

CARLISLE COMMUNITY SCHOOL DISTRICT
CARLISLE, IOWA

INDEPENDENT AUDITOR'S REPORTS
BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2019

TABLE OF CONTENTS

	Page
OFFICIALS	4
INDEPENDENT AUDITOR’S REPORT	5-6
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	7-18
BASIC FINANCIAL STATEMENTS:	
Exhibit	
Government-Wide Financial Statements:	
A Statement of Net Position	20-21
B Statement of Activities	22-25
Governmental Fund Financial Statements:	
C Balance Sheet	26-27
D Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	28
E Statement of Revenues, Expenditures and Changes in Fund Balances	29-30
F Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	31-32
Proprietary Fund Financial Statements:	
G Statement of Fund Net Position	33
H Statement of Revenues, Expenses and Changes in Fund Net Position	34
I Statement of Cash Flows	35-36
Fiduciary Fund Financial Statements:	
J Statement of Fiduciary Net Position	37
K Statement of Changes in Fiduciary Net Position	38
Notes to Financial Statements	39-62
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule of Revenues, Expenditures/Expenses and Changes in Balances – Budget and Actual – All Governmental Funds and Proprietary Fund	64
Notes to Required Supplementary Information – Budgetary Reporting	65
Schedule of the District’s Proportionate Share of the Net Pension Liability	66-67
Schedule of District Contributions	68-69
Notes to Required Supplementary Information – Pension Liability	70
Schedule of Changes in the District’s Total OPEB Liability, Related Ratios and Notes	71
SUPPLEMENTARY INFORMATION:	
Schedule	
Nonmajor Governmental Funds:	
1 Combining Balance Sheet	74
2 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	75
Capital Projects Fund Accounts:	
3 Combining Balance Sheet	76
4 Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	77
Nonmajor Internal Services Fund:	
5 Combining Schedule of Fund Net Position	78
6 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	79
7 Combining Schedule of Cash Flows	80
8 Schedule of Changes in Special Revenue Fund, Student Activity Accounts	81-82
9 Schedule of Changes in Fiduciary Assets and Liabilities – Agency Fund	83

TABLE OF CONTENTS
(continued)

	Page
SUPPLEMENTARY INFORMATION (continued):	
Schedule (continued)	
10 Schedule of Revenues by Source and Expenditures by Function - All Governmental Funds	84-85
11 Schedule of Expenditures of Federal Awards	86-87
 INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	88-89
 INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	90-91
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS	92-97

CARLISLE COMMUNITY SCHOOL DISTRICT

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
<u>Board of Education</u>		
Kyle Chambers	President	2019
Art Hill	Vice President	2019
Harry Shipley	Board Member	2021
Cody Woodruff	Board Member	2021
Jerimie Eginoire	Board Member	2021
<u>School Officials</u>		
Bryce Amos	Superintendent	2020
Jean Flaws	District Secretary/Treasurer and Business Manager	2019
Ahlers & Cooney, P.C. Andrew Bracken	Attorney	Indefinite

DOUGLAS T. HUNT, CPA
DONALD D. KAIN
CHUCK C. CONVERSE, CPA
RUSSELL S. TERPSTRA, CPA
MICHAEL G. STANLEY, CPA
DEE A.A. HOKE, CPA

HUNT & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1201 HIGH AVENUE WEST
OSKALOOSA, IA 52577
641/672-2541
FAX 641/672-2461

317 EAST ROBINSON
KNOXVILLE, IA 50138
641/842-3184
FAX 641/828-7404

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Carlisle 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 Carlisle Community School District, Carlisle, Iowa, as of and for the year ended June 30, 2019 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.

Auditor's 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, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 11 of the Code of Iowa. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Carlisle Community School District as of June 30, 2019, 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*Required Supplementary Information*

U.S. generally accepted accounting principles require Management's Discussion and Analysis, the Budgetary Comparison Information, the Schedule of the District's Proportionate Share of the Net Pension Liability, the Schedule of District Contributions and the Schedule of Changes in the District's Total OPEB Liability, Related Ratios and Notes on pages 7 through 18 and 64 through 71 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 Carlisle 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, 2018 (which are not presented herein) and expressed unmodified opinions on those financial statements. The supplementary information included in Schedules 1 through 11, 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 financials 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 15, 2019 on our consideration of Carlisle 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the District's 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 Carlisle Community School District's internal control over financial reporting and compliance.

Hunt & Associates, P.C.

Oskaloosa, Iowa
November 15, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Carlisle Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2019. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Because the District has implemented new reporting standards last fiscal year, comparisons are made in explaining the District's financial position and results of operations.

Financial Highlights

- General Fund revenues increased from \$20,431,062 in fiscal year 2018 to \$21,223,499 in fiscal year 2019 and General Fund expenditures increased from \$20,158,408 in fiscal year 2018 to \$20,710,641 in fiscal year 2019. The General Fund balance as of June 30, 2019 was \$7,249,157 compared to \$6,736,299, June 30, 2018.
- The increase in General Fund revenues was attributable to an increase in the state percent of growth and an increase in property tax valuation. The increase in General Fund expenditures was primarily attributable to an increase in staff FTE and curriculum purchases.
- In December, 2016, the District received revenue from PPEL loan notes in the amount of \$4,520,000 to help finance the high school infrastructure/band room project which began the fall of 2016 and completed in January, 2018. The loan notes will be paid off in June, 2028.
- The District closed on \$15,000,000 in bonds July 11, 2018. These were part of the \$17,000,000 bond issue passed by the public April 3, 2018.

Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *Government-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *Fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements. Fund statements include the following:

The statements for *governmental funds* explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.

The statements for *proprietary funds* offer short-term and long-term financial information about the activities the District operates like businesses, such as food services.

The statements for *fiduciary funds* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

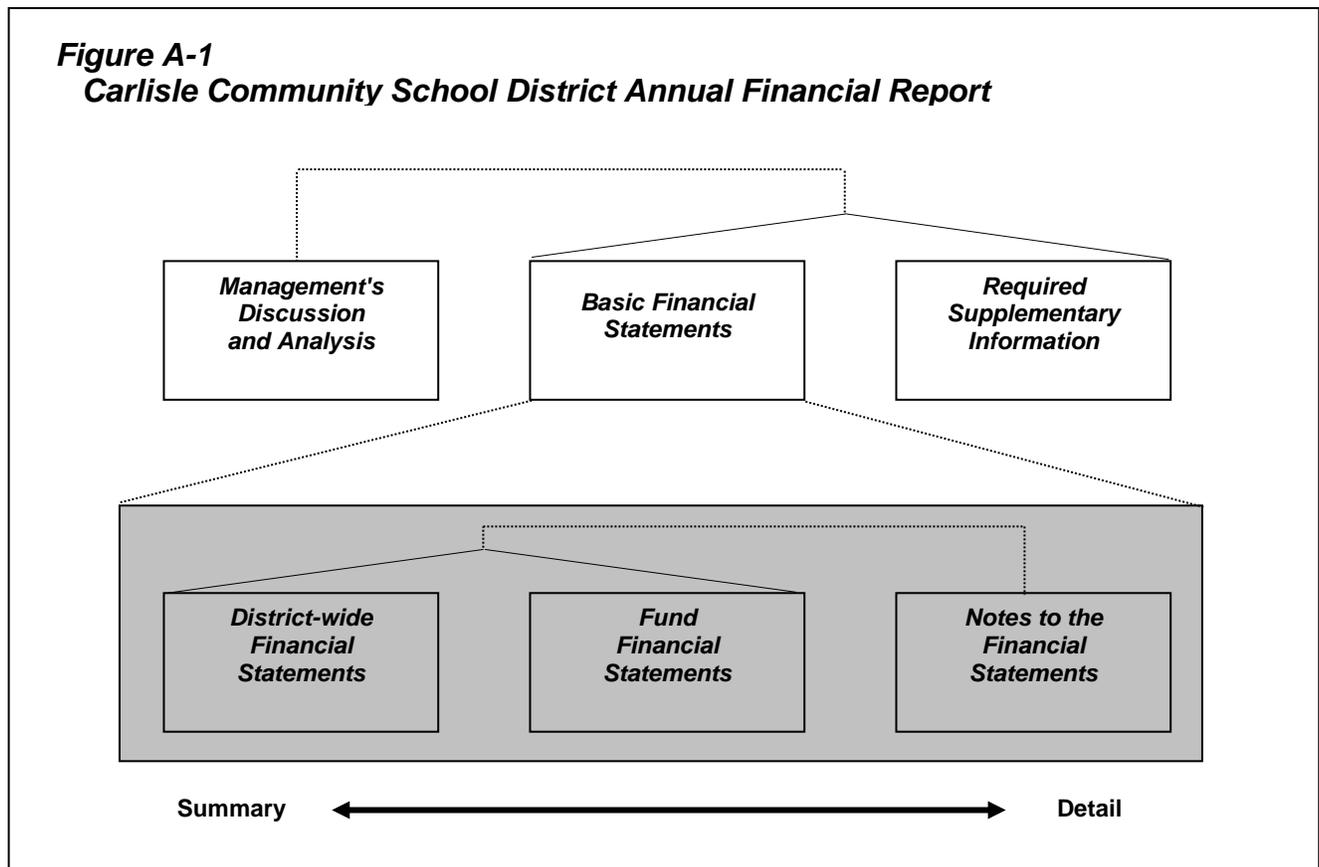


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
	District-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of fund net position • Statement of revenues, expenses and changes in fund net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of deferred outflow / inflow information	Consumption/ acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of fund balance that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period	Consumption/ acquisition of net position that is applicable to a future reporting period
Type of inflow / outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position is an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business-type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program, Building Trades student built housing, and the Adult Education program activities are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The required financial statements for governmental funds include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.
 - The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.

- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The required financial statements for proprietary funds include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows.
 - The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has two enterprise funds, the School Nutrition Fund, and the Building Trades Fund.
- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others. These funds include Private-Purpose Trust funds. The required financial statements for fiduciary funds include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.
 - Private-Purpose Trust Fund – The District accounts for outside donations to be used as set forth in the establishment of the fund.
 - The District is responsible for ensuring that the assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District as a Whole

Net Position - Figure A-3 below provides a summary of the District's net position for the year ended June 30, 2019 compared to June 30, 2018.

Figure A-3 Condensed Statement of Net Position	Governmental		Business-type		Total		Total
	Activities		Activities		School District		% Change
	2019	2018	2019	2018	2019	2018	2018-2019
Current and other assets	30,186,189	20,422,058	459,826	363,117	30,646,015	20,785,175	47.44%
Capital assets	38,830,357	31,953,140	218,242	262,384	39,048,599	32,215,524	21.21%
Total assets	69,016,546	52,375,198	678,068	625,501	69,694,614	53,000,699	31.50%
Deferred outflows of resources	3,076,480	3,343,822	69,677	82,281	3,146,157	3,426,103	-8.17%
Long-term obligations	39,456,226	26,060,472	291,485	304,343	39,747,711	26,364,815	50.76%
Other liabilities	3,123,501	2,843,476	61,538	67,856	3,185,039	2,911,332	9.40%
Total liabilities	42,579,727	28,903,948	353,023	372,199	42,932,750	29,276,147	46.65%
Deferred inflows of resources	6,990,001	6,405,668	14,889	7,598	7,004,890	6,413,266	9.23%
Net position:							
Net investment in capital assets	11,213,270	17,908,140	218,242	262,384	11,431,512	18,170,524	-37.09%
Restricted	13,698,365	4,778,172	-	-	13,698,365	4,778,172	186.69%
Unrestricted	-2,388,337	-2,276,908	161,591	65,601	-2,226,746	-2,211,307	-.70%
Total net position	22,523,298	20,409,404	379,833	327,985	22,903,131	20,737,389	10.44%

The District's combined net position was \$22,903,131 at June 30, 2019, an increase of 10.44% from FY 2018.

Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 was implemented during FY 2015. In the past, pension expense was the amount of the employer contribution. Current reporting provides a more comprehensive measure of pension expense which is more reflective of the amounts employees earned during the year.

Changes in net position – Figure A-4 shows the District's revenues and expenses for the year ended June 30, 2019 as compared to the year ended June 30, 2018. The figure also shows the change in net position by subtracting the expenses from the revenues. The District's improved financial position is the product of many factors.

Property and other tax revenues of \$8,295,104 and unrestricted state grants of \$11,360,214 account for 71.4 percent of the District's total revenues in FY 2019. The District's expenses primarily relate to instruction and support services which account for 84.4 percent of the total expenses.

Figure A-4 Changes in Net Position	Governmental Activities		Business-type Activities		Total School District		Total % Change
	2019	2018	2019	2018	2019	2018	2018-19
Revenues:							
Program revenues:							
Charges for service and sales	2,031,022	1,995,528	540,719	1,042,461	2,571,741	3,037,989	-15.35%
Operating grants, contributions and restricted interest	3,819,763	3,781,909	515,134	457,068	4,334,897	4,238,977	2.26%
Capital grants, contributions and restricted interest	-	-	-	-	-	-	-
General revenues:							
Property and other taxes	8,295,104	7,741,615	-	-	8,295,104	7,741,615	7.15%
Unrestricted state grants	11,360,214	10,970,254	-	-	11,360,214	10,970,254	3.55%
Unrestricted investment earnings	379,345	32,077	737	430	380,082	32,507	1069.23%
Capital Contributions	-	-	-	-	-	-	-
Other	600,742	178,145	1,100	-29,354	601,842	148,791	304.49%
Total revenues	26,486,190	24,699,528	1,057,690	1,470,605	27,543,880	26,170,133	5.25%
Program expenses:							
Governmental activities:							
Instruction	14,140,491	13,532,227			14,140,491	13,532,227	4.49%
Support services	7,310,056	6,942,534		5,864	7,310,056	6,948,398	5.20%
Non-instructional programs			1,005,842	1,447,323	1,005,842	1,447,323	-30.50%
Other expenses	2,921,749	2,232,431			2,921,749	2,232,431	30.88%
Total expenses	24,372,296	22,707,192	1,005,842	1,453,187	25,378,138	24,160,379	5.04%
Change in net position	2,113,894	1,992,336	51,848	17,418	2,165,742	2,009,754	7.76%
Net position beginning of year	20,409,404	18,417,068	327,985	310,567	20,737,389	18,727,635	10.73%
Net position end of year	22,523,298	20,409,404	379,833	327,985	22,903,131	20,737,389	10.44%

Governmental Activities

Revenues for governmental activities were \$26,486,190 and expenses were \$24,372,296. The following table presents the total and net cost of the District’s major governmental activities: instruction, support services and other expenses.

Figure A-5				
Total and Net Cost of Governmental Activities				
	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction	14,140,491	13,532,227	9,416,782	8,869,560
Support services	7,310,056	6,942,534	7,039,813	6,641,918
Other expenditures	2,921,749	2,232,431	2,064,916	1,418,277
Totals	24,372,296	22,707,192	18,521,511	16,929,755

- The cost financed by users of the District’s programs was \$2,031,022.
- Federal and state governments subsidized certain programs with grants and contributions totaling \$3,819,763.
- The remaining cost of governmental activities was financed with \$8,295,104 in property and other taxes, \$11,360,214 in state foundation aid, \$379,345 in interest income and \$600,742 in other miscellaneous revenue.

Business-Type Activities

Revenues of the District’s business-type activities were \$1,057,690 and expenses were \$1,005,842. The District’s business-type activities include the School Nutrition and Building Trades Funds. Revenues of these activities were comprised of charges for service, federal and state reimbursements, and investment income. Expenses in the District’s business-type activities are recorded primarily as non-instructional programs.

Financial Analysis of the District’s Funds

As previously noted, the Carlisle Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$19,942,726 at June 30, 2019, an increase of \$9,432,975 or 89.75 percent over the prior year.

Governmental Fund Highlights

- The school board has emphasized they wish to maintain a 3 month reserve as a back up in case of future cuts. The district has rebuilt cash reserves after previous state aid cuts reduced the district's cash reserves.
- The General Fund balance increased from \$6,736,299 to 7,249,157.
- The Capital Projects Fund currently consists of the Physical Plant and Equipment Levy (PPEL) and the Local Option Sales Tax Fund. The total balance as of June 30, 2019 was \$10,935,883 which is an increase of \$8,958,837 from June 30, 2018.
- The balance of the Physical Plant and Equipment Levy (PPEL) Account within the Capital Projects Fund increased from \$99,228 in fiscal year 2017-2018 to 182,373 in fiscal year 2018-2019. Funds were used on the high school project (high school infrastructure and new band room), technology services and equipment, student information system, maintenance equipment, final payment on the parking lot project and PPEL loan note payment. Patrons voted to re-instate the voter approved PPEL levy not to exceed an amount of \$1.34 for a period of ten years beginning July 1, 2008 and then voted on September 18, 2015 to extend the voter-approved PPEL again for another ten years beginning July 1, 2018.
- The Local Option Sales Tax Fund within the Capital Projects Fund increased from \$1,877,685 in fiscal year 2017-2018 to \$1,941,709 in fiscal year 2018-2019. Funds were used for phase 1 and phase 2 of the high school project and repayment of sales tax bonds (used for prior renovations to the athletic facility and the Hartford and high school buildings).
- The Debt Service Fund balance increased from \$748,815 in fiscal year 2018 to \$772,916 in fiscal year 2019, an increase of 3.21 percent.

Proprietary Fund Highlights

The School Nutrition Fund net position increased from \$260,537 at June 30, 2018 to \$313,736 at June 30, 2019. Revenues for the School Nutrition Fund totaled \$1,057,130. Expenses for the School Nutrition Fund totaled \$1,003,931, resulting in the \$53,199 increase in fund net position.

Budgetary Highlights

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 its private-purpose trust and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the cash basis. Over the course of the year, the District amended its annual operating budget two times to reflect additional revenue that was received along with expenses associated with the capital project activity and capital loan note for updating technology equipment. A schedule showing the original and final budget amounts compared to the District's actual financial activity is included in the required supplementary information section of this report.

Legal Budgetary Highlights

The District's total actual revenues were \$461,347 more than the total budgeted revenues, a variance of 1.72%.

Total expenditures were \$6,566,566 less than budgeted, a variance of 16.3%. The District's certified budget should always exceed the actual expenditures during the year in total. The certified budget is based on expenditures in four function areas of instruction, support services, non-instructional programs and other expenditures. The District did exceed the budgeted amount in the area of support services.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2019, the District had invested \$39,048,599 net of accumulated depreciation of \$15,445,448 in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment (see Figure A-6). More detailed information about capital assets is available in Note 5 to the financial statements. Depreciation expense for the year totaled \$1,408,220.

The original cost of the District's capital assets was \$54,494,647. Governmental funds account for \$53,673,681 with the remainder of \$820,366 in the Proprietary, School Nutrition Fund.

The largest change in capital asset activity during the year occurred in construction in progress with the start of the indoor activity center.

Figure A-6 shows a comparative summary of the net investments in capital assets.

	Figure A-6					
	Capital Assets, net of Depreciation					
	Governmental Activities		Business-type Activities		Total School District	
	2019	2018	2019	2018	2019	2018
Land	481,177	481,177			481,177	481,177
Construction in progress	7,096,004	778,181			7,096,004	778,181
Buildings	29,513,716	29,392,890			29,513,716	29,392,890
Furniture and equipment	1,739,460	1,300,892	218,242	262,384	1,957,702	1,563,276
Totals	38,830,357	31,953,140	218,242	262,384	39,048,599	32,215,524

Long-Term Liabilities

At June 30, 2018, the District had \$39,747,711 in general obligation bonds and other long-term liabilities outstanding. This represents an increase of approximately 50.76 percent from last year (see Figure A-7). More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

In December 2005 and April 2006 a total of \$9,000,000 in bonds were sold to fund the middle school construction project. Payments began in FY 2007 with final payment in FY 2022.

The District began a surplus debt service levy in FY 2013. The levy in FY 2013 generated \$420,000, \$475,000 in FY 2014, \$505,000 in FY 2015, \$565,000 in FY 2016, \$665,000 in FY 2017 and \$745,000 in FY 2018. The additional funds have been used to pay down debt for the general obligation bonds as they became callable, which has saved the district interest.

In May of 2009, the District received money from the sale of sales tax revenue bonds in the amount of \$11,325,000 to fund remodeling and construction projects at the high school building, athletic field and the Hartford building. The District refinanced these sales tax revenue bonds in December, 2015 with final payment in FY 2030.

In December of 2016, the District received proceeds from the sale of PPEL loan notes in the amount of \$4,520,000 to fund the high school renovation and band room project. The final payment is scheduled June, 2028.

A \$17,000,000 bond issue was approved by District patrons April 3, 2018. \$15,000,000 in bonds were sold July 11, 2018.

Figure A-7
Outstanding Long-Term Obligations

	Total School District		Total Change
	2019	2018	2018-2019
Capital Lease	502,087	66,336	6.56885
General obligation bond notes	3,465,000	3,815,000	-0.09174
General obligation bonds	15,485,000	1,395,000	10.10036
Revenue bonds	8,165,000	8,835,000	-0.07583
Compensated absences	7,498	9,378	-0.20047
Total OPEB liability	1,516,960	1,375,001	0.10324
Net pension liability	10,606,166	10,869,100	-0.02419
Totals	39,747,711	26,364,815	0.50760

Factors Bearing on the District's Future

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

- The budget enrollment for the 2018-2019 fiscal year was the certified enrollment of 1943.73 for the 2017-2018 school year, an increase in certified enrollment of 41.48. The certified enrollment count for the 2018-2019 school year was 1981.45, an increase of 37.72 for the budget enrollment for the 2019-2020 fiscal year.
- The District continues to have a positive gain in the number of students open enrolling into the District vs. open enrolling out of the District. The net gain for 2018-2019 was 159, an increase of 22 from the previous year. The District does monitor class sizes annually and has had to close certain grade levels to open enrollment because of class size and classroom space. For the 2018-2019 school year, the District made the determination to close open enrollment for fifth grade and for the 2019-2020 school year, sixth grade will be closed to open enrollment.
- The District evaluated the condition of its transportation vehicles and purchased a bus from the general fund along with a bus on a purchase lease for three years during 2016-2017. The District continually monitors the fleet of vehicles to determine transportation needs and possible replacement of older buses and other vehicles. The District entered into a five-year lease purchase for seven buses in 2018-2019.
- Increasing medical insurance costs always plays a big factor in negotiating with the Carlisle Community Education Association (CCEA). The District does partial-self fund the health insurance. Insurance packages and premiums are reviewed annually. The District will continue to monitor the cost of insurance premiums and District coverage liability.
- A special election was held on January 13, 2004 asking Warren County residents to pass a Local Option Sales Tax. Income from this tax did not start until July 1, 2004 and was collected for a 10 year period. Polk County Local Option Sales Tax began July 1, 2001 and ended June 30, 2010. The revenue from sales tax in both counties is funding the revenue bond issue that was approved FY 2004 and sold in FY 2005. The State Legislature passed legislation for a statewide penny in the spring of 2008. The statewide penny legislation replaced the previous local option sales tax as each county's 10 year period ended. The statewide penny does increase the per pupil calculation for the district allowing for more money to be invested in infrastructure projects allowed by the Revenue Purpose Statement which was approved by the voters on Sept. 9, 2008. During the 2019 Legislative Session, the sales tax sunset was extended to 2051.
- The board made the decision to refinance \$10,135,000 in 2009 sales tax bonds (used for renovations/construction at the high school, athletic facility and Hartford building) which will save the District approximately \$828,000 in interest payments. The transaction took place on December 3, 2015 with payments beginning July, 2016 and ending January, 2030.
- Due to increased enrollment needs, construction on a new middle school facility began in FY 2006. General Obligation Bonds were sold in December, 2005 and April, 2006 to pay for the new facility with repayment ending in FY 2022 because of levying additional funds in debt service over the last five years in order to pay down the debt and save on interest. The bonds became callable in FY 2015 and in FY 2016.
- The high school renovation project began the fall of 2016 and completed during the 2017-2018 school year. The project is broken down into two phases with phase 1 to include a band room addition and infrastructure work in the classrooms. The project is funded with \$4,520,000 in general obligation capital loan notes (PPEL fund) and sales tax revenue.

