

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

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

JUNE 30, 2017

 **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 - 4
Management's Discussion and Analysis (MD&A)	5 - 16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Governmental Fund Financial Statements:	
Balance Sheet	19
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	22
Proprietary Funds Financial Statements:	
Statement of Net Position	23
Statement of Revenues, Expenses and Changes in Fund Net Position	24
Statement of Cash Flows	25
Fiduciary Funds Financial Statements:	
Statement of Fiduciary Net Position	26
Statement of Changes in Fiduciary Net Position	27
Notes to Financial Statements	28 - 47
Required Supplementary Information:	
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances - Budget and Actual - All Governmental Funds and Proprietary Fund	48
Notes to Required Supplementary Information - Budgetary Reporting	49
Schedule of the District's Proportunate Share of the Net Pension Liability	50

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Table of Contents

	Page
Required Supplementary Information (continued):	
Schedule of District Contributions	51
Notes to Required Supplementary Information - Pension Liability	52
Schedule of Funding Progress for the Retiree Health Plan	53
Component Unit Financial Statements:	
Statement of Net Position	54
Statement of Changes in Net Position	55
Supplementary Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	56
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	57
Schedule of Changes in Special Revenue Fund, Student Activity Accounts	58 - 59
Capital Project Accounts:	
Combining Balance Sheet	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	61
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds	62
Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	63
Schedule of Expenditures of Federal Awards	64 - 65
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>	66 - 67
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	68 - 69
Schedule of Findings and Questioned Costs	70 - 74
Audit Staff	75

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Education		
Joyce E. Coil	President	2017
Susie Hines	Vice President	2019
Susan Lantz	Board Member	2017
Doug Shaw	Board Member	2017
James R. Kenyon	Board Member	2019
Jenny Leeper	Board Member	2019
Jeff Hassman	Board Member	2019
School Officials		
Dr. Andrew Pattee	Superintendent	Indefinite
Doug Nefzger	District Secretary	Indefinite
Dan Lynch	District Treasurer	2017
John C. Larsen	Attorney	Indefinite

Cedar Falls Community School District

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying 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, Cedar Falls, Iowa, as of and for the year ended June 30, 2017, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility 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. This includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

The financial statements of the Cedar Falls Community Schools Foundation have not been audited, and we were not engaged to audit the Foundation financial statements as part of our audit of the Cedar Falls Community School District's basic financial statements. The Foundation's financial statements are included in the District's financial statements as a discretely presented component unit. Because we were not engaged to audit the Foundation's financial statements and because we did not apply any auditing procedures to the Foundation's financial statements, we do not express an opinion on the discretely presented component unit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2017, 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.

Other Matters

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 Funding Progress for the Retiree Health Plan on pages 5 through 16 and 48 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which 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 U.S. generally accepted auditing standards, 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, 2016 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included on pages 56 - 65, 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. Such 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 U.S. generally accepted auditing standards. 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 5, 2018 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.

Carney, Alexander, Marold & Co., L.L.P.

Waterloo, Iowa
January 5, 2018

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

**Management's Discussion and Analysis
For the Fiscal Year Ending June 30, 2017**

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, 2017.

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 2017 fiscal year include the following:

- In total, net assets decreased by \$3,113,546 or 5.78% from fiscal 2016. Net assets in governmental activities decreased \$3,254,262, which represented a 6.08% decrease from fiscal year 2016. The sale of \$32.0 million in general obligation bonds, the refinancing of the Series 2011 revenue bonds and the increase of pension liability accounted for the decrease. Net assets in the business-type activity, which represents the Districts food service and student coffee shop operations, increased \$140,716, which represented a 40.16% increase from fiscal year 2016. An increase in operational revenue in the nutrition fund due to increased student participation accounted for the change.
- General Fund revenues (which include the Instructional Support fund) accounted for \$56,173,949 in revenue or 84.86% of all revenues. General Fund expenses (which include the Instructional Support fund) accounted for \$56,831,461 in expenditures or 77.60% of all expenses.

This report also reflects improved accounting and financial reporting by state and local governments for pensions as required by the Governmental Accounting Standards Board (GASB) Statement 68. The scope of this Statement 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).

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 assets 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 Assets 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 2017 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 take into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These statements report the District's net assets and changes in those net assets. This change in net assets 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 assets 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 (nursing, 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 2017 are:

- Governmental Funds
 - General Fund
 - Debt Service Fund
 - Capital Project Funds
 - Capital Projects (GO Bond) Fund
 - Statewide Sales & Service 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 assets 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.

The School District as a Whole

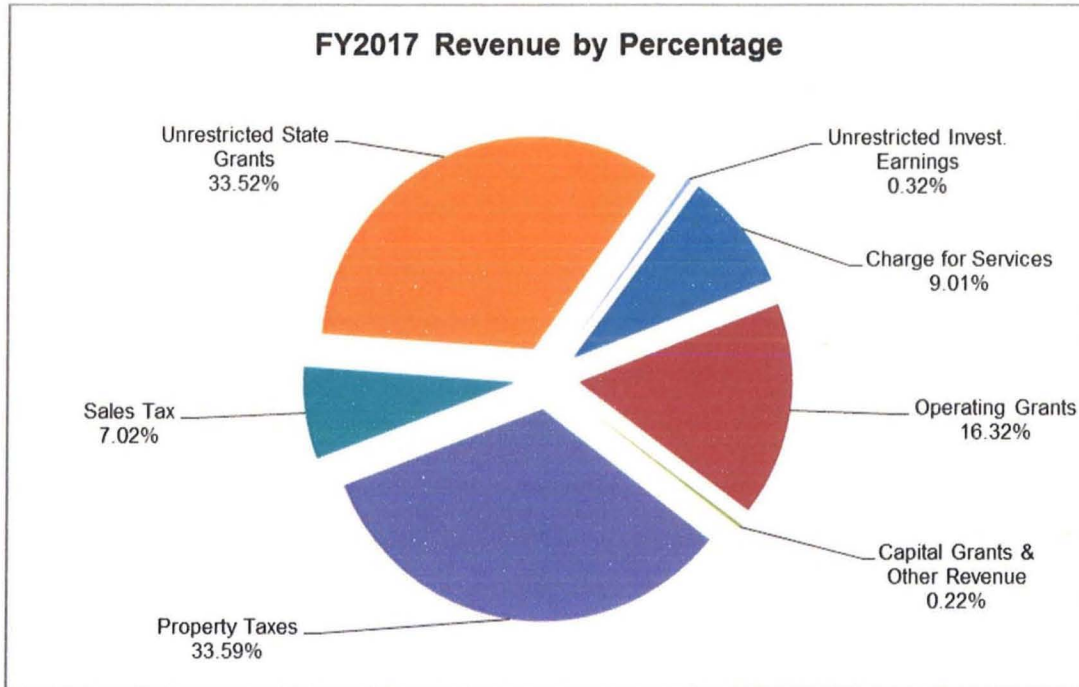
The following is a summary of the statement of net assets of the District as a whole. The Cedar Falls Community School District's net assets at the end of fiscal year 2017 totaled \$50,753,756, down 5.78% from the previous fiscal year total.

Condensed Statement of Net Assets								
	Governmental		Business-type		Total		Percent Change	
	Activities		Activities					
	2016	2017	2016	2017	2016	2017		
Current & Other Assets	\$ 49,764,610	82,697,310	\$ 720,722	877,465	\$ 50,485,332	83,574,775	65.54%	
Capital Assets	76,357,105	79,003,542	117,391	130,962	76,474,496	79,134,504	3.48%	
Total Assets	126,121,715	161,700,852	838,113	1,008,427	126,959,828	162,709,279	28.16%	
Deferred Outflows of Resources								
Pension Related Deferred Outflow	4,901,771	9,099,680	100,036	185,708	5,001,807	9,285,388	85.64%	
Long-term Obligations:								
Due Within One Year	2,008,286	3,277,758	-	-	2,008,286	3,277,758	63.21%	
Due After One Year	44,075,229	79,756,875	458,603	588,172	44,533,832	80,345,047	80.41%	
Other Liabilities	7,050,228	9,319,422	91,007	107,856	7,141,235	9,427,278	32.01%	
Total Liabilities	53,133,743	92,354,055	549,610	696,028	53,683,353	93,050,083	73.33%	
Deferred Inflows of Resources								
Unavailable Property Tax Revenue	22,502,591	27,545,489	-	-	22,502,591	27,545,489	22.41%	
Pension Related Deferred Inflow	1,870,221	343,959	38,168	0	1,908,389	343,959	-81.98%	
Advanced Refunding Deferred Inflow	-	294,360	-	7,020	-	301,380	100.00%	
Total Deferred Inflows of Resources	24,372,812	28,183,808	38,168	7,020	24,410,980	28,190,828	15.48%	
Net Assets								
Invested in Capital Assets -								
Net of Related Debt	53,953,770	26,147,091	117,391	130,962	54,071,161	26,278,053	-51.40%	
Restricted	5,427,190	5,938,269	-	-	5,427,190	5,938,269	9.42%	
Unrestricted	-5,864,029	18,177,309	232,980	360,125	-5,631,049	18,537,434	429.20%	
Total Net Assets	\$ 53,516,931	50,262,669	\$ 350,371	491,087	\$ 53,867,302	50,753,756	-5.78%	

The following analysis shows the change in net assets for the year ending June 30, 2017:

