

**CENTRAL RIVERS AREA EDUCATION AGENCY**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**



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**CENTRAL RIVERS AREA EDUCATION AGENCY  
OFFICIALS**

**BOARD OF DIRECTORS**

<b>Name</b>	<b>Title</b>	<b>Term Expires</b>
Dr. Debra Rich	President	December 31, 2025
Maureen Hanson	Vice-President	December 31, 2027
Nicole Lovik-Blaser	Member	December 31, 2025
Dr. Darshini Jayawardena	Member	December 31, 2027
Dr. Mary Stevens	Member	December 31, 2027
Dr. Tony Reid	Member	December 31, 2025
Bryan Burton	Member	December 31, 2025
Dennis Craun, Jr.	Member	December 31, 2027
Kathryn Enslin	Member	December 31, 2027

**AGENCY**

Stan Rheingans	Chief Administrator
Jennifer Coombes	Chief Financial Officer and Treasurer
Lori Thomas	Board Secretary



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Central Rivers Area Education Agency  
Cedar Falls, Iowa

### **Report on the Audit of the Financial Statements**

#### ***Qualified and Unmodified Opinions***

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Central Rivers Area Education Agency (the Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

#### ***Qualified Opinion on Discretely Presented Component Unit***

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the discretely presented component unit of the Agency, as of June 30, 2024, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Unmodified Opinions on Governmental Activities, Each Major Fund, and Aggregate Remaining Fund Information***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

#### ***Matters Giving Rise to Qualified Opinion on Discretely Presented Component Unit***

The discretely presented component unit's assets include alternative investments. Supporting documentation of the fair value of some of those investments were unable to be determined. The amount by which this departure would affect assets, net position, and revenues of the discretely presented component unit have not been determined.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the Agency's proportionate share of the net pension liability, the schedule of Agency contributions and the schedule of changes in the Agency's total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The combining fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Agency Officials page and the schedule of revenues by source and expenditures by function but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Agency'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 the Agency's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Cedar Rapids, Iowa  
June 12, 2025



**CENTRAL RIVERS AREA EDUCATION AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

Central Rivers Area Education Agency 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, 2024. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

**2024 FINANCIAL HIGHLIGHTS**

General Fund revenue and other financing sources increased from \$55,149,288 in fiscal year 2023 to \$56,643,570 in fiscal year 2024, an increase of \$1,494,282. General Fund expenditures and other financing uses increased from \$53,607,544 in fiscal year 2023 to \$55,802,407 in fiscal year 2024, an increase of \$2,194,863. General Fund net change in fund balance was \$1,541,744 in fiscal year 2023 compared to \$841,163 in fiscal year 2024. This resulted in an increase in the Agency's General Fund balance from \$18,117,397 in fiscal year 2023 to \$18,958,560 in fiscal year 2024.

The increase in General Fund revenue and other financing sources of \$1,494,282, was primarily the result of sharing contracts with local school districts for services such as special ed director and ELL services, equipment repair, and investment rate of returns. The increase in General Fund expenditures and other financing uses of \$2,194,863 was primarily the result of increased salary and benefit costs. The fund balance of \$18,958,560 consists of nonspendable fund balance of \$179,604, restricted fund balance of \$934,426, committed fund balance of \$5,368,288, assigned fund balance of \$543,286, and unassigned fund balance of \$11,932,956. The unassigned fund balance as of the end of the fiscal year 2024 represents approximately 21.4% of the fiscal year 2024 expenditures and other financial uses.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements and other information, as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.
- The Government-Wide Financial Statements consist of a statement of net position and a statement of activities. These provide information about the activities of Central Rivers Area Education Agency as a whole and present an overall view of the Agency's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Agency's operations in more detail than the Government-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**USING THIS ANNUAL REPORT**

- Required Supplementary Information further explains and supports the financial statements with a comparison of the Agency's budget for the year, the Agency's share of the net pension liability and related contributions, as well as presenting the schedule of changes in the Agency's total OPEB liability and related ratios.
- Supplementary Information provides detailed information about the nonmajor funds. In addition, the schedule of expenditures of federal awards provides details of various federal programs benefiting the Agency.