- Phase 2 of the high school projects included relocation and renovation of the industrial tech area in order to clear the area for a high school activity center. This project began in April, 2018, to be completed the fall of 2018. This project is funded with sales tax dollars.
- The high school activity center project of phase 2 began in September of 2018. The District passed a \$17,000,000 bond issue April 3, 2018 to fund the high school activity center, along with energy improvements/upgrades, furniture and equipment upgrades, security/safety and technology upgrades and improvements for all school buildings. The District closed on \$15,000,000 in bonds July 11, 2018 to fund the above projects and will purchase an additional \$2,000,000 during the summer of 2019.
- Preparations for renovation at the elementary school began in 2018-2019 with work to begin in FY2019-2020.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jean Flaws, District Secretary/Treasurer and Business Manager, Carlisle Community School District, 430 School Street, Carlisle, Iowa, 50047.

Basic Financial Statements

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and pooled investments	\$ 22,387,167	\$ 363,819	\$ 22,750,986
Receivables:			
Property tax:			
Current year	63,301	-	63,301
Succeeding year	6,389,970	-	6,389,970
Internal balances	169,037	(169,037)	-
Accrued interest	98,492	-	98,492
Accounts	2,767	150	2,917
Due from other governments	1,073,455	2,715	1,076,170
Inventories	-	262,179	262,179
Real estate deposit	2,000	-	2,000
Capital assets, net of accumulated depreciation (note 5)	38,830,357	218,242	39,048,599
	<hr/>	<hr/>	<hr/>
Total assets	69,016,546	678,068	69,694,614
Deferred Outflows of Resources			
Pension related deferred outflows	3,076,480	69,677	3,146,157
Liabilities			
Accounts payable	1,101,784	506	1,102,290
Salaries and benefits payable	1,901,676	38,662	1,940,338
Unearned revenue	-	22,370	22,370
Accrued interest payable	120,041	-	120,041
Long-term liabilities (note 6):			
Portion due within one year:			
Notes payable	355,000	-	355,000
General obligation bonds	330,000	-	330,000
Capital leases	159,399	-	159,399
Compensated absences	7,498	-	7,498
Portion due after one year:			
Notes payable	3,110,000	-	3,110,000
General obligation bonds	15,155,000	-	15,155,000
Revenue bonds	8,165,000	-	8,165,000
Capital leases	342,688	-	342,688
Net pension liability	10,371,275	234,891	10,606,166
Total OPEB liability	1,460,366	56,594	1,516,960
	<hr/>	<hr/>	<hr/>
Total liabilities	42,579,727	353,023	42,932,750

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-type Activities	Total
Deferred Inflows of Resources			
Unavailable property tax revenue	\$ 6,389,970	\$ -	\$ 6,389,970
Pension related deferred inflows	519,377	11,763	531,140
OPEB related deferred inflows	80,654	3,126	83,780
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	6,990,001	14,889	7,004,890
	<hr/>	<hr/>	<hr/>
Net Position			
Net investment in capital assets	11,213,270	218,242	11,431,512
Restricted for:			
Categorical funding	1,124,132	-	1,124,132
Debt service	676,021	-	676,021
Capital projects	10,736,844	-	10,736,844
Physical plant and equipment levy purposes	176,598	-	176,598
Management levy purposes	860,654	-	860,654
Student activities	124,116	-	124,116
Unrestricted	(2,388,337)	161,591	(2,226,746)
	<hr/>	<hr/>	<hr/>
Total net position	\$ <u>22,523,298</u>	\$ <u>379,833</u>	\$ <u>22,903,131</u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities:			
Instruction:			
Regular	\$ 9,275,629	\$ 1,479,698	\$ 2,409,540
Special	2,604,799	258,203	107,944
Other	2,260,063	274,124	194,200
	<u>14,140,491</u>	<u>2,012,025</u>	<u>2,711,684</u>
Support services:			
Student	735,382	-	239,735
Instructional staff	642,200	-	4,298
Administration	2,874,246	-	-
Operation and maintenance of plant	1,997,369	15,984	-
Transportation	1,060,859	3,013	7,213
	<u>7,310,056</u>	<u>18,997</u>	<u>251,246</u>
Other expenditures:			
Facilities acquisition	171,151	-	12,400
Long-term debt interest and fiscal charges	911,151	-	-
AEA flowthrough	844,433	-	844,433
Depreciation (unallocated) *	995,014	-	-
	<u>2,921,749</u>	<u>-</u>	<u>856,833</u>
Total governmental activities	<u>24,372,296</u>	<u>2,031,022</u>	<u>3,819,763</u>

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (5,386,391)	\$ -	\$ (5,386,391)
(2,238,652)	-	(2,238,652)
<u>(1,791,739)</u>	<u>-</u>	<u>(1,791,739)</u>
<u>(9,416,782)</u>	<u>-</u>	<u>(9,416,782)</u>
(495,647)	-	(495,647)
(637,902)	-	(637,902)
(2,874,246)	-	(2,874,246)
(1,981,385)	-	(1,981,385)
<u>(1,050,633)</u>	<u>-</u>	<u>(1,050,633)</u>
<u>(7,039,813)</u>	<u>-</u>	<u>(7,039,813)</u>
(158,751)	-	(158,751)
(911,151)	-	(911,151)
-	-	-
<u>(995,014)</u>	<u>-</u>	<u>(995,014)</u>
<u>(2,064,916)</u>	<u>-</u>	<u>(2,064,916)</u>
<u>(18,521,511)</u>	<u>-</u>	<u>(18,521,511)</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Business-Type Activities:			
Non-instructional programs:			
Food service operations	\$ 1,003,931	\$ 540,172	\$ 515,134
Student building and trades	1,911	547	-
Total business-type activities	<u>1,005,842</u>	<u>540,719</u>	<u>515,134</u>
 Total	 <u>\$ 25,378,138</u>	 <u>\$ 2,571,741</u>	 <u>\$ 4,334,897</u>

General revenues:

Property tax levied for:
 General purposes
 Debt service
 Capital outlay
Statewide sales, services and use tax
Unrestricted state grants
Unrestricted investment earnings
Other
Special item - loss on sale of building

Total general revenues and special item

Change in net position

Net position beginning of year

Net position end of year

* = This amount excludes the depreciation included
in the direct expenses of the various programs.

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ -	\$ 51,375	\$ 51,375
-	(1,364)	(1,364)
-	50,011	50,011
<u>(18,521,511)</u>	50,011	<u>(18,471,500)</u>
\$ 4,263,296	\$ -	\$ 4,263,296
1,445,128	-	1,445,128
595,892	-	595,892
1,990,788	-	1,990,788
11,360,214	-	11,360,214
379,345	737	380,082
631,616	1,100	632,716
(30,874)	-	(30,874)
<u>20,635,405</u>	1,837	<u>20,637,242</u>
2,113,894	51,848	2,165,742
<u>20,409,404</u>	327,985	<u>20,737,389</u>
<u>\$ 22,523,298</u>	<u>\$ 379,833</u>	<u>\$ 22,903,131</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor</u>	<u>Total</u>
Assets					
Cash and pooled investments	\$ 8,294,719	\$ 758,556	\$ 11,497,641	\$ 986,218	\$ 21,537,134
Receivables:					
Property tax:					
Current year	41,120	14,360	5,921	1,900	63,301
Succeeding year	4,246,126	1,453,808	599,471	90,565	6,389,970
Accrued interest	-	-	98,492	-	98,492
Interfund (note 4)	169,037	-	-	-	169,037
Accounts	1,317	-	-	1,450	2,767
Due from other governments	915,128	-	158,202	125	1,073,455
Real estate deposit	-	-	2,000	-	2,000
	<hr/>				
Total assets	<u>\$ 13,667,447</u>	<u>\$ 2,226,724</u>	<u>\$ 12,361,727</u>	<u>\$ 1,080,258</u>	<u>\$ 29,336,156</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General	Debt Service	Capital Projects	Nonmajor	Total
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts payable	\$ 272,475	\$ -	\$ 826,373	\$ 2,936	\$ 1,101,784
Salaries and benefits payable	1,899,689	-	-	1,987	1,901,676
Total liabilities	<u>2,172,164</u>	-	<u>826,373</u>	<u>4,923</u>	<u>3,003,460</u>
Deferred inflows of resources:					
Unavailable revenues:					
Succeeding year property tax	4,246,126	1,453,808	599,471	90,565	6,389,970
Fund balances:					
Nonspendable:					
Real estate deposit	-	-	2,000	-	2,000
Restricted for:					
Categorical funding (note 11)	1,124,132	-	-	-	1,124,132
General obligation bonds	-	-	8,811,801	-	8,811,801
Debt service	-	772,916	-	-	772,916
School infrastructure	-	-	1,939,709	-	1,939,709
Physical plant and equipment	-	-	182,373	-	182,373
Management levy purposes	-	-	-	860,654	860,654
Student activities	-	-	-	124,116	124,116
Unassigned	6,125,025	-	-	-	6,125,025
Total fund balances	<u>7,249,157</u>	<u>772,916</u>	<u>10,935,883</u>	<u>984,770</u>	<u>19,942,726</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,667,447</u>	<u>\$ 2,226,724</u>	<u>\$ 12,361,727</u>	<u>\$ 1,080,258</u>	<u>\$ 29,336,156</u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 June 30, 2019

Total fund balances of governmental funds		\$ 19,942,726
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		38,830,357
The Internal Service Funds are included in the Governmental Activities due to the integral nature of those funds to the governmental activities.		850,033
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.		(120,041)
Pension and OPEB related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
	Deferred outflows of resources \$ 3,076,480	
	Deferred inflows of resources <u>(600,031)</u>	2,476,449
Long-term liabilities, including notes payable, bonds payable, capital lease purchase agreements, net pension liability, total OPEB liability and compensated absences, are not due and payable in the current year and, therefore, are not reported in the governmental funds.		<u>(39,456,226)</u>
Net position of governmental activities		<u>\$ 22,523,298</u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	General	Debt Service	Capital Projects	Nonmajor	Total
Revenues:					
Local sources:					
Local tax	\$ 4,060,048	\$ 1,439,770	\$ 593,683	\$ 187,195	\$ 6,280,696
Tuition	1,561,109	-	-	-	1,561,109
Other	437,250	4,066	361,267	296,359	1,098,942
State sources	14,604,603	5,358	1,992,997	709	16,603,667
Federal sources	560,489	-	-	-	560,489
Total revenues	<u>21,223,499</u>	<u>1,449,194</u>	<u>2,947,947</u>	<u>484,263</u>	<u>26,104,903</u>
Expenditures:					
Current:					
Instruction	13,405,615	-	-	291,012	13,696,627
Support services:					
Student	714,799	-	-	-	714,799
Instructional staff	602,087	-	4,145	-	606,232
Administration	2,546,014	-	241,683	138,061	2,925,758
Operation and maintenance of plant	1,807,219	-	33,221	92,720	1,933,160
Transportation	790,474	-	589,647	25,291	1,405,412
	<u>6,460,593</u>	<u>-</u>	<u>868,696</u>	<u>256,072</u>	<u>7,585,361</u>
Other expenditures:					
Facilities acquisition	-	-	7,649,735	-	7,649,735
Long term debt:					
Principal	-	2,066,149	-	-	2,066,149
Interest and fiscal charges	-	813,685	-	-	813,685
AEA flowthrough	844,433	-	-	-	844,433
	<u>844,433</u>	<u>2,879,834</u>	<u>7,649,735</u>	<u>-</u>	<u>11,374,002</u>
Total expenditures	<u>20,710,641</u>	<u>2,879,834</u>	<u>8,518,431</u>	<u>547,084</u>	<u>32,655,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>512,858</u>	<u>(1,430,640)</u>	<u>(5,570,484)</u>	<u>(62,821)</u>	<u>(6,551,087)</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	General	Debt Service	Capital Projects	Nonmajor	Total
Other financing sources (uses):					
Sale of equipment	\$ -	\$ -	\$ 501	\$ -	\$ 501
Capital lease proceeds	-	-	571,900	-	571,900
General obligation bonds issued	-	-	15,000,000	-	15,000,000
Bond premium	-	-	411,661	-	411,661
Interfund transfers in (note 3)	-	1,454,741	-	-	1,454,741
Interfund transfers out (note 3)	-	-	(1,454,741)	-	(1,454,741)
Total other financing sources (uses)	-	1,454,741	14,529,321	-	15,984,062
Change in fund balances	512,858	24,101	8,958,837	(62,821)	9,432,975
Fund balances beginning of year	6,736,299	748,815	1,977,046	1,047,591	10,509,751
Fund balances end of year	<u>\$ 7,249,157</u>	<u>\$ 772,916</u>	<u>\$ 10,935,883</u>	<u>\$ 984,770</u>	<u>\$ 19,942,726</u>

See notes to financial statements.