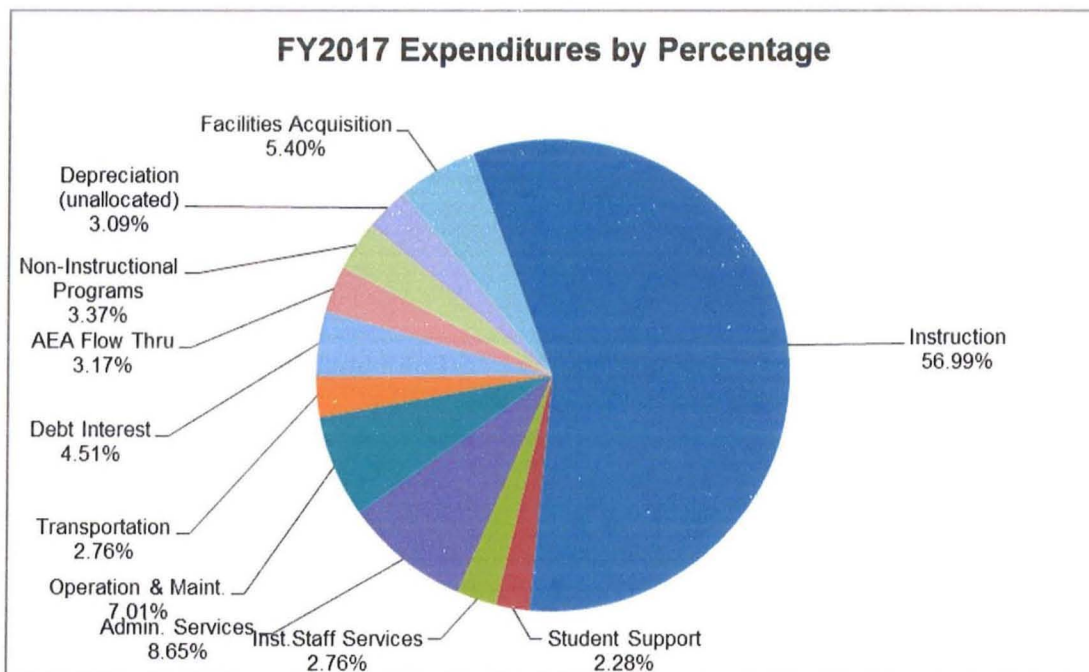
	Change in Net Assets								
	Governmental		Business-type				Total		Percent Change
	Activities		Activities						
	2016	2017	2016	2017	2016	2017			
Revenue									
Program Revenue									
Charge for Services	\$ 4,445,314	4,580,317	\$ 1,605,214	1,618,737	\$ 6,050,528	6,199,054		2.45%	
Operating Grants	8,275,598	10,289,684	897,056	941,544	9,172,654	11,231,228		22.44%	
Capital Grants	115,413	98,924	-	-	115,413	98,924		-14.29%	
General Revenue									
Property Taxes	21,081,789	23,117,375	-	-	21,081,789	23,117,375		9.66%	
Sales and Income Tax	4,682,586	4,831,500	-	-	4,682,586	4,831,500		3.18%	
Unrestricted State Grants	22,211,914	23,063,408	-	-	22,211,914	23,063,408		3.83%	
Unrestricted Invest. Earnings	111,606	214,995	1,672	2,106	113,278	217,101		91.65%	
Other Revenue	21,434	53,478	-	-	21,434	53,478		149.50%	
Transfers	(1,435,429)	-	-	-	(1,435,429)	-		100.00%	
Total Revenue	59,510,225	66,249,681	2,503,942	2,562,387	62,014,167	68,812,068		10.96%	
Program Expense									
Instruction	37,110,650	40,991,041	-	-	37,110,650	40,991,041		10.46%	
Student Support	1,556,512	1,642,582	-	-	1,556,512	1,642,582		5.53%	
Instructional Staff Services	1,793,464	1,987,338	-	-	1,793,464	1,987,338		10.81%	
Administration Services	5,994,694	6,223,340	-	-	5,994,694	6,223,340		3.81%	
Operation & Maint. Services	4,690,915	5,040,573	-	-	4,690,915	5,040,573		7.45%	
Transportation Services	1,823,657	1,987,748	-	-	1,823,657	1,987,748		9.00%	
Long Term Debt Interest	1,008,181	3,244,754	-	-	1,008,181	3,244,754		221.84%	
Facilities Acquisition	1,331,251	3,882,838	-	-	1,331,251	3,882,838		191.67%	
AEA Flow Thru	2,192,843	2,280,604	-	-	2,192,843	2,280,604		4.00%	
Non-Instructional Programs	-	-	2,374,472	2,421,671	2,374,472	2,421,671		1.99%	
Depreciation (unallocated)	2,188,432	2,223,125	-	-	2,188,432	2,223,125		1.59%	
Total Expenses	59,690,599	69,503,943	2,374,472	2,421,671	62,065,071	71,925,614		15.89%	
Increase (Decrease) Net Assets	(180,374)	(3,254,262)	129,470	140,716	(50,904)	(3,113,546)		6016.51%	

The following chart indicates total fiscal 2017 District revenue by percentage:



Note: Due to rounding percentages may not total 100.00 %

The following chart indicates total fiscal 2017 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 \$46,203,653. This is a \$25,914,554 increase from the 2016 fiscal year combined fund balances of \$20,289,099. The sale of \$32.0 million of general obligations bonds for the construction of a new elementary school and additions and remodeling of two additional elementary schools accounted for the increase.

The District's General Fund (including the Instructional Support Fund) end of year fund balance decreased \$606,649 to \$4,876,858 from the 2016 fiscal year end balance of \$5,483,507. A large increase in student enrollment, coupled with a one year delay in receiving funding for the increase accounts for the majority of the decrease.

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 15th 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 2017 in instructional activities due to increasing student enrollment and the need to employ additional teaching staff as well as increasing costs within the District's special education program.

The following chart shows the original and amended budget for fiscal 2017 as well as the actual revenue and expenditures for the year:

	<u>Budgetary Comparison Schedule</u>			
	<u>Original Budget</u>	<u>Final Amended</u>	<u>Actual</u>	<u>Variance</u>
Revenue				
Local Sources	\$ 28,758,247	\$ 28,758,247	\$ 28,931,143	\$ 172,896
Intermediate Sources	-	-	-	-
State Sources	36,418,693	36,418,693	36,618,007	199,314
Federal Sources	2,729,619	2,729,619	3,206,628	477,009
Total Budget Revenue	\$ 67,906,559	\$ 67,906,559	\$ 68,755,778	\$ 849,219
Expenditures				
Instruction	\$ 40,700,355	\$ 41,444,549	\$ 40,291,437	\$ 1,153,112
Support Services	16,392,197	17,005,312	16,789,349	215,963
Non-Instructional	2,575,266	2,575,266	2,421,671	153,595
Other Expenditures	12,361,198	34,912,469	16,158,529	18,753,940
Total Budget Expenses	\$ 72,029,016	\$ 95,937,596	\$ 75,660,986	\$ 20,276,610

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 on the books 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 2016 and 2017.

	<u>Unspent Budget Authority Comparison</u>		
	<u>2016</u>	<u>2017</u>	<u>Change</u>
Budget Revenue			
Maximum General Fund District Cost	\$ 44,111,794	\$ 46,108,175	\$ 1,996,381
Preschool Foundation Aid	412,544	425,120	12,576
Instructional Support Fund	2,444,994	2,549,366	104,372
Other Miscellaneous Income	5,873,635	7,673,278	1,799,643
Previous Year Unspent Budget Authority	8,630,990	8,609,170	(21,820)
Maximum Budget Authority	<u>\$ 61,473,957</u>	<u>\$ 65,365,109</u>	<u>\$ 3,891,152</u>
Total Expenditures	<u>\$ 52,864,787</u>	<u>\$ 56,831,461</u>	<u>\$ 3,966,674</u>
End Fiscal Year Unspent Budget Authority	<u>\$ 8,609,170</u>	<u>\$ 8,533,648</u>	<u>\$ (75,522)</u>

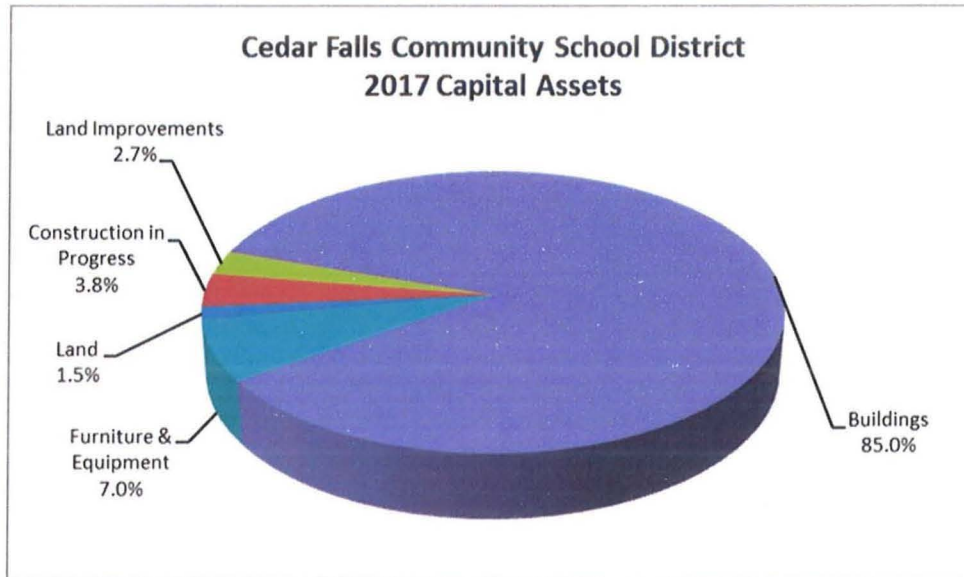
Capital Assets Administration

Capital Assets

At the end of the 2017 fiscal year, the District had invested \$79,003,542 (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 \$2,859,847 and total accumulated depreciation of \$37,180,557 as of June 30, 2017. The following chart shows the comparison in capital assets for 2016 and 2017.

	Capital Assets (net of depreciation)							
	Governmental Activities		Business-type Activities		Total		Percent Change	
	2016	2017	2016	2017	2016	2017		
Land	\$ 1,725,334	1,745,334	\$ -	-	\$ 1,725,334	1,745,334	1.16%	
Construction in Progress	2,199,870	4,398,116	-	-	2,199,870	4,398,116	99.93%	
Land Improvements	3,169,966	3,169,966	-	-	3,169,966	3,169,966	0.00%	
Buildings	96,427,199	98,922,324	-	-	96,427,199	98,922,324	2.59%	
Furniture & Equipment	6,881,711	7,254,568	791,499	824,773	7,673,210	8,079,341	5.29%	
Total	\$ 110,404,080	115,490,308	\$ 791,499	824,773	\$ 111,195,579	116,315,081	4.60%	

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



Debt Administration

As of June 30, 2017, total District outstanding restated long-term debt is \$83,622,805. Debt consists of \$32,906,121 in general obligation bonds, \$19,950,330 in revenue bonds, \$1,357,742 in compensated absences and OPEB liabilities and \$29,408,612 in long-term pension liabilities. The following shows the debt comparison between 2016 and 2017.

	Long-term Debt Obligations				
	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Governmental Activities					
General Obligation Bonds					
Bonds Payable	-	32,000,000	-	32,000,000	1,045,000
Discount	-	-	-	-	-
Premium	-	906,121	-	906,121	66,961
Total General Obligation Bonds	\$ -	\$ 32,906,121	\$ -	\$ 32,906,121	\$ 1,111,961
Revenue Bonds					
Bonds Payable	16,095,000	-	16,095,000	-	-
Discount	(147,050)	-	(147,050)	-	-
Bonds Payable	6,420,000	15,580,000	2,080,000	19,920,000	1,965,000
Premium	35,385	-	5,055	30,330	5,055
Total Revenue Bonds	\$ 22,403,335	\$ 15,580,000	\$ 18,033,005	\$ 19,950,330	\$ 1,970,055
Other Liabilities					
Compensated Absences	204,631	195,742	204,631	195,742	195,742
Net OPEB Liability	1,004,000	283,000	125,000	1,162,000	-
Net Pension Liability	22,471,549	6,348,891	-	28,820,440	-
Total Other Liabilities	\$ 23,680,180	\$ 6,827,633	\$ 329,631	\$ 30,178,182	\$ 195,742
Total Governmental Activities	\$ 46,083,515	\$ 55,313,754	\$ 18,362,636	\$ 83,034,633	\$ 3,277,758
Business Type Activities					
Net Pension Liability	458,603	129,569	-	588,172	-
Total District Long-Term Debt	\$ 46,542,118	\$ 55,443,323	\$ 18,362,636	\$ 83,622,805	\$ 3,277,758

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.