**REPORTING THE AGENCY AS A WHOLE**

**Government-Wide Financial Statements**

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

The two Governmental-wide statements report the Agency's net position and how it has changed. Net position is one way to measure the Agency's financial health or position. Over time, increases or decreases in the Agency's net position are an indicator of whether financial position is improving or deteriorating. To assess the Agency's overall health, additional nonfinancial factors, such as changes in the Agency's property tax base the condition of its facilities, need to be considered.

Most of the Agency's basic services are included in governmental activities. These include regular and special education instruction, student and instructional staff support services and administration. Local school districts, federal and state aid finance most of these activities.

**Fund Financial Statements**

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

Some funds are required by state law or by bond covenants. The Agency establishes other funds to control and manage money for particular purposes, such as accounting for major construction projects or to show that it is properly using certain revenue, such as federal grants.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**REPORTING THE AGENCY AS A WHOLE**

**Fund Financial Statements**

The Agency has three kinds of funds:

1. Governmental funds account for most of the Agency's basic services. These focus on how cash and other financial assets readily converted to cash flow in and out and the balances left at year-end 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 Agency's programs. The Agency's governmental funds include: (a) the General Fund, (b) the Special Revenue Funds, (c) the Capital Projects Fund, and (d) the Debt Service Fund.

The required financial statements for governmental funds include a balance sheet and a statement of revenue, expenditures, and changes in fund balances.

2. Proprietary funds include internal services funds which are used to account for dental and health insurance, and employee flexible dollars.

The required financial statements for the proprietary funds include a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows.

3. Custodial funds are funds through which the Agency administers and accounts for certain federal and/or state grants on behalf of other entities. The Agency is responsible for ensuring assets reported in the fiduciary funds are used only for their intended purposes and by those to whom the assets belong. The Agency excludes these activities from the Governmental-wide financial statements because it cannot use the assets to finance its operations.

The required financial statements for fiduciary funds are a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Reconciliations between the Government-wide financial statements and the fund financial statements follow the fund financial statements.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of financial position. The Agency's net position as of the end of fiscal year 2024 was \$13.0 million compared to a net position of approximately \$8.8 million as of the end of fiscal year 2023.

	Condensed Statement of Net Position Governmental Activities June 30,	
	2024	2023
<b>Assets</b>		
Current and Other Assets	\$ 29,146,818	\$ 27,712,633
Capital Assets	9,318,215	9,548,495
Total Assets	38,465,033	37,261,128
<b>Deferred Outflows of Resources</b>	8,031,538	5,144,094
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 46,496,571</u>	<u>\$ 42,405,222</u>
<b>Liabilities</b>		
Long-Term Obligations	\$ 24,793,870	\$ 21,918,886
Other Liabilities	6,506,548	6,885,747
Total Liabilities	31,300,418	28,804,633
<b>Deferred Inflows of Resources</b>	2,225,046	4,795,882
<b>Net Position</b>		
Net Investment in Capital Assets	5,537,584	5,361,003
Restricted	934,426	918,283
Unrestricted	6,499,097	2,525,421
Total Net Position	<u>12,971,107</u>	<u>8,804,707</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 46,496,571</u>	<u>\$ 42,405,222</u>

The Agency's combined net position increased by 47.3%, or \$4,166,400 from fiscal year 2023. The change in net position was primarily due to the calculation of IPERS net pension liability.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following analysis details the changes in net position resulting from the Agency's activities.