CARLISLE 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, 2019

Change in fund balances - total governmental funds \$ 9,432,975

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. The amounts of capital outlay expenditures and depreciation expense in the current year are as follows:

Expenditures for capital assets	\$ 8,272,170	
Depreciation expense	<u>(1,364,078)</u>	6,908,092

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. (30,875)

The decrease in net position of the Internal Service Funds represents an undercharge to the governmental funds and is, therefore, subtracted from the Statement of Activities (118,664)

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 and does not affect the Statement of Activities. (15,571,900)

Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position. 2,066,149

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. (97,466)

The current year District IPERS contributions are reported as expenditures in the governmental funds, but are reported as deferred outflows of resources in the Statement of Net Position. 125,076

CARLISLE 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, 2019

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	\$	1,880	
	Pension expense		(472,291)	
	OPEB expense		<u>(129,082)</u>	\$ <u>(599,493)</u>
Change in net position of governmental activities				\$ <u><u>2,113,894</u></u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION
PROPRIETARY FUND

June 30, 2019

	Enterprise Funds			Internal Service Funds
	School Nutrition	Non-Major Enterprise: Student Building and Trades	Total	
Assets				
Cash and cash equivalents	\$ 363,819	\$ -	\$ 363,819	\$ 850,033
Receivables:				
Accounts	150	-	150	-
Due from other governments	2,715	-	2,715	-
Inventories	26,539	235,640	262,179	-
Capital assets, net of accumulated depreciation (note 5)	218,242	-	218,242	-
Total assets	<u>611,465</u>	<u>235,640</u>	<u>847,105</u>	<u>850,033</u>
Deferred Outflows of Resources				
Pension related deferred outflows	69,677	-	69,677	-
Liabilities				
Interfund payable (note 4)	-	169,037	169,037	-
Accounts payable	-	506	506	-
Salaries and benefits payable	38,662	-	38,662	-
Unearned revenue	22,370	-	22,370	-
Net pension liability	234,891	-	234,891	-
Total OPEB liability	56,594	-	56,594	-
Total liabilities	<u>352,517</u>	<u>169,543</u>	<u>522,060</u>	<u>-</u>
Deferred Inflows of Resources				
Pension related deferred inflows	11,763	-	11,763	-
OPEB related deferred inflows	3,126	-	3,126	-
Total deferred inflows of resources	<u>14,889</u>	<u>-</u>	<u>14,889</u>	<u>-</u>
Fund Net Position				
Net investment in capital assets	218,242	-	218,242	-
Unrestricted	95,494	66,097	161,591	850,033
Total fund net position	<u>\$ 313,736</u>	<u>\$ 66,097</u>	<u>\$ 379,833</u>	<u>\$ 850,033</u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2019

	Enterprise Funds			Internal Service Funds
	School Nutrition	Non-Major Enterprise: Student Building and Trades	Total	
Operating revenues:				
Local sources:				
Charges for services	\$ 540,172	\$ 547	\$ 540,719	\$ 1,311,838
Operating expenses:				
Non-instructional programs:				
Internal service operations:				
Insurance premiums	-	-	-	1,365,933
Purchased services	-	-	-	64,569
	-	-	-	1,430,502
Enterprise operations:				
Salaries	324,145	-	324,145	-
Benefits	101,898	-	101,898	-
Supplies	532,451	1,635	534,086	-
Depreciation	44,142	-	44,142	-
Other	1,295	276	1,571	-
	1,003,931	1,911	1,005,842	-
Total operating expenses	1,003,931	1,911	1,005,842	1,430,502
Operating loss	(463,759)	(1,364)	(465,123)	(118,664)
Non-operating revenues:				
Interest on investments	724	13	737	-
Contributions	1,100	-	1,100	-
State sources	8,622	-	8,622	-
Federal sources	506,512	-	506,512	-
Total non-operating revenues	516,958	13	516,971	-
Change in fund net position	53,199	(1,351)	51,848	(118,664)
Fund net position beginning of year	260,537	67,448	327,985	968,697
Fund net position end of year	\$ 313,736	\$ 66,097	\$ 379,833	\$ 850,033

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2019

	Enterprise Funds			Internal Service Funds
	School Nutrition	Non-Major Enterprise: Student Building and Trades	Total	
Cash flows from operating activities:				
Cash received from sale of lunches and breakfasts	\$ 528,418	\$ -	\$ 528,418	\$ -
Cash received from miscellaneous operating activities	15,166	547	15,713	1,311,838
Cash paid to employees for services	(418,148)	-	(418,148)	-
Cash paid to suppliers for goods or services	(482,536)	(239,187)	(721,723)	(1,430,502)
Net cash used by operating activities	<u>(357,100)</u>	<u>(238,640)</u>	<u>(595,740)</u>	<u>(118,664)</u>
Cash flows from non-capital financing activities:				
Increase in due to other funds	-	169,037	169,037	-
Contributions received	1,100	-	1,100	-
State grants received	5,907	-	5,907	-
Federal grants received	446,961	-	446,961	-
Net cash provided by non-capital financing activities	<u>453,968</u>	<u>169,037</u>	<u>623,005</u>	<u>-</u>
Cash flows from investing activities:				
Interest on investments	<u>724</u>	<u>13</u>	<u>737</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	97,592	(69,590)	28,002	(118,664)
Cash and cash equivalents beginning of year	<u>266,227</u>	<u>69,590</u>	<u>335,817</u>	<u>968,697</u>
Cash and cash equivalents end of year	<u>\$ 363,819</u>	<u>\$ -</u>	<u>\$ 363,819</u>	<u>\$ 850,033</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2019

	Enterprise Funds			Internal Service Funds
	School Nutrition	Non-Major Enterprise: Student Building and Trades	Total	
Reconciliation of operating loss to net cash used by operating activities:				
Operating loss	\$ (463,759)	\$ (1,364)	\$ (465,123)	\$ (118,644)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	44,142	-	44,142	-
Commodities used	59,551	-	59,551	-
Decrease in accounts receivable	210	-	210	-
(Increase) in inventories	(99)	(235,140)	(235,239)	-
(Decrease) in accounts payable	(8,242)	(2,136)	(10,378)	-
Increase in salaries and benefits payable	858	-	858	-
Increase in unearned revenue	3,202	-	3,202	-
(Decrease) in net pension liability	(26,138)	-	(26,138)	-
Increase in total OPEB liability	13,280	-	13,280	-
Decrease in deferred outflows of resources	12,604	-	12,604	-
Increase in deferred inflows of resources	7,291	-	7,291	-
Net cash used by operating activities	\$ <u>(357,100)</u>	\$ <u>(238,640)</u>	\$ <u>(595,740)</u>	\$ <u>(118,644)</u>

Non-cash financing activities:

During the year ended June 30, 2019, the District received \$59,551 of federal commodities.

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 June 30, 2019

	Private Purpose Trust	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Cash and pooled investments	\$ <u>23,665</u>	\$ <u>3,096</u>
Liabilities:		
Accounts payable	-	1,936
Other payables	<u>-</u>	<u>1,160</u>
Total liabilities	<u>-</u>	<u>3,096</u>
Fiduciary Net Position:		
Restricted for scholarships	\$ <u><u>23,665</u></u>	\$ <u><u>-</u></u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 Year Ended June 30, 2019

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
Additions:	
Local sources:	
Interest	\$ <u>58</u>
Fiduciary net position beginning of year	<u>23,607</u>
Fiduciary net position end of year	\$ <u><u>23,665</u></u>

See notes to financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies

Carlisle Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as career and technical and recreational courses. The geographic area served includes the City of Carlisle, Iowa, and agricultural territory in Polk and Warren Counties. 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 U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Carlisle Community School 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. Carlisle Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations – 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 Warren 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 service.

The Statement of Net Position presents the District's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation 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.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

B. Basis of Presentation (continued)

Unrestricted net position consists of net position not meeting the definition of the two preceding categories. Unrestricted net position is often subject to constraints 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 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.

The District reports the following major governmental funds:

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

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

The District reports the following major proprietary fund:

The Enterprise, 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.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements and the 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 District 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 to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the 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, in that order.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

The property tax revenue recognized in these funds becomes due and collectible in September and March of the fiscal year with a 1 ½% per month penalty for delinquent payments; is based on January 1, 2017 assessed property valuations; is for the tax accrual period July 1, 2018 through June 30, 2019 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April 2018.

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 government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide Statement of Net Position. Purchased or constructed 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 repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of one year.

Asset Class	Amount
Land	\$ 1,500
Buildings	1,500
Improvements other than buildings	1,500
Intangibles	75,000
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	1,500

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	40-50 years
Intangibles	5-15 years
Improvements other than buildings	20 years
Furniture and equipment	5-15 years

Deferred Outflows of Resources – Deferred outflows of resources represent a consumption of net position applicable to a future period(s) which will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense 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 related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Position.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2019. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

Total OPEB Liability – For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the District's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Deferred Inflows of Resources – Deferred inflows of resources represent an acquisition of net position applicable to a future period(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 collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent 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 in the Statement of Net Position consist of succeeding year property tax receivables that will not be recognized until the year for which it is levied, the unamortized portion of the net difference between projected and actual earnings on pension plan investments, and other unamortized items not yet charged to pension and OPEB expense.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Nonspendable – Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Unassigned – All amounts not included in the preceding classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2019, expenditures/expenses exceeded the amounts budgeted in the support services function.

Note 2. Cash and Pooled Investments

The District’s deposits in banks at June 30, 2019 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 ensure 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.

At June 30, 2019, the District had the following investments:

<u>Investment</u>	<u>Amortized Cost</u>
Iowa Schools Joint Investment Trust, Diversified Portfolio	\$ 6,178,015
Miles Capital Education Institutional Money Market Mutual Fund	<u>2,044,796</u>
	<u>\$ 8,222,811</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 2. Cash and Pooled Investments (continued)

The investments are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. There were no limitations or restrictions on withdrawals of the Iowa Schools Joint Investment Trust (ISJIT) or the Miles Capital Education institutional money market mutual fund investments. The investments in ISJIT and the institutional money market mutual fund were rated AAAM by Standard & Poor's Financial Services.