School Infrastructure Sales, Service & Use Tax Debt Service						
	Statewide Allocation	Statewide Enrollment	Avg. Dollars per Pupil	Cedar Falls Enrollment	Cedar Falls Funds Pledged	Debt Service Coverage Ratio
FY2014	\$429,873,936	476,245.0	\$903	4,862.4	\$3,275,529	1.340
FY2015	\$441,848,931	478,920.9	\$923	4,859.1	\$3,277,841	1.368
FY2016	\$453,349,009	480,771.9	\$943	4,907.4	\$2,779,441	1.665
FY2017	\$454,300,056	483,450.9	\$940	5,052.1	\$2,769,691	1.715
FY2018 (est)	\$465,440,617	485,147.3	\$959	5,146.8	\$2,406,210	2.051

Enrollment is determined on Oct. 1st of the previous fiscal year. i.e. FY2017 enrollment is taken on Oct. 1, 2015.
Total statewide allocation includes reconciliation payment.

Current Issues

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.

- At the end of the 2017 legislative session, the Legislature established an increase in “supplemental state aid” (formally “allowable growth”) of 1.11% (\$73 per pupil) for the 2016/17 school year.
- Other 2017 legislative session actions that will directly impact Iowa public school districts include:
 - Approved significant changes to Iowa’s collective bargaining law and other sections of Iowa Code (Chapter 20) outlining the employment of public employees. Notable changes include:
 - Significantly limiting the mandatory topics of bargaining
 - Base wages only
 - Increasing the number of permissive and illegal subjects of bargaining
 - Requiring any arbitration decisions to consider the financial ability of a school district to meet the cost of either party’s proposal
 - Limits any arbitrators financial award to the lessor of 3% or a percentage equal to the increase in the consumer price index
 - Procedural changes in individual teacher/administrator private hearings/terminations
 - Provided State of Iowa categorical school fund flexibility for:
 - Professional development funds
 - At-risk/dropout funding
 - 4 year old preschool funding
 - Allows for the creation of a flexibility account to transfer unused selected categorical funds to the General Fund
 - Moved school board elections from the second Tuesday in September to the second Tuesday in November beginning in 2019.
 - Provided very limited home rule governance

Portions of the above legislative changes are awaiting additional clarification rulings from the Iowa Public Employment Relations Board (PERB). As of December 1, 2017 two lawsuits have been filed in Iowa District Court challenging recent PERB Chapter 20 rulings.

- The October 1, 2017 certified student enrollment count, which is used to determine state foundation aid for the District for 2018/19 school year, decreased by 19.3 students from the October 1, 2016 count. The number of open enrollment students from neighboring district’s attending Cedar Falls Schools decreased 16.0 from 330.0 to 314.0. The number of open enrollment students attending neighboring school districts increased 4.0 from 95.6 to 99.6. The 214.4 open enrollment student net gain provides approximately \$1.41 million in revenue for the District general operating fund.
- The District’s 4 year old (pre-school) program enrollment decreased by two students to a total enrollment of 139. The State of Iowa provides funding for four year old students enrolled in the program at 50% of regular program cost per student, or \$3,335.50 per student for the 2017/18 school year.

- The District continues to experience gains in taxable valuation. Overall taxable assessed valuation, less Tax Increment Financing (TIF), increased 10.35% between FY2014 and FY2018. Tax Increment Financing (TIF) assessed valuation increased 6.58% for the same time period.
- The demand for new homes within the District continues to be strong. Five new residential neighborhoods with over 500 lots are planned or under development in the southern and western sections of Cedar Falls. 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 an Advanced Vision for Education (SAVE) one-cent sales tax increased from \$4,682,586 in FY2016 to \$4,831,500 in FY2017. 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 student enrolled in Iowa public schools. District is projected to receive \$4,690,888 in Fy2018.
- Construction of the new Aldrich Elementary School as well as remodeling and additions to North Cedar and Orchard Hill Elementary Schools will continue throughout the 2017-18 school year. Aldrich Elementary is scheduled to open in August, 2018. The District also continues to work on facility needs including replacing the current high school and transportation center.

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 Mr. Douglas J. Nefzger, Director of Business Affairs/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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	
Assets				
Cash, cash equivalents and pooled investments	\$53,573,233	\$ 795,247	\$54,368,480	\$ 2,446,480
Receivables:				
Property tax:				
Delinquent	105,585	-	105,585	-
Succeeding year	27,545,489	-	27,545,489	-
Accounts	622,560	232	622,792	750
Accrued interest	62,807	-	62,807	-
Due from other governments	769,397	-	769,397	-
Due from other funds	-	-	-	-
Inventories	18,239	81,986	100,225	-
Capital assets, net of accumulated depreciation	79,003,542	130,962	79,134,504	-
Total assets	<u>161,700,852</u>	<u>1,008,427</u>	<u>162,709,279</u>	<u>2,447,230</u>
Deferred Outflows of Resources				
Pension related deferred outflows of income	<u>9,099,680</u>	<u>185,708</u>	<u>9,285,388</u>	-
Liabilities				
Accounts payable	2,520,968	76,997	2,597,965	-
Salaries and benefits payable	6,298,024	30,859	6,328,883	-
Due to other governments	129,176	-	129,176	-
Due to other funds	-	-	-	-
Accrued interest payable	371,254	-	371,254	-
Long-term liabilities:				
Portion due within one year:				
Compensated absences	195,742	-	195,742	-
General obligation bonds	1,111,961	-	1,111,961	-
Revenue bonds	1,970,055	-	1,970,055	-
Portion due after one year:				
General obligation bonds	31,794,160	-	31,794,160	-
Revenue bonds	17,980,275	-	17,980,275	-
Net pension liability	28,820,440	588,172	29,408,612	-
Net OPEB liability	1,162,000	-	1,162,000	-
Total liabilities	<u>92,354,055</u>	<u>696,028</u>	<u>93,050,083</u>	-
Deferred Inflows of Resources				
Unavailable property tax revenue	27,545,489	-	27,545,489	-
Pension related deferred inflows of resources	343,959	-	343,959	-
Advance refunding deferred inflows of resources	294,360	7,020	301,380	-
Total deferred inflows of resources	<u>28,183,808</u>	<u>7,020</u>	<u>28,190,828</u>	-
Net Position				
Net investment in capital assets	26,147,091	130,962	26,278,053	-
Restricted for:				
Categorical funding	576,150	-	576,150	-
Management levy	932,752	-	932,752	-
Student activities	585,468	-	585,468	-
Other special revenue purposes	16,440	-	16,440	-
Physical plant and equipment levy	3,827,459	-	3,827,459	-
Unrestricted	<u>18,177,309</u>	<u>360,125</u>	<u>18,537,434</u>	<u>2,447,230</u>
Total net position	<u>\$50,262,669</u>	<u>\$ 491,087</u>	<u>\$50,753,756</u>	<u>\$ 2,447,230</u>

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Activities

Year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
Primary Government:				
Governmental Activities:				
Instruction:				
Regular instruction	\$ 27,892,138	\$ 2,189,282	\$ 6,926,271	\$ -
Special instruction	7,770,601	1,126,456	439,770	-
Other instruction	5,328,302	991,370	574,780	-
	<u>40,991,041</u>	<u>4,307,108</u>	<u>7,940,821</u>	<u>-</u>
Support services:				
Student services	1,642,582	-	-	-
Instructional staff services	1,987,338	-	-	-
Administration services	6,223,340	70,827	-	-
Operation and maintenance of plant services	5,040,573	160,459	-	98,924
Transportation services	1,987,748	41,923	68,259	-
	<u>16,881,581</u>	<u>273,209</u>	<u>68,259</u>	<u>98,924</u>
Other expenditures:				
Facilities acquisition	3,882,838	-	-	-
Long-term debt interest and other charges	3,244,754	-	-	-
AEA flowthrough	2,280,604	-	2,280,604	-
Depreciation (unallocated)	2,223,125	-	-	-
	<u>11,631,321</u>	<u>-</u>	<u>2,280,604</u>	<u>-</u>
Total governmental activities	<u>69,503,943</u>	<u>4,580,317</u>	<u>10,289,684</u>	<u>98,924</u>
Business Type Activities:				
Non-instructional programs:				
Food service operations	2,421,671	1,618,737	941,544	-
Total	<u>\$ 71,925,614</u>	<u>\$ 6,199,054</u>	<u>\$ 11,231,228</u>	<u>\$ 98,924</u>
Component Unit:				
Cedar Falls Community Schools Foundation	<u>\$ 102,995</u>	<u>\$ -</u>	<u>\$ 137,505</u>	<u>\$ -</u>
General Revenues:				
Property taxes, levied for:				
General purposes				
Statewide sales, services and use tax				
Unrestricted state grants				
Unrestricted investment earnings				
Other				
Transfers				
Total general revenues				
Change in net position				
Net position beginning of year				
Net position end of year				

See notes to financial statements.

Net (Expense) Revenue
and Changes in Net Assets

Primary Government		Total	Component Unit
Governmental Activities	Business Type Activities		
\$(18,776,585)	\$ -	\$(18,776,585)	\$ -
(6,204,375)	-	(6,204,375)	-
(3,762,152)	-	(3,762,152)	-
<u>(28,743,112)</u>	<u>-</u>	<u>(28,743,112)</u>	<u>-</u>
(1,642,582)	-	(1,642,582)	-
(1,987,338)	-	(1,987,338)	-
(6,152,513)	-	(6,152,513)	-
(4,781,190)	-	(4,781,190)	-
(1,877,566)	-	(1,877,566)	-
<u>(16,441,189)</u>	<u>-</u>	<u>(16,441,189)</u>	<u>-</u>
(3,882,838)	-	(3,882,838)	-
(3,244,754)	-	(3,244,754)	-
-	-	-	-
(2,223,125)	-	(2,223,125)	-
<u>(9,350,717)</u>	<u>-</u>	<u>(9,350,717)</u>	<u>-</u>
(54,535,018)	-	(54,535,018)	-
-	138,610	138,610	-
<u>(54,535,018)</u>	<u>138,610</u>	<u>(54,396,408)</u>	<u>-</u>
			<u>34,510</u>
23,117,375	-	23,117,375	-
4,831,500	-	4,831,500	-
23,063,408	-	23,063,408	-
214,995	2,106	217,101	69,689
53,478	-	53,478	160,558
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>51,280,756</u>	<u>2,106</u>	<u>51,282,862</u>	<u>230,247</u>
(3,254,262)	140,716	(3,113,546)	264,757
<u>53,516,931</u>	<u>350,371</u>	<u>53,867,302</u>	<u>2,182,473</u>
<u>\$ 50,262,669</u>	<u>\$ 491,087</u>	<u>\$ 50,753,756</u>	<u>\$ 2,447,230</u>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds

June 30, 2017

	General	Debt Service
Assets		
Cash, cash equivalents and pooled investments	\$ 10,882,114	\$ -
Receivables:		
Property tax:		
Delinquent	87,448	-
Succeeding year	21,016,274	2,423,189
Accounts	621,477	-
Accrued interest	-	-
Due from other governments	367,189	-
Due from other funds	-	-
Inventories	18,239	-
	<u>\$ 32,992,741</u>	<u>\$ 2,423,189</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities:		
Accounts payable	\$ 672,409	\$ -
Salaries and benefits payable	6,298,024	-
Due to other governments	129,176	-
Due to other funds	-	-
Total liabilities	<u>7,099,609</u>	<u>-</u>
Deferred Inflows of Resources:		
Unavailable revenues:		
Succeeding year property tax	<u>21,016,274</u>	<u>2,423,189</u>
Fund balances:		
Nonspendable	18,239	-
Restricted for:		
Categorical funding	576,150	-
Debt service	-	-
Management levy purposes	-	-
Student activities	-	-
Public purpose trust funds	-	-
School infrastructure	-	-
Physical plant and equipment	-	-
Unassigned	4,282,469	-
Total fund balances	<u>4,876,858</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,992,741</u>	<u>\$ 2,423,189</u>

See notes to financial statements.