	Changes in Net Position	
	Governmental Activities	
	June 30,	
	2024	2023
<b>Revenues</b>		
Program Revenues:		
Charges for Service	\$ 3,008,221	\$ 1,861,975
Operating Grants and Contributions	30,142,359	29,263,853
General Revenues:		
Property Tax	13,816,339	13,584,506
State Foundation Aid	14,556,232	14,983,473
Unrestricted Investment Earnings	1,051,728	757,051
Other	5,660	65,905
Total Revenues	62,580,539	60,516,763
<b>Expenses</b>		
Program Expenses:		
Instruction	9,331,734	8,548,023
Student Support Services	23,790,159	22,376,507
Instructional Staff Support Services	14,135,941	12,836,870
General Administration	1,826,681	1,677,557
Business Administration	6,288,057	5,749,306
Plan Operations and maintenance	1,510,633	1,513,921
Central and Other Support Services	863,416	590,041
Noninstructional programs	158,472	156,697
Debt service fiscal charges	109,556	119,707
Depreciation (unallocated)	399,490	377,853
Total Expenses	58,414,139	53,946,483
<b>Change in Net Position</b>	4,166,400	6,570,280
Net Position - Beginning of Year	8,804,707	2,234,427
<b>Net Position - End of Year</b>	<u>\$ 12,971,107</u>	<u>\$ 8,804,707</u>

The Agency's expenses primarily relate to instruction, student support services, and instructional staff support services.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**INDIVIDUAL FUND ANALYSIS**

As previously noted, Central Rivers Area Education Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Agency's governmental funds reported combined fund balances of \$18,669,032, which is an increase from the beginning of the year fund balances of \$17,299,384.

**Governmental Fund Highlights**

The General Fund balance increased \$841,163. The primary reasons for the increase in the General Fund balance was due to the increase in revenue from new services provided to schools and investment rate returns increasing interest revenue.

**BUDGETARY HIGHLIGHTS**

Area Education Agencies are required to submit the original certified budget to the Department of Education by February 15<sup>th</sup>. This due date is frequently before the legislature has set funding levels for the fiscal year budget being certified and before federal allocations are known. It may also be prior to knowing settlements with collective bargaining units. Therefore, the Agency amended its budgeted revenues and expenditures to reflect more accurate assumptions.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2024, the Agency had invested \$9,318,215, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, computers, and audio-visual equipment. This is a net decrease of \$230,280 from the prior fiscal year.

The Agency reported depreciation expense of \$972,478 in fiscal year 2024 and total accumulated depreciation of \$9,716,210 as of June 30, 2024. More detailed information about capital assets is available in Note 3 to the financial statements.

**Long-Term Liabilities**

As of June 30, 2024, the Agency had \$25,555,726 of long-term liabilities that consisted of net pension liability, total OPEB liability, certificates of participation, lease obligations, and compensated absences. In fiscal year 2017, the Agency sold \$6,082,240 in certificates of participation for land and facilities. More detailed information about the Agency's long-term liabilities is available in Note 6 to the financial statements.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2024**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

As a governmental entity, state and federal funding levels continue to be an area of concern for the LEAs and AEAs throughout the state. For fiscal year 2025, the supplemental state aid was set by the legislature at 2.50% and the state-wide reduction to all area education agencies is at \$29.6 million. With much of our funding based on enrollment, stable enrollment is critical in maintaining a sound financial position. The Agency's Fall of 2024 preliminary budgeted enrollment increased 367 students.

Health insurance contributions can have a significant impact on the Agency's negotiated settlements and employee benefit expenses. The Agency has decided to fully self-fund their health insurance plan beginning with the July 1, 2018, plan year. The self-insurance balance has grown to \$4,280,723 at the end of fiscal year 2024. The healthy fund balance will ensure the Agency is able to meet unexpected expenditures resulting from high claims and manage the cost of health care premiums for employees.

**CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Agency's citizens, taxpayers, customers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer's office of Central Rivers Area Education Agency, 1521 Technology Parkway, Cedar Falls, Iowa, 50613.