Note 3. Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2019 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Debt Service	Capital Projects	\$ <u>1,454,741</u>

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

Note 4. Interfund Receivables/Payables

At June 30, 2019, interfund receivables and payables consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Interfund balances between governmental and proprietary funds:		
Other receivables:		
General	Enterprise - Building and Trades	\$ <u>169,037</u>

The interfund balances are the result of pooled cash funds.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2019 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 481,177	\$ -	\$ -	\$ 481,177
Construction in progress	778,181	7,323,783	1,005,960	7,096,004
Total capital assets not being depreciated	<u>1,259,358</u>	<u>7,323,783</u>	<u>1,005,960</u>	<u>7,577,181</u>
Capital assets being depreciated:				
Buildings	40,575,611	1,146,715	65,000	41,657,326
Furniture and equipment	3,865,364	807,632	233,822	4,439,174
Total capital assets being depreciated	<u>44,440,975</u>	<u>1,954,347</u>	<u>298,822</u>	<u>46,096,500</u>
Less accumulated depreciation for:				
Buildings	11,182,721	995,014	34,125	12,143,610
Furniture and equipment	2,564,472	369,064	233,822	2,699,714
Total accumulated depreciation	<u>13,747,193</u>	<u>1,364,078</u>	<u>267,947</u>	<u>14,843,324</u>
Total capital assets being depreciated, net	<u>30,693,782</u>	<u>590,269</u>	<u>30,875</u>	<u>31,253,176</u>
Governmental activities capital assets, net	<u>\$ 31,953,140</u>	<u>\$ 7,914,052</u>	<u>\$ 1,036,835</u>	<u>\$ 38,830,357</u>
	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Business-type activities:				
Furniture and equipment	\$ 820,366	\$ -	\$ -	\$ 820,366
Less accumulated depreciation	557,982	44,142	-	602,124
Business-type activities capital assets, net	<u>\$ 262,384</u>	<u>\$ (44,142)</u>	<u>\$ -</u>	<u>\$ 218,242</u>

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 5. Capital Assets (continued)

Depreciation expense was charged to the following functions:

Governmental activities:

Instruction:

Regular \$ 48,864

Support services:

Student support 718

Instructional staff 26,603

Administration 44,034

Operation and maintenance of plant 36,914

Transportation 211,931

369,064

Unallocated depreciation 995,014

Total depreciation expense - governmental activities \$ 1,364,078

Business-type activities:

Food service operations \$ 44,142

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 6. Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2019 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation capital					
loan notes - direct borrowing	\$ 3,815,000	\$ -	\$ 350,000	\$ 3,465,000	\$ 355,000
General obligation bonds	1,395,000	15,000,000	910,000	15,485,000	330,000
Revenue bonds - direct placement	8,835,000	-	670,000	8,165,000	-
Capital leases - direct borrowing	66,336	571,900	136,149	502,087	159,399
Net pension liability	10,608,071	-	236,796	10,371,275	-
Total OPEB liability	1,331,687	128,679	-	1,460,366	-
Compensated absences	9,378	7,498	9,378	7,498	7,498
Total	\$ 26,060,472	\$ 15,708,077	\$ 2,312,323	\$ 39,456,226	\$ 851,897
Business-type activities:					
Net pension liability	\$ 261,029	\$ -	\$ 26,138	\$ 234,891	\$ -
Total OPEB liability	43,314	13,280	-	56,594	-
Total	\$ 304,343	\$ 13,280	\$ 26,138	\$ 291,485	\$ -

CARLISLE COMMUNITY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

Note 6. Long-Term Liabilities (continued)

Capital Loan Notes – Direct Borrowing

Details of the District’s June 30, 2019 general obligation capital loan note indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2020	2.00 %	\$ 355,000	\$ 69,300	\$ 424,300
2021	2.00	365,000	62,200	427,200
2022	2.00	370,000	54,900	424,900
2023	2.00	375,000	47,500	422,500
2024	2.00	385,000	40,000	425,000
2025	2.00	390,000	32,300	422,300
2026	2.00	400,000	24,500	424,500
2027	2.00	410,000	16,500	426,500
2028	2.00	415,000	8,300	423,300
		<u>\$ 3,465,000</u>	<u>\$ 355,500</u>	<u>\$ 3,820,500</u>

The District’s outstanding notes from direct borrowing related to governmental activities of \$3,465,000 contain a provision that in an event of default, outstanding amounts will be subject to a 300 point increase in the annual percentage interest rate (3.0%).

General Obligation Bonds

On July 11, 2018, the District issued \$15,000,000 in General Obligation School Bonds for the purpose of constructing a new District indoor activities center and various other building and site upgrades and improvements. The bonds have interest rates ranging from 3.00% to 5.00% and are payable through the year ended June 30, 2038.

Details of the District’s June 30, 2019 general obligation bonded indebtedness are as follows:

Year Ending June 30,	Bond Issue Dated January 2006			Bond Issue Dated May 2006		
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest
2020	3.95 %	\$ 285,000	\$ 33,107	3.90 %	\$ 45,000	\$ 1,750
2021	3.95	300,000	21,850	-	-	-
2022	4.00	250,000	10,000	-	-	-
		<u>\$ 835,000</u>	<u>\$ 64,957</u>		<u>\$ 45,000</u>	<u>\$ 1,750</u>

CARLISLE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Note 6. Long-Term Liabilities (continued)

General Obligation Bonds (continued)

Year Ending June 30,	Bond issue dated July 11, 2018			Total	
	Interest Rates	Principal	Interest	Principal	Interest
2020	5.000 %	\$ -	\$ 548,262	\$ 330,000	\$ 583,119
2021	5.000	-	548,262	300,000	570,112
2022	5.000	-	548,263	250,000	558,263
2023	5.000	-	548,262	-	548,262
2024	5.000	725,000	548,263	725,000	548,263
2025-2029	3.00-5.00	4,195,000	2,176,663	4,195,000	2,176,663
2030-2034	3.250-3.625	5,005,000	1,357,850	5,005,000	1,357,850
2035-2038	3.500-3.625	4,680,000	422,650	4,680,000	422,650
		<u>\$ 14,605,000</u>	<u>\$ 6,698,475</u>	<u>\$ 15,485,000</u>	<u>\$ 6,765,182</u>

Revenue Bonds – Direct Placement

Details of the District’s June 30, 2019 statewide sales, services, and use tax revenue bonded indebtedness are as follows:

Year Ending June 30,	Interest Rates	Principal	Interest	Total
2020	2.49 %	\$ -	\$ 101,654	\$ 101,654
2021	2.49	685,000	194,780	879,780
2022	2.49	695,000	177,599	872,599
2023	2.49	715,000	160,045	875,045
2024	2.49	725,000	142,117	867,117
2025	2.49	740,000	123,877	863,877
2026	2.49	755,000	105,265	860,265
2027	2.49	775,000	86,216	861,216
2028	2.49	785,000	66,794	851,794
2029	2.49	800,000	47,061	847,061
2030	2.49	1,490,000	27,639	1,517,639
		<u>\$ 8,165,000</u>	<u>\$ 1,233,047</u>	<u>\$ 9,398,047</u>

The outstanding revenue bonds from direct placement related to governmental activities of \$8,165,000 contain a provision that, at any time the Internal Revenue Service deems the related income from the bonds as taxable, the remaining balance becomes subject to the gross-up interest rate of 3.83% per annum.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 6. Long-Term Liabilities (continued)

Revenue Bonds – Direct Placement (continued)

The statewide sales, services and use tax revenue bonds were issued for the purpose of refunding a prior bond issue. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District. The bonds are not general obligations of the District and are not subject to the constitutional debt limitation of the District.

The resolutions providing for the issuances of the statewide sales, services and use tax revenue bonds include the following provisions:

The bonds will only be redeemed from the future earnings of the statewide sales, services and use tax revenues received by the District and the bond holders hold a lien on the future revenues received.

Bonds maturing July 1, 2021 may be called for redemption by the issuer and paid before maturity on said date or any date thereafter.

Money in the sinking fund shall be used to pay the interest and principal on the bonds. Surplus monies in the sinking fund may be transferred to the capital projects Fund to be used for any lawful purpose. The sinking fund is part of the Capital Projects Fund.

The District has pledged future statewide sales, services and use tax revenues to repay the \$10,735,000 bonds issued in 2015. The bonds were issued to refund the June 1, 2009 statewide sales, services and use tax revenue bonds. The bonds are payable solely from the proceeds of the statewide sales, services and use tax revenues received by the District and are payable through June 30, 2030. The bonds are not general obligations of the District. Annual principal and interest payments on the bonds are expected to require nearly 44 percent of the statewide sales, services and use tax revenues. The total principal and interest remaining to be paid on the bonds is \$9,398,047. For the current year, principal and interest paid on the revenue bonds totaled \$889,992 and total statewide sales, services and use tax revenues were \$1,990,788.

The District had \$8,570,000 in school infrastructure sales, services and use tax revenue bonds defeased but still outstanding at June 30, 2019.

Capital Lease – Direct Borrowing

During the year ended June 30, 2017, the District entered into a capital lease purchase agreement for the purchase of a school bus totaling \$90,997. The lease calls for three annual payments of \$13,672 and one final payment of \$56,872 through the year ended June 30, 2020.

During the year ended June 30, 2019, the District entered into a capital lease purchase agreement for the purchase of seven school buses totaling \$571,900. The lease calls for five annual payments of \$124,778 through the year ending June 30, 2023, and includes an annual percentage interest rate of 4.55%.

CARLISLE COMMUNITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Note 6. Long-Term Liabilities (continued)

Details of the District's June 30, 2019 capital lease indebtedness are as follows:

Year Ending June 30,	Capital lease issued February 15, 2017			Capital lease issue April 30, 2018			Total	
	Interest Rates	Principal	Interest	Interest Rates	Principal	Interest	Principal	Interest
2020	3.469 %	\$ 54,965	\$ 1,907	4.550 %	\$ 104,434	\$ 20,344	\$ 159,399	\$ 22,251
2021	-	-	-	4.550	109,185	15,593	109,185	15,593
2022	-	-	-	4.550	114,154	10,625	114,154	10,625
2023	-	-	-	4.550	119,349	5,430	119,349	5,430
		<u>\$ 54,965</u>	<u>\$ 1,907</u>		<u>\$ 447,122</u>	<u>\$ 51,992</u>	<u>\$ 502,087</u>	<u>\$ 53,899</u>

The District's outstanding capital leases from direct borrowings related to governmental activities of \$502,087 contain provisions that, in the event of a default, outstanding amounts become immediately payable.

Note 7. Pension Plan

Plan Description – IPERS membership is mandatory for employees of the District, except for those covered by another retirement system. Employees of the District are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at P.O. Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

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, any time 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.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 7. Pension Plan (continued)

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 percent 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 percent 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.

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 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 2019, pursuant to the required rate, Regular members contributed 6.29% of covered pay and the District contributed 9.44% of covered payroll, for a total rate of 15.73%.

The District's contributions to IPERS for the year ended June 30, 2019 totaled \$1,250,454.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2019, the District reported a liability of \$10,606,166 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to IPERS relative to the contributions of all IPERS participating employers. At June 30, 2018, the District's proportion was 0.167600 percent, which was an increase of 0.004431 from its proportion measured as of June 30, 2017.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 7. Pension Plan (continued)

For the year ended June 30, 2019, the District recognized pension expense of \$1,591,104. At June 30, 2019, 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	\$ 58,152	\$ 239,717
Changes of assumptions	1,513,035	-
Net difference between projected and actual earnings on IPERS' investments	-	291,423
Changes in proportion and differences between District contributions and the District's proportionate share of contributions	324,516	-
District contributions subsequent to the measurement date	<u>1,250,454</u>	<u>-</u>
Total	<u>\$ 3,146,157</u>	<u>\$ 531,140</u>

\$1,250,454 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 ending June 30, 2020. 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 Ending June 30,	Amount
2020	\$ 850,768
2021	470,402
2022	(3,841)
2023	44,124
2024	<u>3,110</u>
Total	<u>\$ 1,364,563</u>

CARLISLE COMMUNITY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

Note 7. Pension Plan (continued)

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, as follows:

Rate of inflation (effective June 30, 2017)	2.60% per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation.
Wage growth (effective June 30, 2017)	3.25% per annum, based on 2.60% inflation and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an economic assumption study dated March 24, 2017 and a demographic assumption study dated June 28, 2018.