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 41,133,071	\$ 1,558,048	\$ 53,573,233
15,819	2,318	105,585
3,406,593	699,433	27,545,489
-	1,083	622,560
62,807	-	62,807
402,208	-	769,397
-	-	-
-	-	18,239
<u>\$ 45,020,498</u>	<u>\$ 2,260,882</u>	<u>\$ 82,697,310</u>
\$ 1,821,770	\$ 26,789	\$ 2,520,968
-	-	6,298,024
-	-	129,176
-	-	-
<u>1,821,770</u>	<u>26,789</u>	<u>8,948,168</u>
<u>3,406,593</u>	<u>699,433</u>	<u>27,545,489</u>
-	-	18,239
-	-	576,150
-	-	-
-	932,752	932,752
-	585,468	585,468
-	16,440	16,440
35,964,676	-	35,964,676
3,827,459	-	3,827,459
-	-	4,282,469
<u>39,792,135</u>	<u>1,534,660</u>	<u>46,203,653</u>
<u>\$ 45,020,498</u>	<u>\$ 2,260,882</u>	<u>\$ 82,697,310</u>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

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

June 30, 2017

Total fund balances of governmental funds			\$46,203,653
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.			79,003,542
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.			(371,254)
Pension 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	\$ 9,099,680		
Deferred inflows of resources	<u>(343,959)</u>	8,755,721	
Advance refunding deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds.			(294,360)
Long-term liabilities, including bonds payable, compensated absences payable, other postemployment benefits payable and net pension liability, are not due and payable in the current year and, therefore, are not reported in the governmental funds.			<u>(83,034,633)</u>
Net position of governmental activities			<u><u>\$50,262,669</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, 2017

	General	Debt Service
Revenues:		
Local sources:		
Local tax	\$ 18,703,775	\$ -
Tuition	2,937,262	-
Other	598,815	5,262
State sources	31,651,576	-
Federal sources	2,282,521	-
Total revenues	56,173,949	5,262
Expenditures:		
Current:		
Instruction:		
Regular instruction	27,095,987	-
Special instruction	7,680,596	-
Other instruction	4,232,439	-
	39,009,022	-
Support services:		
Student services	1,625,721	-
Instructional staff services	1,959,492	-
Administration services	6,002,398	-
Operation and maintenance of plant services	4,314,648	-
Transportation services	1,639,576	-
	15,541,835	-
Other expenditures:		
Facilities acquisition and construction	-	-
Long-term debt:		
Principal	-	2,080,000
Interest and other charges	-	2,904,381
AEA flowthrough	2,280,604	-
	2,280,604	4,984,381
Total expenditures	56,831,461	4,984,381
Excess (deficiency) of revenues over (under) expenditures	(657,512)	(4,979,119)
Other financing sources (uses):		
Proceeds from sale of real or personal property	49,011	-
General obligation bonds issued	-	-
General obligation bonds issued premium	-	-
Revenue refunding bonds issued	-	15,580,000
Payments to refunded bond escrow agent	-	(15,580,000)
Operating transfers in	1,852	4,979,119
Operating transfers out	-	-
Total other financing sources (uses)	50,863	4,979,119
Change in fund balances	(606,649)	-
Fund balances beginning of year	5,483,507	-
Fund balances end of year	\$ 4,876,858	\$ -

See notes to financial statements.

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,283,555	\$ 498,179	\$ 22,485,509
-	-	2,937,262
215,519	1,070,745	1,890,341
4,931,665	17,329	36,600,570
-	-	2,282,521
<u>8,430,739</u>	<u>1,586,253</u>	<u>66,196,203</u>
166,712	97,373	27,360,072
-	-	7,680,596
-	1,020,263	5,252,702
<u>166,712</u>	<u>1,117,636</u>	<u>40,293,370</u>
-	-	1,625,721
-	7,134	1,966,626
143,899	509	6,146,806
158,218	413,026	4,885,892
447,887	76,841	2,164,304
<u>750,004</u>	<u>497,510</u>	<u>16,789,349</u>
8,768,472	-	8,768,472
-	-	2,080,000
125,072	-	3,029,453
-	-	2,280,604
<u>8,893,544</u>	<u>-</u>	<u>16,158,529</u>
<u>9,810,260</u>	<u>1,615,146</u>	<u>73,241,248</u>
<u>(1,379,521)</u>	<u>(28,893)</u>	<u>(7,045,045)</u>
4,467	-	53,478
32,000,000	-	32,000,000
906,121	-	906,121
-	-	15,580,000
-	-	(15,580,000)
250	-	4,981,221
<u>(4,979,119)</u>	<u>(2,102)</u>	<u>(4,981,221)</u>
<u>27,931,719</u>	<u>(2,102)</u>	<u>32,959,599</u>
26,552,198	(30,995)	25,914,554
<u>13,239,937</u>	<u>1,565,655</u>	<u>20,289,099</u>
<u>\$ 39,792,135</u>	<u>\$ 1,534,660</u>	<u>\$ 46,203,653</u>

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, 2017

Net change in fund balances - total governmental funds \$ 25,914,554

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	\$ 5,473,175	
Depreciation expense	<u>(2,826,738)</u>	2,646,437

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 issuances exceeded repayments, as follows:

Issuances	(48,486,121)	
Repayments and refundings	<u>17,733,590</u>	(30,752,531)

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.

(293,946)

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.

5,055

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.

3,153,037

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	8,889	
Pension expense	(3,777,757)	
Other postemployment benefits	<u>(158,000)</u>	<u>(3,926,868)</u>

Change in net position of governmental activities \$ (3,254,262)

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Net Position
Proprietary Funds

June 30, 2017

	Enterprise		
	School Nutrition	Coffee Shop	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 787,548	\$ 7,699	\$ 795,247
Accounts receivable	232	-	232
Accrued interest receivable	-	-	-
Due from other governments	-	-	-
Inventories	81,986	-	81,986
Total current assets	<u>869,766</u>	<u>7,699</u>	<u>877,465</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>130,962</u>	<u>-</u>	<u>130,962</u>
Total assets	<u>1,000,728</u>	<u>7,699</u>	<u>1,008,427</u>
Deferred Outflows of Resources			
Pension related deferred outflows of resources	<u>185,708</u>	<u>-</u>	<u>185,708</u>
Liabilities			
Current liabilities:			
Accounts payable	76,951	46	76,997
Salaries and benefits payable	30,859	-	30,859
Total current liabilities	<u>107,810</u>	<u>46</u>	<u>107,856</u>
Noncurrent liabilities:			
Net pension liability	<u>588,172</u>	<u>-</u>	<u>588,172</u>
Total liabilities	<u>695,982</u>	<u>46</u>	<u>696,028</u>
Deferred Inflows of Resources			
Pension related deferred inflows of resources	<u>7,020</u>	<u>-</u>	<u>7,020</u>
Net position			
Investment in capital assets	130,962	-	130,962
Unrestricted	352,472	7,653	360,125
Total net position	<u>\$ 483,434</u>	<u>\$ 7,653</u>	<u>\$ 491,087</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, 2017

	Enterprise		
	School Nutrition	Coffee Shop	Total
Operating revenues:			
Local sources:			
Charges for service	\$ 1,592,426	\$ -	\$ 1,592,426
Other	13,966	12,345	26,311
Total operating revenues	1,606,392	12,345	1,618,737
Operating expenses:			
Non-instructional programs:			
Food service operations:			
Salaries	733,041	-	733,041
Benefits	214,808	-	214,808
Purchased services	69,186	-	69,186
Supplies	1,362,048	9,479	1,371,527
Depreciation	33,109	-	33,109
Total operating expenses	2,412,192	9,479	2,421,671
Operating income (loss)	(805,800)	2,866	(802,934)
Non-operating revenues:			
State sources	17,437	-	17,437
Federal sources	924,107	-	924,107
Interest on investments	2,106	-	2,106
Total non-operating revenues	943,650	-	943,650
Change in net position	137,850	2,866	140,716
Net position beginning of year	345,584	4,787	350,371
Net position end of year	\$ 483,434	\$ 7,653	\$ 491,087

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Cash Flows
Proprietary Funds

Year ended June 30, 2017

	Enterprise		Total
	School Nutrition	Coffee Shop	
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 1,608,221	\$ 12,345	\$ 1,620,566
Cash payments to employees for services	(932,497)	-	(932,497)
Cash payments to suppliers for goods or services	(1,337,841)	(9,433)	(1,347,274)
Net cash provided by (used by) operating activities	<u>(662,117)</u>	<u>2,912</u>	<u>(659,205)</u>
Cash flows from non-capital financing activities:			
State grants received	17,437	-	17,437
Federal grants received	814,560	-	814,560
Net cash provided by non-capital financing activities	<u>831,997</u>	<u>-</u>	<u>831,997</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(46,680)	-	(46,680)
Disposition of capital assets	-	-	-
Net cash used by capital and related financing activities	<u>(46,680)</u>	<u>-</u>	<u>(46,680)</u>
Cash flows from investing activities:			
Interest on investments	2,106	-	2,106
Net increase in cash and cash equivalents	125,306	2,912	128,218
Cash and cash equivalents at beginning of year	662,242	4,787	667,029
Cash and cash equivalents at end of year	<u>\$ 787,548</u>	<u>\$ 7,699</u>	<u>\$ 795,247</u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:			
Operating income (loss)	\$ (805,800)	\$ 2,866	\$ (802,934)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:			
Commodities used	109,547	-	109,547
Depreciation	33,109	-	33,109
Decrease in receivables	1,829	-	1,829
Decrease in inventories	(30,354)	-	(30,354)
Increase in accounts payable	14,200	46	14,246
Decrease in salaries and benefits payable	2,603	-	2,603
Increase in net pension liability	129,569	-	129,569
Increase in deferred outflows of resources	(85,672)	-	(85,672)
Decrease in deferred inflows of resources	(31,148)	-	(31,148)
Net cash provided by (used by) operating activities	<u>\$ (662,117)</u>	<u>\$ 2,912</u>	<u>\$ (659,205)</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2017, the District received \$109,547 of federal commodities.

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2017

	Private Purpose Trust - Scholarships	Agency Funds
Assets		
Cash, cash equivalents and pooled investments	\$ 16,598	\$ 28,353
Accrued interest receivable	-	-
Due from others	-	738,750
	16,598	767,103
Liabilities		
Accounts payable	-	737,625
Due to other funds	-	-
Due to others	-	29,478
	-	767,103
Net position		
Reserved for scholarships	\$ 16,598	\$ -

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Year ended June 30, 2017

	Private Purpose Trust - Scholarships
Additions:	
Local sources:	
Gifts and contributions	\$ 5,000
Interest income	565
Total additions	<u>5,565</u>
Deductions:	
Support services:	
Scholarships awarded	<u>5,250</u>
Total deductions	<u>5,250</u>
Change in net position	315
Net position beginning of year	<u>16,283</u>
Net position end of year	<u>\$ 16,598</u>

See notes to financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

(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 vocational and recreation 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 no component units which meet 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.

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:

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

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

B. Basis of Presentation - (continued)

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.

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:

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

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

B. Basis of Presentation - (continued)

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.