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Governmental Activities	Component Unit AEA6 Foundation
<b>ASSETS</b>		
Cash, Cash Equivalents, and Investments	\$ 26,350,257	\$ 711,979
Accounts Receivable	17,517	-
Due from Other Governments	2,599,440	-
Inventories	34,604	-
Prepaid Expenses	145,000	-
Capital Assets, Not Depreciable	617,940	-
Capital Assets, Depreciable (Net of Accumulated Depreciation)	8,700,275	-
Total Assets	38,465,033	711,979
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Deferred Outflows	7,418,598	-
OPEB Related Deferred Outflows	612,940	-
Total Deferred Outflows of Resources	8,031,538	-
Total Assets and Deferred Outflows of Resources	\$ 46,496,571	\$ 711,979
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,427,984	\$ -
Salaries and Benefits Payable	4,286,502	-
Deposits Payable	30,206	-
Long-Term Liabilities:		
Portion Due or Payable Within One Year:		
Certificates of Participation	376,304	-
Lease Liability	14,865	-
Compensated Absences	250,921	-
Net OPEB Liability	119,766	-
Portion Due or Payable After One Year:		
Certificates of Participation	3,389,462	-
Net Pension Liability	18,988,666	-
Net OPEB Liability	2,415,742	-
Total Liabilities	31,300,418	-
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related Deferred Inflows	1,362,505	-
OPEB Related Deferred Inflows	862,541	-
Total Deferred Inflows of Resources	2,225,046	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	5,537,584	-
Restricted for:		
Categorical Funding	363,458	-
Media Materials	570,968	-
Unrestricted	6,499,097	711,979
Total Net Position	\$ 12,971,107	\$ 711,979

See accompanying Notes to Financial Statements.



**CENTRAL RIVERS AREA EDUCATION AGENCY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Component Unit
		Charges for Service	Operating Grants and Contributions	Governmental Activities	AEA 6 Foundation
<b>Governmental Activities</b>					
Instruction	\$ 9,331,734	\$ 1,369,730	\$ 6,886,009	\$ (1,075,995)	\$ -
Student Support Services	23,790,159	-	22,813,771	(976,388)	-
Instructional Staff Support Services	14,135,941	562,315	442,579	(13,131,047)	-
General Administration	1,826,681	45,410	-	(1,781,271)	-
Business Administration	6,288,057	9,839	-	(6,278,218)	-
Plant Operations and Maintenance	1,510,633	-	-	(1,510,633)	-
Central and Other Support Services	863,416	-	-	(863,416)	-
Noninstructional Programs	158,472	1,020,927	-	862,455	-
Debt Service Fiscal Charges	109,556	-	-	(109,556)	-
Depreciation (Unallocated)	399,490	-	-	(399,490)	-
Total Governmental Activities	<u>\$ 58,414,139</u>	<u>\$ 3,008,221</u>	<u>\$ 30,142,359</u>	(25,263,559)	-
<b>Component Unit</b>					
AEA6 Foundation	<u>\$ 17,936</u>	<u>\$ -</u>	<u>\$ -</u>	-	(17,936)
<b>General Revenues</b>					
Property Tax levied for General Purposes				13,816,339	-
State Foundation Aid				14,556,232	-
Unrestricted Investment Earnings				1,051,728	47,925
Other				5,660	-
Total General Revenues				<u>29,429,959</u>	<u>47,925</u>
<b>CHANGE IN NET POSITION</b>				4,166,400	29,989
Net Position - Beginning of Year				<u>8,804,707</u>	<u>681,990</u>
<b>NET POSITION - END OF YEAR</b>				<u>\$ 12,971,107</u>	<u>\$ 711,979</u>