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Tables with MP-2017 generational adjustments.

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:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	22.0%	6.01%
International Equity	15.0%	6.48
Global Smart Beta Equity	3.0%	6.23
Core Plus Fixed Income	27.0%	1.97
Public Credit	3.5%	3.93
Public Real Assets	7.0%	2.91
Cash	1.0%	(0.25)
Private Equity	11.0%	10.81
Private Real Assets	7.5%	4.14
Private Credit	3.0%	3.11
	<hr/>	
Total	<u>100%</u>	

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 7. Pension Plan (continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS’ fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS’ investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 18,000,794	\$ 10,606,166	\$ 4,403,171

IPERS’ Fiduciary Net Position – Detailed information about IPERS’ fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS’ website at www.ipers.org.

Note 8. Other Postemployment Benefits (OPEB)

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

OPEB Benefits – Individuals who are employed by Carlisle District and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	196
Active employees	<u>8</u>
Total	<u><u>204</u></u>

Total OPEB Liability – The District’s total OPEB liability of \$1,516,960 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

CARLISLE COMMUNITY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

Note 8. Other Postemployment Benefits (OPEB)

Actuarial Assumptions – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2018)	2.75% per annum
Rates of salary increase (effective June 30, 2018)	3.50% per annum, including inflation.
Discount rate (effective June 30, 2018)	3.62% compounded annually, including inflation.
Healthcare cost trend rate (effective June 30, 2018)	6.80% initial rate decreasing over several decades to an ultimate rate of 4.00% in FY76.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.62% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2000 mortality tables with projected mortality improvements based on scale AA and other adjustments. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Total OPEB liability beginning of year	\$ <u>1,375,001</u>
Changes for the year:	
Service cost	144,550
Interest	53,266
Changes in assumptions	(9,236)
Benefit payments	<u>(46,621)</u>
Net changes	<u>141,959</u>
Total OPEB liability end of year	\$ <u><u>1,516,960</u></u>

Changes of assumptions reflect a change in the discount rate from 3.56% in fiscal year 2018 to 3.62% in fiscal year 2019.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.62%) or 1% higher (4.62%) than the current discount rate.

	1% Decrease (2.62%)	Discount Rate (3.62%)	1% Increase (4.62%)
Total OPEB Liability	\$ 1,677,175	\$ 1,516,960	\$ 1,370,205

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5.80%) or 1% higher (7.80%) than the current healthcare cost trend rates.

	1% Decrease (5.80%)	Healthcare Cost Trend Rate (6.80%)	1% Increase (7.80%)
Total OPEB Liability	\$ 1,283,780	\$ 1,516,960	\$ 1,804,671

OPEB Expense and Deferred Outflows of Resources Related to OPEB – For the year ended June 30, 2019, the District recognized OPEB expense of \$189,499. At June 30, 2019, the District reported deferred outflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>
Changes in assumptions	\$ <u><u>83,780</u></u>

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

The amount reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2020	\$ 8,317
2021	8,317
2022	8,317
2023	8,317
2024	8,317
Thereafter	<u>42,195</u>
Total	<u>\$ 83,780</u>

Note 9. Risk Management

The District has a partial self-funded insurance plan. The plan is funded by contributions from the District and is administered through a service agreement with Wellmark/Blue Cross-Blue Shield of Iowa. The agreement is not subject to automatic renewal provisions. The District assumes liability for claims up to the difference between the \$500 or \$1,000 deductible plans paid for by the employee and the \$1,500 or \$2,000 deductible plan purchased by the District.

Monthly payments of service fees and plan contributions to the Carlisle Community School District Employee Group Insurance Plan are recorded as expenditures from the General and School Nutrition funds. Under the administrative services agreement, weekly payments of service fees and claims processed are paid from the Carlisle Community School District Employee Group Insurance Plan Fund, which is recorded as an Internal Service Fund. The District's contributions to the fund for the year ended June 30, 2019 were \$1,278,651.

The Internal Service Fund, Self-Funded Insurance Plan unrestricted net position was \$839,948 at June 30, 2019.

The District is 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.

Note 10. Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media, and educational services provided through the Area Education Agency. The District's actual amount for this purpose totaled \$844,433 for the year ended June 30, 2019 and is recorded in the General Fund by making a memorandum adjusting entry to the cash basis financial statements.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 11. Categorical Funding

In accordance with Iowa Administrative Code Section 98.1, categorical funding is financial support from the state and federal governments targeted for particular categories of students, special programs, or special purposes. This support is in addition to school district or area education agency general purpose revenue, for purposes beyond the basic educational program and most often has restrictions on its use. Any portion of categorical funding provided by the state that is not expended by the end of the fiscal year must be carried forward as a restricted fund balance.

The following is a schedule of the categorical funding restricted in the General Fund at June 30, 2019:

Program	Amount
Home school assistance program	\$ 144,479
Gifted and talented programs	81,468
Evaluator training program	331
Teacher leadership state aid	427,864
Four year old preschool state aid	361,315
Teacher salary supplement	20,635
Successful progression for early readers	27,108
Teacher development academies	4,834
Professional development	<u>56,098</u>
Total	<u>\$ 1,124,132</u>

Note 12. 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 governments 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.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 12. 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, 2019 under agreements entered into by the following entities:

<u>Entity</u>	<u>Tax Abatement Program</u>	<u>Amount of Tax Abated</u>
City of Carlisle	Urban renewal and economic development projects	\$ 58,849

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, 2019, this reimbursement amounted to \$29,767.

Note 13. Construction Commitments

The District has entered into a contract totaling \$10,536,844 for an indoor activity center. As of June 30, 2019, costs of \$5,871,202 had been incurred against the contract. The balance of \$4,665,642 remaining at June 30, 2019 will be paid as work on the project progresses.

Note 14. Subsequent Events

On July 2, 2019, the District entered into a real estate contract totaling \$550,000 for the purchase of land. The agreement calls for a down payment of \$55,000, with the remaining \$495,000 financed by 118 monthly payments of \$4,768.34 with one final balloon payment of \$9,525.07, and has an interest rate of 2.95%.

On August 22, 2019, the District issued \$2,000,000 in general obligation school bonds. The bonds are payable through the year ended June 30, 2023 and have an interest rate of 5.0%.

On October 14, 2019, the District approved a contract totaling \$3,108,700 for the renovation of Carlisle elementary school.

Note 15. Prospective Accounting Change

The Governmental Accounting Standards Board has issued Statement No. 84, Fiduciary Activities. This statement will be implemented for the fiscal year ending June 30, 2020. The revised requirements of this statement will enhance the consistency and comparability of fiduciary activity reporting by state and local governments by establishing specific criteria for identifying fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities.

Required Supplementary Information

CARLISLE 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, 2019

	Governmental Funds - Actual	Proprietary Fund - Actual	Total Actual	Budgeted Amounts		Final to Actual Variance
				Original	Final	
REVENUES:						
Local sources	\$ 8,940,747	\$ 542,556	\$ 9,483,303	\$ 9,137,517	\$ 9,137,517	\$ 345,786
State sources	16,603,667	8,622	16,612,289	16,562,229	16,562,229	50,060
Federal sources	560,489	506,512	1,067,001	1,001,500	1,001,500	65,501
Total revenues	26,104,903	1,057,690	27,162,593	26,701,246	26,701,246	461,347
EXPENDITURES/EXPENSES:						
Instruction	13,696,627	-	13,696,627	13,925,000	14,000,000	303,373
Support services	7,585,361	-	7,585,361	7,284,550	7,460,550	(124,811)
Non-instructional programs	-	1,005,842	1,005,842	1,213,500	1,353,500	347,658
Other expenditures	11,374,002	-	11,374,002	4,137,448	17,414,348	6,040,346
Total expenditures/expenses	32,655,990	1,005,842	33,661,832	26,560,498	40,228,398	6,566,566
Excess (deficiency) of revenues over (under) expenditures/ expenses	(6,551,087)	51,848	(6,499,239)	140,748	(13,527,152)	7,027,913
Other financing sources, net	15,984,062	-	15,984,062	360	360	15,983,702
Excess (deficiency) of revenues and other financing sources over (under) expenditures/ expenses	9,432,975	51,848	9,484,823	141,108	(13,526,792)	23,011,615
Balance beginning of year	10,509,751	327,985	10,837,736	10,536,124	10,536,124	301,612
Balance end of year	\$ <u>19,942,726</u>	\$ <u>379,833</u>	\$ <u>20,322,559</u>	\$ <u>10,677,232</u>	\$ <u>(2,990,668)</u>	\$ <u>23,313,227</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGETARY REPORTING
Year Ended June 30, 2019

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental 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 internal service, 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 a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures/expenses known as functions, not by fund or fund type. 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 function 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 two budget amendments increasing budgeted expenditures/expenses by \$13,667,900.

During the year ended June 30, 2019, expenditures/expenses in the support services function exceeded the amount budgeted.

CARLISLE COMMUNITY SCHOOL DISTRICT

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

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

Required Supplementary Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.167600%	0.163169%	0.160930%
District's proportionate share of the net pension liability	\$ 10,606	\$ 10,869	\$ 10,128
District's covered payroll	\$ 12,594	\$ 12,180	\$ 11,546
District's proportionate share of the net pension liability as a percentage of its covered payroll	84.21%	89.24%	87.72%
IPERS' net position as a percentage of the total pension liability	83.62%	82.21%	81.82%

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

See accompanying independent auditor's report.

	<u>2016</u>		<u>2015</u>
	0.160113%		0.159686%
\$	7,910	\$	6,333
\$	10,958	\$	10,449
	72.18%		60.61%
	85.19%		87.61%

CARLISLE COMMUNITY SCHOOL DISTRICT

Schedule of the District's Contributions

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

Required Supplementary Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contributions	\$ 1,250	\$ 1,125	\$ 1,088	\$ 1,031
Contributions in relation to the statutorily required contribution	<u>(1,250)</u>	<u>(1,125)</u>	<u>(1,088)</u>	<u>(1,031)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 13,246	\$ 12,594	\$ 12,180	\$ 11,546
Contributions as a percentage of covered payroll	9.44%	8.93%	8.93%	8.93%

See accompanying independent auditor's report.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 978	\$ 933	\$ 854	\$ 751	\$ 620	\$ 610
<u>(978)</u>	<u>(933)</u>	<u>(854)</u>	<u>(751)</u>	<u>(620)</u>	<u>(610)</u>
<u>\$ -</u>					
\$ 10,958	\$ 10,449	\$ 9,862	\$ 9,310	\$ 8,912	\$ 9,169
8.93%	8.93%	8.67%	8.07%	6.95%	6.65%

CARLISLE COMMUNITY SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY
Year Ended June 30, 2019

Changes of benefit terms:

Legislation enacted in 2010 modified benefit terms for 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.

Changes of assumptions:

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

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 (unfunded actuarial liability) 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.

CARLISLE COMMUNITY SCHOOL DISTRICT

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

For the Last Two Years
Required Supplementary Information

	<u>2019</u>	<u>2018</u>
Service cost	\$ 144,550	\$ 150,836
Interest	53,266	42,903
Changes in assumptions	(9,236)	(90,407)
Benefit payments	<u>(46,621)</u>	<u>(93,559)</u>
Net change in total OPEB liability	141,959	9,773
Total OPEB liability beginning of year	<u>1,375,001</u>	<u>1,365,228</u>
Total OPEB liability end of year	<u>\$ 1,516,960</u>	<u>\$ 1,375,001</u>
Covered-employee payroll	\$ 11,596,463	\$ 10,338,223
Total OPEB liability as a percentage of covered-employee payroll	13.08%	13.30%

See accompanying independent auditor's report.