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.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

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

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

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 nonoperating 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.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

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.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity - (continued)

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 deferred 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, 2015 assessed property valuations; is for the tax accrual period July 1, 2016 through June 30, 2017 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2016.

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.

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. 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. 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	\$	2,000
Buildings and improvements		2,000
Improvements other than buildings		2,000
Intangibles		50,000
Furniture and equipment:		
School Nutrition Fund equipment		2,000
Other furniture and equipment		2,000
Vehicles		2,000

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity - (continued)

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 expense and contributions from the District after the measurement date but before the end of the District's reporting period.

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, 2017. 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.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity - (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 consist of property tax receivable and other receivables not collected within sixty days after year end.

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 the unamortized portion of the net difference between the projected and actual earnings on pension plan investments.

Fund Equity - 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.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2017 expenditures did not exceed the amounts budgeted, and the District did not exceed its General Fund unspent authorized budget.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

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

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, 2017 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 \$1,834,533 pursuant to Rule 2a-7 under the Investment Company Act of 1940. 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.

The District had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 72.

(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 \$2,280,604 for the year ended June 30, 2017, and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

(4) Capital Assets

Capital assets activity for the year ended June 30, 2017 is as follows:

	Balance, Beginning of Year	Increases	Decreases	Balance, End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,725,334	\$ 20,000	\$ -	\$ 1,745,334
Construction in progress	<u>2,199,870</u>	<u>4,725,260</u>	<u>2,527,014</u>	<u>4,398,116</u>
Total capital assets not being depreciated	<u>3,925,204</u>	<u>4,745,260</u>	<u>2,527,014</u>	<u>6,143,450</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	96,427,199	2,495,125	-	98,922,324
Improvements other than buildings	3,169,966	-	-	3,169,966
Furniture and equipment	3,001,826	284,749	13,938	3,272,637
Vehicles	3,879,885	475,055	373,009	3,981,931
Intangibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets being depreciated/amortized	<u>106,478,876</u>	<u>3,254,929</u>	<u>386,947</u>	<u>109,346,858</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	26,512,610	2,062,248	-	28,574,858
Improvements other than buildings	2,562,646	111,020	-	2,673,666
Furniture and equipment	2,255,849	320,293	13,938	2,562,204
Vehicles	2,715,870	333,177	373,009	2,676,038
Intangibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total accumulated depreciation/amortization	<u>34,046,975</u>	<u>2,826,738</u>	<u>386,947</u>	<u>36,486,766</u>
Total capital assets being depreciated/amortized, net	<u>72,431,901</u>	<u>428,191</u>	<u>-</u>	<u>72,860,092</u>
Governmental activities capital assets, net	<u>\$ 76,357,105</u>	<u>\$ 5,173,451</u>	<u>\$ 2,527,014</u>	<u>\$ 79,003,542</u>
Business type activities:				
Furniture, equipment, vehicles	\$ 791,499	\$ 46,680	\$ 13,406	\$ 824,773
Less accumulated depreciation	<u>674,108</u>	<u>33,109</u>	<u>13,406</u>	<u>693,811</u>
Business type activities capital assets, net	<u>\$ 117,391</u>	<u>\$ 13,571</u>	<u>\$ -</u>	<u>\$ 130,962</u>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

(4) Capital Assets - (continued)

Depreciation/amortization expense was charged to the following functions:

Governmental activities:

Instruction:	
Regular	\$ 95,986
Special	1,581
Other	28,110
Support services:	
Support staff	369
Instructional staff	10,395
Administration	16,092
Operation and maintenance of plant	157,931
Transportation	293,149
	603,613
Unallocated depreciation/amortization	2,223,125
	\$ 2,826,738
 Business type activities:	
School nutrition	\$ 33,109

(5) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2017 are summarized as follows:

	Balance, Beginning of Year	Additions	Reductions	Balance, End of Year	Due Within One Year
Governmental activities:					
General Obligation					
Bonds payable	\$ -	\$ 32,000,000	\$ -	\$ 32,000,000	\$ 1,045,000
Premium	-	906,121	-	906,121	66,961
	-	32,906,121	-	32,906,121	1,111,961
Revenue					
Bonds payable	16,095,000	-	16,095,000	-	-
Discount	(147,050)	-	(147,050)	-	-
	15,947,950	-	15,947,950	-	-
Revenue					
Bonds payable	6,420,000	-	860,000	5,560,000	880,000
Premium	35,385	-	5,055	30,330	5,055
	6,455,385	-	865,055	5,590,330	885,055
Revenue					
Bonds payable	-	15,580,000	1,220,000	14,360,000	1,085,000
Compensated absences					
Net pension liab.	204,631	195,742	204,631	195,742	195,742
Net OPEB liab.	22,471,549	6,348,891	-	28,820,440	-
	1,004,000	283,000	125,000	1,162,000	-
Total	\$ 46,083,515	\$ 55,313,754	\$ 18,362,636	\$ 83,034,633	\$ 3,277,758
Business type activities:					
Net pension liab.	\$ 458,603	\$ 129,569	\$ -	\$ 588,172	\$ -

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

(5) Long-Term Liabilities - (continued)

General Obligation bonds:

Details of the District's June 30, 2017 general obligation indebtedness are as follows:

Year Ending June 30,	Bond Issued February 7, 2017		
	Interest Rate	Principal	Interest
2018	4.000%	\$ 1,045,000	\$ 1,374,225
2019	4.000%	1,335,000	1,087,700
2020	4.000%	1,400,000	1,034,300
2021	4.000%	1,425,000	978,300
2022	4.000%	1,450,000	921,300
2023-2027	3.000%-5.000%	7,845,000	3,681,450
2028-2032	3.000%-3.125%	9,030,000	2,270,575
2033-2036	3.250%-3.500%	8,470,000	737,394
		\$ 32,000,000	\$ 12,085,244

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.

Revenue bonds:

Details of the District's June 30, 2017 School Infrastructure Sales, Services and Use Tax bonded indebtedness are as follows:

Year Ending June 30,	Bond Issued September 23, 2013			Bond Issued November 21, 2016		
	Interest Rate	Principal	Interest	Interest Rate	Principal	Interest
2018	2.000%	\$ 880,000	\$ 139,650	2.100%	\$ 1,085,000	\$ 301,560
2019	2.000%	900,000	122,050	2.100%	1,100,000	278,775
2020	2.000%	920,000	104,050	2.100%	1,120,000	255,675
2021	2.500%	950,000	81,050	2.100%	1,135,000	232,155
2022	2.500%	965,000	57,300	2.100%	1,160,000	208,320
2023-2027	3.000%	945,000	28,350	2.100%	6,135,000	667,065
2028-2032				2.100%	2,625,000	82,950
		\$ 5,560,000	\$ 532,450		\$ 14,360,000	\$ 2,026,500

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

(5) Long-Term Liabilities - (continued)

		Total	
	Principal	Interest	Total
	\$ 1,965,000	\$ 441,210	\$ 2,406,210
	2,000,000	400,825	2,400,825
	2,040,000	359,725	2,399,725
	2,085,000	313,205	2,398,205
	2,125,000	265,620	2,390,620
	7,080,000	695,415	7,775,415
	2,625,000	82,950	2,707,950
	\$ 19,920,000	\$ 2,558,950	\$ 22,478,950

The District has pledged future school infrastructure sales, services and use tax revenues to repay the \$9,950,000 of bonds issued September 23, 2013. These bonds were issued to (i) finance the completion of the construction, furnishing, and equipping of additions to the existing school buildings and related remodeling and improvements; (ii) fund a debt service reserve fund in the amount of \$995,000; and (iii) pay the cost of issuance of the Bonds. 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 \$6,092,450. For the current year, principle of \$860,000 and interest of \$156,850 was paid. Total stateside sales, services and use tax revenues were \$4,831,500.

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 \$16,386,500. For the current year, principle of \$1,220,000 and interest of \$172,678 was paid.

The advance refunding reduced total debt service payments over the next 12 years by more than \$4.6 million. This results in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$4 million.

(6) Construction Commitment

The District has entered into contracts for various building construction, improvement and roofing projects totaling \$21,669,238 as of June 30, 2017. Costs of \$4,398,116 on these contracts had been incurred as of June 30, 2017, \$2,898,769 had been paid, and \$1,499,347 was included in the accounts payable on the balance sheet. The balance of \$17,271,122 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, 2017

(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 by 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at 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, 2017

(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 2017, pursuant to the required rate, Regular members contributed 5.95% of pay and the District contributed 8.93% for a total rate of 14.88%.

The District's contributions to IPERS for the year ended June 30, 2017 were \$3,217,385.

Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2017, the District's liability for its proportionate share of the net pension liability totaled \$29,408,612. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the collective 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 the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2016, the District's proportion was 0.467299%, which was an increase of 0.003171% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$3,854,854. At June 30, 2017, 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	\$ 259,914	\$ 350,979
Changes of assumptions	448,684	-
Net difference between projected and actual earnings on IPERS investments	4,189,797	-
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	1,169,608	-
District contributions subsequent to the measurement date	3,217,385	-
	\$ 9,285,388	\$ 350,979

\$3,217,385 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, 2018

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

(7) Pension Plan (continued)

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,		
2018	\$	933,674
2019		933,674
2020		2,482,870
2021		1,362,299
2022		4,507
Total	\$	5,717,024

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions - The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of inflation (effective June 30, 2014)	3.00% per annum.
Rates of salary increases (effective June 30, 2010)	4.00 to 17.00% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 1996)	7.50% compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 1990)	4.00% per annum, based on 3.00% inflation and 1.00% real wage inflation

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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. 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
Core plus fixed income	28%	1.90%
Domestic equity	24%	5.85%
International equity	16%	6.32%
Private equity/debt	11%	10.31%
Real estate	8%	3.87%
Credit opportunities	5%	4.48%
U.S. TIPS	5%	1.36%
Other real assets	2%	6.42%
Cash	1%	-0.26%
Total	100%	

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

(7) Pension Plan (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. 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 7.5%, 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 (6.5%) or 1% higher (8.5%) than the current rate.

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$ 47,579,154	\$ 29,408,612	\$ 14,072,436

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.

Payables to IPERS- At June 30, 2017, 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.

(8) Other Postemployment Benefits (OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 571 active and 15 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through three fully-insured plans with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding which, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

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

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2017, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 279,000
Interest on net OPEB obligation	40,000
Adjustment to annual required contribution	(36,000)
Annual OPEB cost	283,000
Contributions made	(125,000)
Increase in net OPEB obligation	158,000
Net OPEB obligation beginning of year	1,004,000
Net OPEB obligation end of year	\$ 1,162,000

For calculation of the net OPEB obligation, the actuary has set the transition date as July 1, 2008. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2017.

For the year ended June 30, 2017, the District contributed \$0 to the medical plan. Plan members eligible for benefits contributed \$122,695, or 100% of the premium costs.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation are summarized as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 265,000	43.8%	\$ 1,004,000
2016	265,000	43.8%	1,004,000
2017	283,000	44.2%	1,162,000

Funded Status and Funding Progress - As of July 1, 2016, the most recent actuarial valuation date for the period July 1, 2016 through June 30, 2017, the actuarial accrued liability was \$2,088,000 with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,088,000. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$33,713,000, and the ratio of the UAAL to covered payroll was 6.19%. As of June 30, 2017, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the Retiree Health Plan, presented as Required Supplementary Information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

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

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2016 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% discount rate based on the Cedar Falls Community School District's funding policy. The projected annual medical trend rate is 7.5%. The ultimate medical trend rate is 4.5%. The medical trend rate is reduced 0.5% each year until reaching the 4.5% ultimate trend rate. An inflation rate of 3.5% is assumed for the purpose of this computation.