See accompanying Notes to Financial Statements.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	General	Special Education Instruction	Total Nonmajor Governmental Funds	Total
<b>ASSETS</b>				
Cash, Cash Equivalents, and Investments	\$ 20,489,434	\$ -	\$ 346,092	\$ 20,835,526
Accounts Receivable	17,517	-	-	17,517
Due from Other Governments	1,813,183	773,732	12,525	2,599,440
Due from Other Funds	471,557	-	-	471,557
Inventories	34,604	-	-	34,604
Prepays	145,000	-	-	145,000
Total Assets	<u>\$ 22,971,295</u>	<u>\$ 773,732</u>	<u>\$ 358,617</u>	<u>\$ 24,103,644</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 849,198	\$ 778	\$ 220,039	\$ 1,070,015
Salaries and Benefits Payable	3,129,316	301,397	138,578	3,569,291
Deposits Payable	30,206	-	-	30,206
Due to Other Governments	4,015	-	-	4,015
Due to Other Funds	-	471,557	-	471,557
Total Liabilities	<u>4,012,735</u>	<u>773,732</u>	<u>358,617</u>	<u>5,145,084</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	289,528	-	289,528
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable:				
Inventories	34,604	-	-	34,604
Prepaid Expenses	145,000	-	-	145,000
Restricted for:				
Categorical Funding	363,458	-	-	363,458
Media Materials	570,968	-	-	570,968
Committed for:				
Retro Workers' Compensation Program	263,483	-	-	263,483
Principal and Interest	475,343	-	-	475,343
Building Debt	3,404,462	-	-	3,404,462
River Hills Parking Lot	300,000	-	-	300,000
Technology Updates	150,000	-	-	150,000
Building Renovations	775,000	-	-	775,000
Assigned for:				
Equipment Repair	129,291	-	-	129,291
Miscellaneous	16,676	-	-	16,676
River Hills	397,319	-	-	397,319
Unassigned	11,932,956	(289,528)	-	11,643,428
Total Fund Balances (Deficits)	<u>18,958,560</u>	<u>(289,528)</u>	<u>-</u>	<u>18,669,032</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 22,971,295</u>	<u>\$ 773,732</u>	<u>\$ 358,617</u>	<u>\$ 24,103,644</u>

See accompanying Notes to Financial Statements.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
YEAR ENDED JUNE 30, 2024**

<b>Total Fund Balance for Governmental Funds</b>	<b>\$ 18,669,032</b>
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$19,034,425 and the accumulated depreciation is \$9,716,210.	9,318,215
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Internal service funds are used by management to charge the costs of dental and health insurance and employee flexible dollars to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	4,443,566
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Other long-term assets are not available to pay current year expenditures and, therefore are recognized as deferred inflows of resources in the governmental funds.	289,528
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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.

Deferred Outflows of Resources	\$ 8,031,538	
Deferred Inflows of Resources	(2,225,046)	5,806,492

Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds.

Debt	(3,780,631)
Compensated Absences	(250,921)
Net Pension Liability	(18,988,666)
Net OPEB Liability	(2,535,508)

<b>Total Net Position of Governmental Activities</b>	<b>\$ 12,971,107</b>
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**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	General	Special Education Instruction	Total Nonmajor Governmental Funds	Total
<b>REVENUES</b>				
Local Sources	\$ 19,955,928	\$ 4,520,197	\$ 1,086	\$ 24,477,211
State Sources	18,084,383	182,172	1,712,175	19,978,730
Federal Sources	18,597,599	-	49,824	18,647,423
Total Revenues	56,637,910	4,702,369	1,763,085	63,103,364
<b>EXPENDITURES</b>				
Current:				
Instruction	4,399,826	3,896,608	1,613,782	9,910,216
Student Support Services	24,902,868	104,860	-	25,007,728
Instructional Staff Support Services	14,763,300	8,957	1,783	14,774,040
General Administration	1,773,778	-	113,143	1,886,921
Business Administration	6,522,153	185,266	20,690	6,728,109
Plant Operations and Maintenance	2,012,591	2,324	2,004	2,016,919
Central and Other Support Services	719,538	4,140	-	723,678
Noninstructional Programs	161,858	-	-	161,858
Facilities Acquisition and Construction	5,880	-	7,610	13,490
Debt Service	-	-	516,417	516,417
Total Expenditures	55,261,792	4,202,155	2,275,429	61,739,376
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,376,118	500,214	(512,344)	1,363,988
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	29,761	524,027	553,788
Transfers Out	(540,615)	(1,490)	(11,683)	(553,788)
Proceeds from Sale of Capital Assets	5,660	-	-	5,660
Total Other Financing Sources (Uses)	(534,955)	28,271	512,344	5,660
<b>NET CHANGE IN FUND BALANCE (DEFICIT)</b>	841,163	528,485	-	1,369,648
<b>FUND BALANCES (DEFICITS)</b>				
Beginning of Year	18,117,397	(818,013)	-	17,299,384
End of Year	\$ 18,958,560	\$ (289,528)	\$ -	\$ 18,669,032

