January 13, 2025



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Independent Auditors' Report on Compliance  
for Each Major Federal Program and on Internal Control over Compliance  
Required by the Uniform Guidance

To the Board of Education  
Cedar Falls Community School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cedar Falls Community School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Cedar Falls Community School District's major federal programs for the year ended June 30, 2024. Cedar Falls Community School District's major federal programs are identified in summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Cedar Falls Community School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of 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 U.S. generally accepted auditing standards (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and 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 Cedar Falls Community School District 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 of our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Cedar Falls Community School District'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 Cedar Falls Community School District's federal programs.

## Auditors' 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 Cedar Falls Community School District'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 GAAS, *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 judgement made by a reasonable user of the report on compliance about Cedar Falls Community School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

Exercise professional judgement 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 Cedar Falls Community School District's compliance with the compliance requirements referred to above and performing other such procedures as we considered necessary in the circumstances.

Obtain an understanding of Cedar Falls Community School District'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 Cedar Falls Community School District'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 we identified during the audit.

## Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be a material weakness.

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, 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 control over compliance, yet important enough to merit attention by those charged with governance.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Cedar Falls Community School District's response to the internal control over compliance finding identified in our audit is described in the accompany Schedule of Findings and Questioned Costs. Cedar Falls Community School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Carmy Alexander, Maudsl & Co., L.L.P.*

Waterloo, Iowa  
January 13, 2025

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**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 control 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.
- (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
  - ESSER
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Cedar Falls Community School District did qualify as a low-risk auditee.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part II: Findings Related to the Financial Statements:**

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part III: Findings and Questioned Costs for Federal Awards:**

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

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

- IV-A-24      Certified Budget - Expenditures for the year ended June 30, 2024 did not exceed the amended certified budget amounts.
- IV-B-24      Questionable Expenditures - 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.
- IV-C-24      Travel Expense - 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.
- IV-D-24      Business Transactions - No business transactions between the District and District officials or employees were noted.
- IV-E-24      Restricted Donor Activity - 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.
- IV-F-24      Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-G-24      Board Minutes - No transactions requiring Board approval which had not been approved by the Board were noted.
- IV-H-24      Certified Enrollment - No variances in the basic enrollment data certified to the Iowa Department of Education were noted.
- IV-I-24      Supplementary Weighting - No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-J-24      Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District's investment policy were noted.
- IV-K-24      Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-L-24      Categorical Funding - No instances of categorical funding used to supplant rather than supplement other funds were noted.
- IV-M-24      Statewide Sales and Services Tax - No instances of non-compliance with the use of the statewide sales and services tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. Districts are required to include these reporting elements in the Certified Annual Report (CAR) submitted to the Iowa Department of Education.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2024

**Part IV: Other Findings Related to Required Statutory Reporting (continued):**

IV-M-24      Statewide Sales and Services Tax (continued)

For the year ended June 30, 2024, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance			\$ 11,143,714
Revenues/transfers in:			
Sales tax revenues	\$ 7,271,968		
Other local revenues	571,050		
Other	-	<u>7,843,018</u>	
			18,986,732
Expenditures/transfers out			
School infrastructure construction	599,663		
Other	1,643,125		
Transfers to other funds:			
Debt service fund	<u>3,915,495</u>	<u>6,158,283</u>	
Ending balance			<u><u>\$ 12,828,449</u></u>

For the year ended June 30, 2024, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.



CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Audit Staff

This audit was performed by:

Janel Ruzicka, CPA, Partner

Lauren Banowetz

Alexis Lyons