Mortality rates are from the RP2014 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities from the IPERS Actuarial Report as of June 30, 2015 and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2015.

Projected claim costs of the medical plan approximate \$867 per month for retirees under age 64. The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(9) Contingencies and Risk Management

At June 30, 2017, 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.

(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.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

(10) Tax Abatements (continued)

Tax Abatements of Other Entities

Property tax revenues of the District were reduced by the following amounts for the year ended June 30, 2017 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	\$ 155,168

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, 2017, this reimbursement amounted to \$0.

(11) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2017 is as follows:

Transfer to:	Transfer from:	
General Fund	\$ 1,852	
Capital Projects Fund: Physical Plant and Equipment Levy	250	Special Revenue Fund: Management Levy
	2,102	\$ 2,102
Debt Service Fund	4,979,119	Capital Projects Fund: Stateside Sales, Services and Use Tax
	\$ 4,981,221	4,979,119
		\$ 4,981,221

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

(12) Subsequent Events

Management has evaluated subsequent events through January 5, 2018, the date which the financial statements were available for issue.

On April 30, 2017, the District entered into a real estate contract with the Board of Regents, State of Iowa, for the use and benefit of the University of Northern Iowa, to purchase approximately 50 acres of land for \$1,240,000. Earnest money of \$20,000 was paid on May 31, 2017. Closing took place on October 10, 2017, and \$600,000 was paid as of that date. The balance of the contract of \$620,000 will be paid in two equal installments of \$310,000 on June 30, 2018 and June 30, 2019.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

(12) Subsequent Events (continued)

Subsequent to year end, construction contracts totaling \$19,759,529 were approved in July, 2017, primarily for the Orchard Hill and North Cedar addition and remodeling projects.

(13) New Accounting Pronouncement

The District adopted the tax abatement disclosure guidance set forth in Governmental Accounting Standards Board No. 77, *Tax Abatement Disclosures*. The Statement sets forth guidance for the disclosure of information about the nature and magnitude of tax abatements which will make these transactions more transparent to financial statement users. Adoption of the guidance did not have an impact on amounts reported in the financial statements. The Notes to Financial Statements include information about tax abatements of other entities which impact the District.

(14) Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement will be implemented for the fiscal year ending June 30, 2018. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with postemployment benefits other than pensions, including additional note disclosures and required supplementary information. In addition, the Statement of Net Position is expected to include a significant liability for the government's other postemployment benefits.

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, 2017

	Governmental Fund Types Actual	Proprietary Fund Type Actual
Revenues:		
Local sources	\$ 27,313,112	\$ 1,620,843
Intermediate sources	-	-
State sources	36,600,570	17,437
Federal sources	2,282,521	924,107
Total receipts	<u>66,196,203</u>	<u>2,562,387</u>
Expenditures		
Instruction	40,293,370	-
Support services	16,789,349	-
Non-instructional programs	-	2,421,671
Other expenditures	16,158,529	-
Total disbursements	<u>73,241,248</u>	<u>2,421,671</u>
Excess (deficiency) of revenues over (under) expenditures	(7,045,045)	140,716
Other financing sources, net	<u>32,959,599</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses and special items	25,914,554	140,716
Balance beginning of year	<u>20,289,099</u>	<u>350,371</u>
Balance end of year	<u><u>\$ 46,203,653</u></u>	<u><u>\$ 491,087</u></u>

See accompanying independent auditors' report.

Budget Adjustments	Total Actual	Budgeted Amounts		Final to Actual Variance- Positive (Negative)
		Original	Final	
\$ 2,812	\$ 28,931,143	\$ 28,758,247	\$ 28,758,247	\$ 172,896
-	-	-	-	-
-	36,618,007	36,418,693	36,418,693	199,314
-	3,206,628	2,729,619	2,729,619	477,009
<u>2,812</u>	<u>68,755,778</u>	<u>67,906,559</u>	<u>67,906,559</u>	<u>849,219</u>
1,933	40,291,437	40,700,355	41,444,549	1,153,112
-	16,789,349	16,392,197	17,005,312	215,963
-	2,421,671	2,575,266	2,575,266	153,595
-	16,158,529	12,361,198	34,912,469	18,753,940
<u>1,933</u>	<u>75,660,986</u>	<u>72,029,016</u>	<u>95,937,596</u>	<u>20,276,610</u>
879	(6,905,208)	(4,122,457)	(28,031,037)	21,125,829
-	32,959,599	17,500	17,500	32,942,099
879	26,054,391	(4,104,957)	(28,013,537)	54,067,928
<u>15,561</u>	<u>20,623,909</u>	<u>21,001,735</u>	<u>21,001,735</u>	<u>(377,826)</u>
<u>\$ 16,440</u>	<u>\$ 46,678,300</u>	<u>\$ 16,896,778</u>	<u>\$ (7,011,802)</u>	<u>\$ 53,690,102</u>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Budgetary Reporting

Year ended June 30, 2017

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 \$23,908,580.

During the year ended June 30, 2017, 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 Three Years*
(In Thousands)

Required Supplementary Information

	2017	2016	2015
District's proportion of the net pension liability	0.467299%	0.464128%	0.456693%
District's proportionate share of the net pension liability	\$ 29,408	\$ 22,930	\$ 18,112
District's covered employee payroll	\$ 30,330	\$ 28,891	\$ 27,130
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	96.96%	79.37%	66.76%
IPERS' net position as a percentage of the total pension liability	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 10 Years
(In Thousands)

Required Supplementary Information

	2017	2016	2015	2014
Statutorily required contribution	\$ 3,217	\$ 2,995	\$ 2,834	\$ 2,673
Contributions in relation to the statutorily required contribution	<u>(3,217)</u>	<u>(2,995)</u>	<u>(2,834)</u>	<u>(2,673)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 32,623	\$ 30,330	\$ 28,891	\$ 27,130
Contributions as a percentage of covered-employee payroll	9.86%	9.87%	9.81%	9.85%

See accompanying independent auditors' report.

2013	2012	2011	2010	2009	2008
\$ 2,445	\$ 2,176	\$ 1,806	\$ 1,784	\$ 1,552	\$ 1,398
<u>(2,445)</u>	<u>(2,176)</u>	<u>(1,806)</u>	<u>(1,784)</u>	<u>(1,552)</u>	<u>(1,398)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 25,639	\$ 24,538	\$ 23,802	\$ 23,706	\$ 22,838	\$ 21,472
9.54%	8.87%	7.59%	7.53%	6.80%	6.51%

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Notes to Required Supplementary Information - Pension Liability

Year ended June 30, 2017

Changes of benefit terms:

Legislation passed in 2010 modified benefit terms for current Regular members. The definition of final average salary changed from the highest three to the highest five years of covered wages. The vesting requirement changed from four years of service to seven years. The early retirement reduction increased from 3% per year measured from the member's first unreduced retirement age to a 6% reduction for each year of retirement before age 65.

Legislative action in 2008 transferred four groups - emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers - from Regular membership to the protection occupation group for future service only.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increased the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Funding Progress for the
Retiree Health Plan (in thousands)

Required Supplementary Information

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	July 1, 2008	\$ -	\$ 2,941	\$ 2,941	0.00%	\$ 25,060	11.74%
2011	July 1, 2010	-	1,648	1,648	0.00%	21,358	7.72%
2012	July 1, 2010	-	1,648	1,648	0.00%	21,847	7.54%
2013	July 1, 2012	-	2,406	2,406	0.00%	24,946	9.64%
2014	July 1, 2012	-	2,406	2,406	0.00%	26,676	9.02%
2015	July 1, 2014	-	2,034	2,034	0.00%	29,547	6.88%
2016	July 1, 2014	-	2,034	2,034	0.00%	30,760	6.61%
2017	July 1, 2016	-	2,088	2,088	0.00%	33,713	6.19%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress.

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Net Position
Component Unit

June 30, 2017

	Component Unit - Cedar Falls Community Schools Foundation
Assets	
Cash, cash equivalents and pooled investments	\$ 2,446,480
Accounts receivable	750
Fixed assets, net of depreciation	<u>-</u>
Total assets	<u>2,447,230</u>
Liabilities	<u>-</u>
Net position	
Unrestricted	<u><u>\$ 2,447,230</u></u>

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Statement of Changes in Net Position
Component Unit

Year ended June 30, 2017

	Component Unit - Cedar Falls Community Schools Foundation
Support and Revenue:	
Contributions	\$ 137,505
Investment earnings	69,689
Other revenue	160,558
Total support and revenue	<u>367,752</u>
Expenses:	
Instructional support	87,788
Operation and maintenance	15,207
Total expenses	<u>102,995</u>
Change in net position	264,757
Net position beginning of year	<u>2,182,473</u>
Net position end of year	<u>\$ 2,447,230</u>

See accompanying independent auditors' report.

Supplementary Information

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2017

	Special Revenue			
	Manage- ment Levy	Student Activity	Public Purpose Trust Fund	Total Special Revenue
Assets				
Cash, cash equivalents and pooled investments	\$ 939,918	\$ 601,690	\$ 16,440	\$ 1,558,048
Receivables:				
Property tax:				
Delinquent	2,318	-	-	2,318
Succeeding year	699,433	-	-	699,433
Accounts	-	1,083	-	1,083
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
	<u>\$ 1,641,669</u>	<u>\$ 602,773</u>	<u>\$ 16,440</u>	<u>\$ 2,260,882</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 9,484	\$ 17,305	\$ -	\$ 26,789
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>9,484</u>	<u>17,305</u>	<u>-</u>	<u>26,789</u>
Deferred Inflows of Resources:				
Unavailable revenues:				
Succeeding year property tax	699,433	-	-	699,433
	<u>699,433</u>	<u>-</u>	<u>-</u>	<u>699,433</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted for:				
Management levy purposes	932,752	-	-	932,752
Student activities	-	585,468	-	585,468
Public purpose trust funds	-	-	16,440	16,440
Total fund balances	<u>932,752</u>	<u>585,468</u>	<u>16,440</u>	<u>1,534,660</u>
	<u>\$ 1,641,669</u>	<u>\$ 602,773</u>	<u>\$ 16,440</u>	<u>\$ 2,260,882</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,641,669</u>	<u>\$ 602,773</u>	<u>\$ 16,440</u>	<u>\$ 2,260,882</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, 2017