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

Changes in benefit terms:

There were no significant changes in benefit terms.

Changes in assumptions:

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

Year ended June 30, 2019	3.62%
Year ended June 30, 2018	3.56%
Year ended June 30, 2017	2.92%

This page intentionally left blank

Supplementary Information

CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2019

	Special Revenue		Total
	Management Levy	Student Activity	
Assets			
Cash and pooled investments	\$ 858,754	\$ 127,464	\$ 986,218
Receivables:			
Property tax:			
Current year	1,900	-	1,900
Succeeding year	90,565	-	90,565
Accounts	-	1,450	1,450
Due from other governments	-	125	125
Total assets	<u>\$ 951,219</u>	<u>\$ 129,039</u>	<u>\$ 1,080,258</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ 2,936	\$ 2,936
Salaries and benefits payable	-	1,987	1,987
Total liabilities	<u>-</u>	<u>4,923</u>	<u>4,923</u>
Deferred inflows of resources:			
Unavailable revenues:			
Succeeding year property tax	90,565	-	90,565
Fund balances:			
Restricted for:			
Management levy purposes	860,654	-	860,654
Student activities	-	124,116	124,116
Total fund balances	<u>860,654</u>	<u>124,116</u>	<u>984,770</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 951,219</u>	<u>\$ 129,039</u>	<u>\$ 1,080,258</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2019

	Special Revenue		Total
	Management Levy	Student Activity	
Revenues:			
Local sources:			
Local tax	\$ 187,195	\$ -	\$ 187,195
Other	2,017	294,342	296,359
State sources	709	-	709
Total revenues	<u>189,921</u>	<u>294,342</u>	<u>484,263</u>
Expenditures:			
Current:			
Instruction	-	291,012	291,012
Support services:			
Administration	138,048	13	138,061
Operation and maintenance of plant	91,740	980	92,720
Transportation	25,291	-	25,291
Total expenditures	<u>255,079</u>	<u>292,005</u>	<u>547,084</u>
Excess (deficiency) of revenues over (under) expenditures	(65,158)	2,337	(62,821)
Fund balances beginning of year	<u>925,812</u>	<u>121,779</u>	<u>1,047,591</u>
Fund balances end of year	<u>\$ 860,654</u>	<u>\$ 124,116</u>	<u>\$ 984,770</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUND ACCOUNTS
 June 30, 2019

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Assets				
Cash and pooled investments	\$ 1,781,507	\$ 176,452	\$ 9,539,682	\$ 11,497,641
Receivables:				
Property tax:				
Current year	-	5,921	-	5,921
Succeeding year	-	599,471	-	599,471
Accrued interest	-	-	98,492	98,492
Due from other governments	158,202	-	-	158,202
Real estate deposit	2,000	-	-	2,000
Total assets	\$ 1,941,709	\$ 781,844	\$ 9,638,174	\$ 12,361,727
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 826,373	\$ 826,373
Deferred inflows of resources:				
Unavailable revenues:				
Succeeding year property tax	-	599,471	-	599,471
Fund balances:				
Nonspendable:				
Real estate deposit	2,000	-	-	2,000
Restricted for:				
General obligation bonds	-	-	8,811,801	8,811,801
School infrastructure	1,939,709	-	-	1,939,709
Physical plant and equipment	-	182,373	-	182,373
Total fund balances	1,941,709	182,373	8,811,801	10,935,883
Total liabilities, deferred inflows of resources and fund balances	\$ 1,941,709	\$ 781,844	\$ 9,638,174	\$ 12,361,727

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUND ACCOUNTS
 Year Ended June 30, 2019

	Statewide Sales, Services and Use Tax	Physical Plant and Equipment Levy	Other Construction Projects	Total
Revenues:				
Local sources:				
Local tax	\$ -	\$ 593,683	\$ -	\$ 593,683
Other	12,827	680	347,760	361,267
State sources	1,990,788	2,209	-	1,992,997
Total revenues	<u>2,003,615</u>	<u>596,572</u>	<u>347,760</u>	<u>2,947,947</u>
Expenditures:				
Current:				
Support services:				
Instructional staff	-	4,145	-	4,145
Administration	845	45,246	195,592	241,683
Operation and maintenance of plant	16,611	16,610	-	33,221
Transportation	571,900	17,747	-	589,647
Other expenditures:				
Facilities acquisition	893,694	3,880	6,752,161	7,649,735
Total expenditures	<u>1,483,050</u>	<u>87,628</u>	<u>6,947,753</u>	<u>8,518,431</u>
Excess (deficiency) of revenues over (under) expenditures	520,565	508,944	(6,599,993)	(5,570,484)
Other financing sources (uses):				
Sale of equipment	-	501	-	501
Capital lease proceeds	571,900	-	-	571,900
General obligation bonds issued	-	-	15,000,000	15,000,000
Bond premium	-	-	411,661	411,661
Interfund transfers out	(1,028,441)	(426,300)	-	(1,454,741)
Total other financing sources (uses)	<u>(456,541)</u>	<u>(425,799)</u>	<u>15,411,661</u>	<u>14,529,321</u>
Change in fund balances	64,024	83,145	8,811,668	8,958,837
Fund balances beginning of year	<u>1,877,685</u>	<u>99,228</u>	<u>133</u>	<u>1,977,046</u>
Fund balances end of year	<u>\$ 1,941,709</u>	<u>\$ 182,373</u>	<u>\$ 8,811,801</u>	<u>\$ 10,935,883</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF FUND NET POSITION
 NONMAJOR INTERNAL SERVICE FUNDS
 Year Ended June 30, 2019

	<u>Self-Funded Health</u>	<u>Flex Plan</u>	<u>Total</u>
Assets			
Cash and pooled investments	\$ <u>839,948</u>	\$ <u>10,085</u>	\$ <u>850,033</u>
Net Position			
Unrestricted	\$ <u><u>839,948</u></u>	\$ <u><u>10,085</u></u>	\$ <u><u>850,033</u></u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR INTERNAL SERVICE FUNDS

Year Ended June 30, 2019

	<u>Self-Funded Health</u>	<u>Flex Plan</u>	<u>Total</u>
Operating Revenues			
Local sources:			
Charges for services	\$ 1,310,110	\$ 1,728	\$ 1,311,838
Operating expenses:			
Instruction:			
Insurance premiums	1,365,933	-	1,365,933
Purchased services	64,569	-	64,569
	<u>1,430,502</u>	<u>-</u>	<u>1,430,502</u>
Operating income (loss)	(120,392)	1,728	(118,664)
Net position beginning of year	<u>960,340</u>	<u>8,357</u>	<u>968,697</u>
Net position end of year	<u>\$ 839,948</u>	<u>\$ 10,085</u>	<u>\$ 850,033</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

 COMBINING SCHEDULE OF CASH FLOWS
 NONMAJOR INTERNAL SERVICE FUNDS
 Year Ended June 30, 2019

	Self-Funded Health	Flex Plan	Total
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ 1,310,110	\$ 1,728	\$ 1,311,838
Cash paid to suppliers for goods or services	(1,430,502)	-	(1,430,502)
Net cash provided by (used by) operating activities	<u>(120,392)</u>	<u>1,728</u>	<u>(118,664)</u>
Cash and cash equivalents beginning of year	<u>960,340</u>	<u>8,357</u>	<u>968,697</u>
Cash and cash equivalents end of year	<u>\$ 839,948</u>	<u>\$ 10,085</u>	<u>\$ 850,033</u>
Reconciliation of operating income (loss) to net cash provided by (used by) operating activities:			
Operating income	\$ (120,392)	\$ 1,728	\$ (118,664)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used by) operating activities	<u>\$ (120,392)</u>	<u>\$ 1,728</u>	<u>\$ (118,664)</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2019

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Books & Buddies	\$ 182	\$ -	\$ -	\$ 182
FCCLA	179	1,762	1,941	-
Spanish	643	-	-	643
Marketing Club	2,917	-	175	2,742
High School Student Council	4,194	8,967	8,437	4,724
K-6 Book Club	9,575	13,121	15,155	7,541
6-12 Book Club	-	1,393	1,393	-
High School Annual	12,620	2,200	3,165	11,655
Color Guard	593	-	-	593
Cheerleading	5,883	6,578	11,168	1,293
Middle School Student Council	1,767	1,036	560	2,243
Middle School Yearbook	706	545	-	1,251
Elementary Yearbook	804	1,268	-	2,072
Hartford Store	889	393	288	994
High School Academic Enrichment	7,588	1,324	3,488	5,424
SADD	800	-	-	800
Elementary Enrichment	5,747	2,320	6,186	1,881
Middle School Enrichment	2,706	2,442	1,961	3,187
Drama	3,945	-	403	3,542
Speech Club	-	600	296	304
Debate Club	-	600	350	250
High School Chorus	10,464	795	1,565	9,694
Musical Productions	9,464	7,272	2,547	14,189
7-12 Band	2,168	-	1,019	1,149
All Athletics	4,267	157,038	152,522	8,783
Basketball - Girls	-	640	121	519
Basketball - Boys	-	1,052	400	652
Soccer - Girls	407	5,500	634	5,273
Soccer - Boys	-	1,550	741	809
Track - Girls	-	500	200	300

CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS
Year Ended June 30, 2019

Account	Balance Beginning of Year	Revenues	Expenditures	Balance End of Year
Track - Boys	\$ -	\$ 2,622	\$ 2,331	\$ 291
Cross Country	-	1,300	797	503
Weightlifting	-	200	99	101
Football	-	21,508	21,275	233
Baseball	290	340	355	275
Wrestling	-	5,258	5,092	166
Volleyball	-	899	714	185
Softball	2,685	7,609	8,650	1,644
Y-Camp	8,261	15,222	13,188	10,295
Recycling/Fowler Habitat	1,100	-	-	1,100
Golf - Boys	-	33	-	33
Golf - Girls	-	-	-	-
MS Conservation Team	140	-	140	-
Character Counts	3,349	-	1,517	1,832
Culture Club	5	-	-	5
Prom	6,409	3,460	5,883	3,986
Adopt-A-Classroom	385	-	-	385
Middle School	3,198	6,565	7,908	1,855
Art Club - HS	747	2,369	2,389	727
Art Club - K-5	2,279	2,328	1,486	3,121
Social Studies Trip	41	-	-	41
Hartford Yearbook	2,651	1,125	775	3,001
HS Principal's Council	-	210	210	-
Dance Team	1,000	3,857	4,168	689
Student Ambassadors	731	541	313	959
Total	<u>\$ 121,779</u>	<u>\$ 294,342</u>	<u>\$ 292,005</u>	<u>\$ 124,116</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUND
 Year Ended June 30, 2019

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance End of Year</u>
Cash	\$ 3,381	\$ 2,424	\$ 2,709	\$ 3,096
Liabilities				
Accounts payable	\$ 1,641	\$ 2,244	\$ 1,949	\$ 1,936
Other payables	1,740	180	760	1,160
	<u>\$ 3,381</u>	<u>\$ 2,424</u>	<u>\$ 2,709</u>	<u>\$ 3,096</u>

See accompanying independent auditor's report.