	Special Revenue			Total Special Revenue Funds
	Manage- ment Levy	Student Activity	Public Purpose Trust Fund	
Revenues:				
Local sources:				
Local tax	\$ 498,179	\$ -	\$ -	\$ 498,179
Other	73,996	993,937	2,812	1,070,745
State sources	17,329	-	-	17,329
Federal sources	-	-	-	-
Total revenues	<u>589,504</u>	<u>993,937</u>	<u>2,812</u>	<u>1,586,253</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction	95,440	-	1,933	97,373
Special instruction	-	-	-	-
Other instruction	-	1,020,263	-	1,020,263
Support services:				
Student services	-	-	-	-
Instructional staff services	7,134	-	-	7,134
Administration services	509	-	-	509
Operating and maintenance of plant services	413,026	-	-	413,026
Transportation services	76,841	-	-	76,841
Other expenditures:				
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>592,950</u>	<u>1,020,263</u>	<u>1,933</u>	<u>1,615,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,446)</u>	<u>(26,326)</u>	<u>879</u>	<u>(28,893)</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(2,102)	-	-	(2,102)
Total other financing sources (uses)	<u>(2,102)</u>	<u>-</u>	<u>-</u>	<u>(2,102)</u>
Change in fund balances	(5,548)	(26,326)	879	(30,995)
Fund balances beginning of year	<u>938,300</u>	<u>611,794</u>	<u>15,561</u>	<u>1,565,655</u>
Fund balances end of year	<u>\$ 932,752</u>	<u>\$ 585,468</u>	<u>\$ 16,440</u>	<u>\$ 1,534,660</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, 2017

Account	Balance Beginning of Year	Revenues and Interfund Transfers	Expen- ditures	Intra- Fund Transfers	Balance End of Year
Investment income	\$ 64,022	\$ 2,567	\$ -	\$ -	\$ 66,589
Miscellaneous	24,821	21,951	23,900	(1,226)	21,646
Drama arts	19,129	9,027	8,897	130	19,389
Speech	1,624	-	592	1,000	2,032
Recog.-music/speech	5,553	1,295	2,750	-	4,098
Yearbook	90,404	33,925	29,481	(190)	94,658
Music/vocal	3,312	174,788	158,957	1	19,144
Music/orchestra	1,937	2,623	2,635	700	2,625
Music/band	3,152	16,992	18,111	486	2,519
Athletics	(51,282)	108,762	94,660	(11,283)	(48,463)
Athletic resale	11	2,156	989	(450)	728
Bowling	778	4,896	8,173	3,000	501
Track meets	6,723	11,495	14,145	2,500	6,573
Tennis	5,915	106	764	-	5,257
Golf	6,567	2,465	6,038	5,000	7,994
Cheerleaders	4,892	77,314	78,292	9,344	13,258
Pom poms	4,341	27,128	16,076	96	15,489
Basketball-boys	3,362	30,419	30,488	(3,052)	241
Football	(607)	54,660	34,331	(600)	19,122
Soccer-boys	1,820	4,248	4,947	1,500	2,621
Baseball	4,507	7,002	14,927	4,201	783
Track-boys	3,369	3,143	9,719	8,000	4,793
Swimming-boys	6,563	4,475	5,208	-	5,830
Wrestling	(1,656)	8,450	24,795	17,500	(501)
Basketball-girls	6,520	16,484	22,300	6,000	6,704
Volleyball	7,108	21,587	18,386	-	10,309
Soccer-girls	1,802	3,225	5,692	2,500	1,835
Softball	13,240	6,446	4,924	(80)	14,682
Track-girls	1,010	1,928	4,689	4,000	2,249
Swimming-girls	1,684	5,593	5,019	-	2,258
Concessions-Robinsen/Dresser	14,081	9,559	5,588	(7,218)	10,834
A.P.A.	(40,657)	8,509	9,716	-	(41,864)
Student Forum	75	-	-	-	75
A.V. Dept.	1,385	1,802	1,992	52	1,247
P.C.B.C.	45,654	1,094	-	(2,000)	44,748
Campus improvement	12,974	6,709	11,325	(2,096)	6,262
CFHS Memorial Fund	2,923	500	-	(675)	2,748
CHAT	-	-	-	-	-
Food Bank	1,855	6,038	9,963	2,902	832
DECA	459	10,913	10,218	600	1,754
Drug/alcohol prevention	448	-	-	-	448
English resource center	6,935	-	-	(90)	6,845
FBLA	53	-	-	-	53
Food service	195	-	-	-	195
General store	(614)	-	-	-	(614)
Activity tickets/Jr. high	4,552	29,279	470	(35,910)	(2,549)
Jr/Sr prom	(2,495)	8,808	5,307	(550)	456
Library	10,954	3,079	3,470	404	10,967
FTC	11,746	11,098	8,350	(395)	14,099
Mc Elroy Fund	1,871	2,756	2,385	(284)	1,958
Office education	(1,603)	-	-	-	(1,603)
M.R.C.	164	-	-	-	164

(continued)

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Special Revenue Fund, Student Activity Accounts

Year ended June 30, 2017

Account	Balance Beginning of Year	Revenues and Interfund Transfers	Expen- ditures	Intra- Fund Transfers	Balance End of Year
Pop	13,273	4,756	7,786	(317)	9,926
AP textbooks	7,176	645	350	-	7,471
Programs	509	2,224	1,600	-	1,133
Revolving	12,822	78,156	74,103	1,969	18,844
Science club	246	-	-	-	246
Faculty	994	430	1,561	-	(137)
T & I Club	(78)	-	-	-	(78)
Tiger Hi-Line	5,191	-	-	-	5,191
Y.F.U.	775	-	-	-	775
Student forum	5,567	10,296	10,908	(1,000)	3,955
Renaissance	-	-	-	-	-
Class of 2003	569	-	-	-	569
Class of 2004	691	-	-	-	691
Cancer funds	1,604	-	-	-	1,604
Class of 2008	1,550	-	-	-	1,550
Special needs	552	-	-	-	552
Tiger bizness	317	5,210	5,376	-	151
PTA	813	-	-	-	813
PTA	36,147	-	36,147	-	-
Student council	33,639	27,108	30,828	(982)	28,937
Pictures	27,072	12,419	14,618	358	25,231
Lego League	14,338	3,038	6,411	300	11,265
Student activities	16,869	3,780	4,363	(2,701)	13,585
Special Olympics	1,203	-	-	-	1,203
Math club	404	-	-	-	404
Tiger Time	234	4,020	2,943	(1,305)	6
Makerspace	10	-	-	-	10
Magazines	31,576	6,597	13,389	(3,284)	21,500
Student fundraisers club	2,006	-	-	-	2,006
Gym padlocks	1,332	400	-	-	1,732
Recycling	5,084	87	80	-	5,091
Alpha	2,923	-	-	-	2,923
Robotics	45,651	28,858	57,214	60	17,355
SADD	2,175	-	507	-	1,668
Video yearbook	121	-	-	-	121
Weight room	-	-	1,606	3,000	1,394
Culture Fair	7	-	-	-	7
Trapshooting	6,129	22,700	21,163	-	7,666
Drama clubs	8,063	14,132	6,439	-	15,756
Tech clubs	45	-	-	-	45
Choral/Dramatic	(50)	-	-	-	(50)
Echoes concessions	1,354	930	568	-	1,716
Amnesty International	213	95	-	-	308
PATT concessions	1,810	780	1,218	50	1,422
Brick Fundraiser	5,684	18	-	-	5,702
Art Club	1,552	154	301	-	1,405
Baseball Booster	-	-	-	-	-
AW	834	-	-	-	834
PLTW	97	-	5	35	127
Rocket Club	1,125	1,810	2,110	-	825
	<u>\$ 611,794</u>	<u>\$ 993,937</u>	<u>\$ 1,020,263</u>	<u>\$ -</u>	<u>\$ 585,468</u>

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
Capital Projects Accounts

June 30, 2017

	Capital Projects			Total
	GO Bond Proceeds	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	
Assets				
Cash, cash equivalents and pooled investments	\$29,309,855	\$ 7,782,800	\$ 4,040,416	\$41,133,071
Receivables:				
Property tax:				
Delinquent	-	-	15,819	15,819
Succeeding year	-	-	3,406,593	3,406,593
Accounts	-	-	-	-
Accrued interest	56,777	6,030	-	62,807
Due from other governments	-	402,208	-	402,208
	<u>\$29,366,632</u>	<u>\$ 8,191,038</u>	<u>\$ 7,462,828</u>	<u>\$45,020,498</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,586,669	\$ 6,325	\$ 228,776	\$ 1,821,770
Salaries and benefits payable	-	-	-	-
Total liabilities	<u>1,586,669</u>	<u>6,325</u>	<u>228,776</u>	<u>1,821,770</u>
Deferred Inflows of Resources:				
Unavailable revenues:				
Succeeding year property tax	-	-	3,406,593	3,406,593
	<u>-</u>	<u>-</u>	<u>3,406,593</u>	<u>3,406,593</u>
Fund balances:				
Restricted for:				
Debt service	-	-	-	-
School infrastructure	27,779,963	8,184,713	-	35,964,676
Physical plant and equipment	-	-	3,827,459	3,827,459
Total fund balances	<u>27,779,963</u>	<u>8,184,713</u>	<u>3,827,459</u>	<u>39,792,135</u>
	<u>\$29,366,632</u>	<u>\$ 8,191,038</u>	<u>\$ 7,462,828</u>	<u>\$45,020,498</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$29,366,632</u>	<u>\$ 8,191,038</u>	<u>\$ 7,462,828</u>	<u>\$45,020,498</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, 2017

	Capital Projects			Total
	GO Bond Proceeds	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	
Revenues:				
Local sources:				
Local tax	\$ -	\$ -	\$ 3,283,555	\$ 3,283,555
Other	100,081	52,038	63,400	215,519
State sources	-	4,831,500	100,165	4,931,665
Federal sources	-	-	-	-
Total revenues	<u>100,081</u>	<u>4,883,538</u>	<u>3,447,120</u>	<u>8,430,739</u>
Expenditures:				
Current:				
Instruction:				
Regular instruction	-	-	166,712	166,712
Special instruction	-	-	-	-
Other instruction	-	-	-	-
Support services:				
Student services	-	-	-	-
Instructional staff services	-	-	-	-
Administration services	-	2,000	141,899	143,899
Operating and maintenance of plant services	-	-	158,218	158,218
Transportation services	-	-	447,887	447,887
Other expenditures:				
Facilities acquisition and construction	5,101,417	1,779,175	1,887,880	8,768,472
Long -term debt:				
Interest and other charges	124,822	250	-	125,072
Total expenditures	<u>5,226,239</u>	<u>1,781,425</u>	<u>2,802,596</u>	<u>9,810,260</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,126,158)</u>	<u>3,102,113</u>	<u>644,524</u>	<u>(1,379,521)</u>
Other financing sources (uses):				
Proceeds from sales of real or personal property	-	-	4,467	4,467
General obligation bonds issued	32,000,000	-	-	32,000,000
General obligation bonds issued premium	906,121	-	-	906,121
Operating transfers in	-	-	250	250
Operating transfers out	-	(4,979,119)	-	(4,979,119)
Total other financing sources (uses)	<u>32,906,121</u>	<u>(4,979,119)</u>	<u>4,717</u>	<u>27,931,719</u>
Change in fund balances	27,779,963	(1,877,006)	649,241	26,552,198
Fund balances beginning of year	<u>-</u>	<u>10,061,719</u>	<u>3,178,218</u>	<u>13,239,937</u>
Fund balances end of year	<u>\$27,779,963</u>	<u>\$ 8,184,713</u>	<u>\$ 3,827,459</u>	<u>\$39,792,135</u>

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Fiduciary Assets and Liabilities

Agency Funds

Year ended June 30, 2017

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
Assets				
Cash, cash equivalents and pooled investments	\$ 68,071	\$ 3,646,772	\$ 3,686,490	\$ 28,353
Due from others	713,536	738,750	713,536	738,750
	<u>781,607</u>	<u>4,385,522</u>	<u>4,400,026</u>	<u>767,103</u>
Total assets	<u>\$ 781,607</u>	<u>\$ 4,385,522</u>	<u>\$ 4,400,026</u>	<u>\$ 767,103</u>
Liabilities				
Accounts payable	\$ 762,510	\$ 737,625	\$ 762,510	\$ 737,625
Due to other funds	335	-	335	-
Due to others	18,762	3,671,986	3,661,270	29,478
	<u>781,607</u>	<u>4,409,611</u>	<u>4,424,115</u>	<u>767,103</u>
Total liabilities	<u>\$ 781,607</u>	<u>\$ 4,409,611</u>	<u>\$ 4,424,115</u>	<u>\$ 767,103</u>

See accompanying independent auditors' report.

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Revenues by Source and Expenditures by Function

All Governmental Funds

For the Last Ten Years

	2017	2016	2015	2014
Revenues:				
Local sources:				
Local tax	\$ 22,485,509	\$ 21,081,789	\$ 21,261,265	\$ 26,947,506
Tuition	2,937,262	2,760,127	4,490,514	6,327,680
Other	1,890,341	1,807,832	1,803,536	1,747,736
State sources	36,600,570	33,120,500	32,008,518	25,394,763
Federal sources	2,282,521	2,153,972	2,081,670	2,656,205
	<u>\$ 66,196,203</u>	<u>\$ 60,924,220</u>	<u>\$ 61,645,503</u>	<u>\$ 63,073,890</u>
Expenditures:				
Instruction:				
Regular instruction	\$ 27,360,072	\$ 25,390,983	\$ 24,272,128	\$ 24,038,032
Special instruction	7,680,596	7,113,626	7,107,009	6,691,764
Other instruction	5,252,702	5,153,356	6,630,397	7,247,235
Support services:				
Student services	1,625,721	1,578,255	1,523,678	1,691,188
Instructional staff services	1,966,626	1,814,357	1,709,134	1,547,129
Administration services	6,146,806	6,063,674	5,722,790	5,585,773
Operation and maintenance of plant services	4,885,892	4,582,929	4,453,088	4,520,518
Transportation services	2,164,304	1,912,068	1,843,511	1,703,982
Other expenditures:				
Facilities acquisition and construction	8,768,472	1,987,716	4,079,170	10,081,475
Long-term debt:				
Principal	2,080,000	1,775,000	2,220,000	2,235,000
Interest and other charges	3,029,453	1,005,441	1,059,159	1,100,464
AEA flowthrough	2,280,604	2,192,843	2,132,291	2,052,254
	<u>\$ 73,241,248</u>	<u>\$ 60,570,248</u>	<u>\$ 62,752,355</u>	<u>\$ 68,494,814</u>

See accompanying independent auditors' report.

Modified Accrual Basis

2013	2012	2011	2010	2009	2008
\$ 25,250,148	\$ 23,292,769	\$ 22,492,144	\$ 22,318,784	\$ 21,484,048	\$ 19,327,239
6,215,310	2,517,523	2,308,568	2,153,596	1,963,269	2,138,692
1,745,114	1,574,806	1,621,478	1,878,786	1,749,316	2,086,376
24,493,545	24,626,293	21,450,797	17,994,493	20,934,389	19,951,468
1,928,685	2,432,186	2,301,223	4,581,606	1,495,445	1,085,547
<u>\$ 59,632,802</u>	<u>\$ 54,443,577</u>	<u>\$ 50,174,210</u>	<u>\$ 48,927,265</u>	<u>\$ 47,626,467</u>	<u>\$ 44,589,322</u>
\$ 21,896,495	\$ 21,562,482	\$ 19,480,531	\$ 18,736,430	\$ 17,780,433	\$ 16,609,178
6,490,150	6,825,387	6,558,307	6,247,935	5,673,623	5,495,881
8,059,569	4,235,767	4,127,564	3,743,650	4,117,251	3,508,710
1,264,113	1,117,153	1,215,980	1,169,510	1,144,030	1,088,585
1,358,477	1,391,869	1,353,387	1,333,883	1,300,243	1,212,844
5,003,083	4,823,745	4,495,179	4,274,983	3,993,170	3,796,461
3,982,925	3,800,984	3,552,168	3,708,966	3,360,535	3,327,109
1,599,625	1,428,608	1,109,410	1,469,613	1,363,560	983,877
10,268,105	8,284,764	8,215,722	14,636,512	4,416,650	2,941,763
860,000	845,000	10,000,000	-	-	5,000,000
910,141	990,232	358,845	265,400	132,700	175,400
1,929,402	1,925,667	1,952,999	1,875,964	1,595,539	1,477,405
<u>\$ 63,622,085</u>	<u>\$ 57,231,658</u>	<u>\$ 62,420,092</u>	<u>\$ 57,462,846</u>	<u>\$ 44,877,734</u>	<u>\$ 45,617,213</u>

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year ended June 30, 2017

Grantor/Program	CFDA Number	Grant Number	Program Expenditures
Direct:			
U.S. Department of Education:			
Carol M. White Physical Education Program (PEP)	84.215F	FY17	<u>\$ 218,318</u>
Total U.S. Department of Education			<u>218,318</u>
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Food Distribution (non-cash)	10.550	FY17	<u>109,547</u>
Child Nutrition Cluster:			
School Breakfast Program	10.553	FY17	189,422
National School Lunch Program	10.555	FY17	<u>625,138</u>
			<u>814,560</u>
Total U.S. Department of Agriculture			<u>924,107</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Education Agencies	84.010	FY17	<u>478,757</u>
Vocational Education - Basic Grants to States	84.048A	FY17	<u>31,579</u>
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	FY17	<u>41,720</u>
Advanced Placement Program	84.330	FY17	<u>380</u>
English Language Acquisition Grants	84.365	FY17	<u>1,554</u>
Improving Teacher Quality State Grants	84.367	FY17	<u>146,512</u>
Grants for State Assessments and Related Activities	84.369	FY17	<u>10,540</u>
Area Education Agency 267:			
Special Education - Grants to States (IDEA)	84.027	FY17	<u>236,498</u>
Total U.S. Department of Education			<u>947,540</u>
U.S. Department of Health & Human Services:			
Tri-County Child & Family Development Council, Inc.:			
Head Start	93.600	FY17	<u>142,195</u>
Total U.S. Department of Health & Human Services			<u>142,195</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,232,160</u></u>

(continued)

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year ended June 30, 2017

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Cedar Falls Community School District under programs of the federal government for the year ended June 30, 2017. 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, as applicable, either the cost principles in OMB Circular A-87, *Cost principles for State, Local and Indian Governments*, or 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.

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 *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, 2017, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 5, 2018.

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 to determine the audit procedures 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

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, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. 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 non-compliance 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, 2017 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.

Cedar Falls Community School District's Responses to Findings

Cedar Falls Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Cedar Falls Community School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.

Carney, Alexander, Marsold & Co., L.L.P.

Waterloo, Iowa
January 5, 2018

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

We have audited Cedar Falls Community School District's compliance with the types of compliance requirements described in 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, 2017. Cedar Falls Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Cedar Falls Community School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cedar Falls Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of Cedar Falls Community School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Cedar Falls Community School District complied, in all material respects, with the types of 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, 2017.

Report on Internal Control Over Compliance

The management of Cedar Falls Community School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cedar Falls Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cedar Falls Community School District's internal control over compliance.

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 is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility 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 compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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, as defined above.

Purpose of this Report

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.

Carney, Alexander, Marold & Co., L.L.P.

Waterloo, Iowa
January 5, 2018

CEDAR FALLS COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year ended June 30, 2017

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:
 - CFDA Number 84.010 - Title I Grants to Local Education Agencies
 - CFDA Number 84.027 - Special Education - Grants to States (IDEA)
- (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, 2017

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, 2017

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, 2017

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-17 Certified Budget - Expenditures for the year ended June 30, 2017 did not exceed the amended certified budget amounts.
- IV-B-17 Questionable Disbursements - We noted no disbursements that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-17 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-17 Business Transactions - We noted no business transactions between the District and District officials or employees.
- IV-E-17 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-F-17 Board Minutes - We noted no transactions requiring Board approval which had not been approved by the Board.
- IV-G-17 Certified Enrollment - We noted no variances in the basic enrollment data certified to the Iowa Department of Education.
- IV-H-17 Supplementary Weighting - We noted no variances regarding the supplementary weighting certified to the Iowa Department of Education.
- IV-I-17 Deposits and Investments - We noted 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.
- IV-J-17 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-K-17 Categorical Funding - No instances were noted of categorical funding used to supplant rather than supplement other funds.
- IV-L-17 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, 2017

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

IV-L-17 Statewide Sales and Services Tax (continued)

For the year ended June 30, 2017, the District reported the following information regarding the statewide sales, services and use tax revenue in the District's CAR:

Beginning balance			\$ 10,061,719
Revenues/transfers in:			
Sales tax revenues	\$ 4,831,500		
Other local revenues	52,038		
Sale of long-term debt	-		
	4,883,538		14,945,257
Expenditures/transfers out			
School infrastructure construction	1,779,175		
Other	2,250		
Transfers to other funds:			
Debt service fund	4,979,119		
	6,760,544		6,760,544
Ending balance			\$ 8,184,713

For the year ended June 30, 2017, 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:

Monica M. Haag, CPA, Partner

Janel Ruzicka, CPA, Manager

Steven Taylor, CPA

Derek Kupris, CPA

Cedar Falls Community Schools
1002 West First Street, Cedar Falls, Iowa 50613-2214
Phone: 319-553-3000 Fax: 319-277-0614
Web Site: www.cfschools.org



ADMINISTRATION

Dr. Andrew Pattee, Ed.D., *Superintendent*
Daniel E. Conrad, *Secondary Education*
Douglas J. Nefzger, *Business Affairs*
Adrian P. Talbot, Ed.D., S.P.H.R., *Human Resources*
Pamela J. Zeigler, *Elementary Education*

Educating each student to be a lifelong learner and a caring, responsible citizen

Summary Schedule of Prior Federal Audit Findings

Year ended June 30, 2017

<u>Comment Reference</u>	<u>Comment Title</u>	<u>Status</u>	<u>If not corrected, provide planned corrective action or other explanation</u>
--------------------------	----------------------	---------------	---

There were no prior federal audit findings in the report for the year ended June 30, 2016.

Cedar Falls Community Schools
1002 West First Street, Cedar Falls, Iowa 50613-2214
Phone: 319-553-3000 Fax: 319-277-0614
Web Site: www.cfschools.org



ADMINISTRATION

David W. Stoakes, Ed.D., *Superintendent*
Daniel E. Conrad, *Secondary Education*
Douglas J. Nefzger, *Business Affairs*
Adrian P. Talbot, Ed.D., S.P.H.R., *Human Resources*
Pamela J. Zeigler, *Elementary Education*

Educating each student to be a lifelong learner and a caring, responsible citizen

Corrective Action Plan for Federal Audit Findings

Year ended June 30, 2017

<u>Number</u>	<u>Comment Title</u>	<u>Corrective Action Plan</u>	<u>Contact Person Title Phone Number</u>	<u>Anticipated Date of Completion</u>
---------------	----------------------	-------------------------------	--	---

There were no federal audit findings required to be reported in accordance with Uniform Guidance for the year ended June 30, 2017.