CARLISLE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION

ALL GOVERNMENTAL FUNDS
FOR THE LAST TEN YEARS

	Modified Accrual Basis			
	Years Ended June 30,			
	2019	2018	2017	2016
Revenues:				
Local sources:				
Local tax	\$ 6,280,696	\$ 5,956,766	\$ 5,743,202	\$ 5,577,006
Tuition	1,561,109	1,484,910	1,440,886	1,386,737
Other	1,098,942	715,257	766,518	1,185,339
Intermediate sources	-	-	-	-
State sources	16,603,667	15,877,994	15,916,356	15,397,825
Federal sources	560,489	635,247	644,458	652,572
Total revenues	\$ 26,104,903	\$ 24,670,174	\$ 24,511,420	\$ 24,199,479
Expenditures:				
Instruction	\$ 13,696,627	\$ 13,359,874	\$ 12,530,920	\$ 13,314,910
Support services:				
Student	714,799	704,857	664,276	675,608
Instructional staff	606,232	673,487	700,444	921,022
Administration	2,925,758	2,840,008	3,126,751	2,728,942
Operation and maintenance of plant	1,933,160	1,610,164	1,465,680	1,566,232
Transportation	1,405,412	997,666	922,176	877,994
Other expenditures:				
Facilities acquisition	7,649,735	2,531,802	3,320,702	1,515,281
Long-term debt:				
Principal	2,066,149	2,240,989	2,158,672	2,610,000
Interest and fiscal charges	813,685	448,913	498,998	792,001
AEA flowthrough	844,433	814,154	796,302	779,370
Total expenditures	\$ 32,655,990	\$ 26,221,914	\$ 26,184,921	\$ 25,781,360

See accompanying independent auditor's report.

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	5,379,491	\$ 5,242,667	\$ 6,673,466	\$ 6,813,016	\$ 6,494,784	\$ 5,642,664
	1,394,942	1,445,627	1,272,599	1,111,259	920,325	604,590
	815,702	695,321	801,271	750,508	1,067,275	716,657
	-	-	5,000	-	-	10,000
	14,221,560	13,488,503	11,227,830	11,008,811	10,574,939	9,259,561
	569,939	576,726	429,848	814,695	846,035	1,533,433
	<u>\$ 22,381,634</u>	<u>\$ 21,448,844</u>	<u>\$ 20,410,014</u>	<u>\$ 20,498,289</u>	<u>\$ 19,903,358</u>	<u>\$ 17,766,905</u>
\$	12,228,703	\$ 11,435,414	\$ 10,625,063	\$ 10,095,727	\$ 9,650,279	\$ 9,556,760
	750,913	724,600	690,058	671,591	603,862	584,782
	552,292	525,538	391,066	303,120	408,471	339,566
	2,580,546	2,557,565	2,413,717	2,282,587	2,091,204	2,095,597
	1,556,012	1,489,312	1,489,222	1,442,798	1,382,082	1,435,226
	901,445	854,201	825,319	984,419	821,043	744,623
	140,481	1,037,840	718,489	623,095	1,411,893	7,510,608
	1,550,000	625,000	1,285,750	858,250	958,250	933,250
	818,725	846,425	884,630	925,255	959,901	802,786
	750,133	696,090	664,895	649,983	688,857	665,706
	<u>\$ 21,829,250</u>	<u>\$ 20,791,985</u>	<u>\$ 19,988,209</u>	<u>\$ 18,836,825</u>	<u>\$ 18,975,842</u>	<u>\$ 24,668,904</u>

CARLISLE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Grantor / Program	CFDA Number	Pass-through Entity Identifying Number	Expenditures
Indirect:			
U. S. Department of Agriculture:			
Iowa Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	0981-19	\$ 95,268
National School Lunch Program	10.555	0981-19	411,244 *
			<u>506,512</u>
U. S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	0981-G-19	165,158
Title I Grants to Local Educational Agencies	84.010	0981-SINA-19	9,058
			<u>174,216</u>
Career and Technical Education	84.048	0981-19	<u>16,865</u>
Supporting Effective Instruction State Grants	84.367	0981-19	<u>28,594</u>
Student Support and Academic Enrichment Program	84.424	0981-19	<u>4,298</u>
Heartland Area Education Agency:			
Special Education Cluster:			
Special Education Grants to States	84.027	0981-19	<u>89,819</u>
English Language Acquisition State Grants	84.365	0981-19	<u>1,260</u>
 Total			 \$ <u><u>821,564</u></u>

* = Includes \$59,551 of non-cash awards

CARLISLE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Carlisle Community School District under programs of the federal government for the year ended June 30, 2019. 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 Carlisle Community School District, it is not intended to and does not present the financial position, changes in financial position or cash flows of Carlisle 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 Tribal 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 - Carlisle Community School District uses a federally negotiated indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditor's report.

DOUGLAS T. HUNT, CPA
DONALD D. KAIN
CHUCK C. CONVERSE, CPA
RUSSELL S. TERPSTRA, CPA
MICHAEL G. STANLEY, CPA
DEE A.A. HOKE, CPA

HUNT & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1201 HIGH AVENUE WEST
OSKALOOSA, IA 52577
641/672-2541
FAX 641/672-2461

317 EAST ROBINSON
KNOXVILLE, IA 50138
641/842-3184
FAX 641/828-7404

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education of
Carlisle Community School District:

We have audited 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 Chapter 11 of the Code of Iowa, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Carlisle Community School District as of and for the year ended June 30, 2019, and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carlisle 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 Carlisle Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Carlisle Community School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over financial reporting, described in Part II of the accompanying Schedule of Findings and Questioned Costs, that we consider to be a material weakness.

Compliance

As part of obtaining reasonable assurance about whether Carlisle 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 certain immaterial instances of non-compliance that 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, 2019 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.

Carlisle Community School District's Responses to the Findings

Carlisle Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Carlisle 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 results 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 report is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Carlisle 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.

Hunt & Associates, P.C.

Oskaloosa, Iowa
November 15, 2019

DOUGLAS T. HUNT, CPA
DONALD D. KAIN
CHUCK C. CONVERSE, CPA
RUSSELL S. TERPSTRA, CPA
MICHAEL G. STANLEY, CPA
DEE A.A. HOKE, CPA

HUNT & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1201 HIGH AVENUE WEST
OSKALOOSA, IA 52577
641/672-2541
FAX 641/672-2461
317 EAST ROBINSON
KNOXVILLE, IA 50138
641/842-3184
FAX 641/828-7404

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education of
Carlisle Community School District:

Report on Compliance for the Major Federal Program

We have audited Carlisle 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 its major federal program for the year ended June 30, 2019. Carlisle Community School District's major federal program is 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Carlisle Community School District's major federal program 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 the 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 Carlisle Community School District's compliance with those requirements and performing such other procedures we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, Carlisle 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 its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

In planning and performing our audit of compliance, we considered Carlisle Community School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Carlisle Community School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance 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 is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Hunt & Associates, P.C.

Oskaloosa, Iowa
November 15, 2019

CARLISLE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Part I: Summary of the Independent Auditor's Results:

- (a) Unmodified opinions were issued on all opinion units.
- (b) A material weakness in internal control over financial reporting was reported.
- (c) The audit did not report any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were reported.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with the Uniform Guidance, Section 200.516.
- (g) The major program was as follows:
 - Child Nutrition Cluster
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Carlisle Community School District qualified as a low-risk auditee.

CARLISLE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Part II: Findings Related to the Basic Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

II-A-19 Financial Reporting

Criteria – A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements of the financial statements on a timely basis. Properly designed policies and procedures and implementation of the policies and procedures are an integral part of ensuring the reliability and accuracy of the District’s financial statements.

Condition – Material amounts of receivables were not recorded in the District’s financial statements. Adjustments were subsequently made by the District to properly include these amounts in the financial statements.

Cause – District policies do not require and procedures have not been established to require independent review of year end cut-off transactions to ensure the District’s financial statements are accurate and reliable.

Effect – Lack of policies and procedures resulted in District employees not detecting the errors in the normal course of performing their assigned functions. As a result, material adjustments to the District’s financial statements were necessary.

Recommendation – The District should implement procedures to ensure all receivables are identified and included in the District’s financial statements.

Response – We will implement procedures to double check these in the future to avoid missing any receivables.

Conclusion – Response accepted.

CARLISLE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Part III: Findings and Questioned Costs for Federal Awards

Instances of Non-Compliance:

No matters were reported.

Internal Control Deficiencies:

No matters were reported.

CARLISLE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Part IV: Other Findings Related to Statutory Reporting:

IV-A-19 Certified Budget – Expenditures/expenses for the year ended June 30, 2019, exceeded the amounts budgeted in the support services function.

Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures/expenses were allowed to exceed the budget.

Response – We will amend our budget in sufficient amounts before expenditures/expenses exceed the budget in the future.

Conclusion – Response accepted.

IV-B-19 Questionable Expenditures – No expenditures we believe may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.

IV-C-19 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-19 Business Transactions – No business transactions between the District and District officials or employees were noted.

IV-E-19 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 ensure that the coverage is adequate for current operations.

IV-F-19 Board Minutes – No transactions requiring Board approval which had not been approved by the Board were noted.

IV-G-19 Certified Enrollment – The number of basic resident students reported to the Iowa Department of Education on line 7 of the Certified Enrollment Certification Form for October 2018 was overstated by .22 due to the misclassification of one student as an English language learner.

Recommendation – The Iowa Department of Education and the Iowa Department of Management should be contacted to resolve this matter.

Response – The Iowa Department of Education and Iowa Department of Management have been contacted by our auditors regarding this.

Conclusion – Response accepted.

IV-H-19 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.

IV-I-19 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the District’s investment policy were noted.

IV-J-19 Certified Annual Report – The Certified Annual Report was certified to the Iowa Department of Education timely and we noted no significant deficiencies in the amounts reported.

CARLISLE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

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

IV-K-19 Categorical Funding – No instances of categorical funding being used to supplant rather than supplement other funds were noted.

IV-L-19 Statewide Sales, Services and Use Tax – No instances of non-compliance with the allowable uses of the statewide sales, services and use tax revenue provided in 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. For the year ended June 30, 2019, the District reported the following information regarding the statewide sales, services and use tax revenue in the District’s CAR:

Beginning balance		\$ 1,877,685
Revenues:		
Interest	\$ 12,827	
Statewide sales, services and use tax	1,990,788	
Capital lease proceeds	<u>571,900</u>	2,575,515
Expenditures/transfers out:		
School infrastructure construction	893,694	
Equipment	574,111	
Other	15,245	
Transfers to other funds:		
Debt Service Fund	<u>1,028,441</u>	<u>2,511,491</u>
Ending balance		<u><u>\$ 1,941,709</u></u>

For the year ended June 30, 2019, the District did not reduce any levies as a result of the moneys received under Chapter 423E or 423F of the Code of Iowa.

IV-M-19 Financial Condition – At June 30, 2019, the governmental activities, had a deficit unrestricted net position of \$2,388,337. This deficit balance was caused by the recognition of the District’s proportionate share of the IPERS pension liability and the related deferred outflows of resources and deferred inflows of resources in the District’s financial statements.

Recommendation – Even though the deficit arose due to the net pension liability, deferred outflows of resources, and deferred inflows of resources, the District should investigate ways to return the governmental activities to a sound financial condition.

CARLISLE COMMUNITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

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

IV-M-19 Financial Condition (continued)

Response – We are unsure of what steps can be taken at this time to alleviate the strain of the District’s proportionate share of the IPERS liability and the related deferred outflows of resources and deferred inflows of resources since actions related to this area are controlled by the Iowa Legislature. However, we will look into this situation and investigate ways to return the governmental activities to a sound financial condition.

Conclusion – Response accepted.

IV-N-19 Improper Expenditure Coding – We noted in our testing of fundraisers in the Special Revenue, Student Activity Fund that \$6,354 of fundraiser expenditures were netted to the fundraiser revenues. This practice understates both revenues and expenditures and bypasses the budget process.

Recommendation – The District should develop policies and procedures to prevent the coding of expenditures against associated revenue accounts to properly reflect all amounts in the financial statements.

Response – We will properly code all expenditure transactions to the proper expenditure account in the future.

Conclusion – Response accepted.