See accompanying Notes to Financial Statements.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2024**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 1,369,648**

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the estimated useful lives of the assets. The loss on disposals and depreciation/amortization expense exceeded capital outlay expenditures in the current year, as follows:

Expenditures for Capital Assets	\$ 742,198	
Depreciation/Amortization Expense	<u>(972,478)</u>	(230,280)

Internal service funds are used by management to charge the costs of dental and health insurance and employee flexible dollars to individual funds. The change in net position of the internal service funds are included in governmental activities in the statement of net position.

806,093

Certain revenue not collected for several months after year end is not considered available revenue and is recognized as deferred inflows of resources in the governmental funds.

(528,485)

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

Certificates of Participation		366,661
Capital Leases		40,200

Governmental funds report pension and other postemployment benefit contributions as expenditures when made. However, in the Statement of Activities, pension and other postemployment benefit expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions and other postemployment benefits, and the investment experience.

Pension Contributions	3,651,745	
Pension Expense	<u>(1,330,881)</u>	2,320,864

Other Postemployment Benefit Contributions	119,765	
Other Postemployment Benefit Expense	<u>(253,109)</u>	(133,344)

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		<u>155,043</u>
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<b>Total Change in Net Position of Governmental Activities</b>		<b><u>\$ 4,166,400</u></b>
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See accompanying Notes to Financial Statements.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024**

	Internal Service		
	Dental/Health Insurance	Employee Flexible Dollars	Total
<b>CURRENT ASSETS</b>			
Cash, Cash Equivalents, and Investments	\$ 5,351,397	\$ 163,334	\$ 5,514,731
<b>CURRENT LIABILITIES</b>			
Accounts Payable	353,463	491	353,954
Accrued Liabilities	717,211	-	717,211
Total Liabilities	<u>1,070,674</u>	<u>491</u>	<u>1,071,165</u>
<b>NET POSITION - UNRESTRICTED</b>	<u>\$ 4,280,723</u>	<u>\$ 162,843</u>	<u>\$ 4,443,566</u>

See accompanying Notes to Financial Statements.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Internal Service		
	Dental/Health Insurance	Employee Flexible Dollars	Total
<b>OPERATING REVENUE</b>			
Contributions	\$ 7,502,415	\$ 281,677	\$ 7,784,092
<b>OPERATING EXPENSES</b>			
Claims, Premiums, and Fees	6,709,609	268,390	6,977,999
<b>INCOME (LOSS) FROM OPERATIONS</b>	792,806	13,287	806,093
Net Position - Beginning of Year	3,487,917	149,556	3,637,473
<b>NET POSITION - END OF YEAR</b>	<u>\$ 4,280,723</u>	<u>\$ 162,843</u>	<u>\$ 4,443,566</u>

See accompanying Notes to Financial Statements.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Internal Service		
	Dental/Health Insurance	Employee Flexible Dollars	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Contributions	\$ 7,502,415	\$ 281,677	\$ 7,784,092
Cash Paid for Claims, Premiums, and Fees	(6,693,513)	(267,899)	(6,961,412)
Net Cash Provided by Operating Activities	<u>808,902</u>	<u>13,778</u>	<u>822,680</u>
<b>NET INCREASE IN CASH, CASH EQUIVALENTS, AND INVESTMENTS</b>	808,902	13,778	822,680
Cash, Cash Equivalents, and Investments - Beginning of Year	<u>4,542,495</u>	<u>149,556</u>	<u>4,692,051</u>
<b>CASH, CASH EQUIVALENTS, AND INVESTMENTS - END OF YEAR</b>	<u><u>\$ 5,351,397</u></u>	<u><u>\$ 163,334</u></u>	<u><u>\$ 5,514,731</u></u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Income from Operations	\$ 792,806	\$ 13,287	\$ 806,093
Change in Accounts Payable	200,223	491	200,714
Change in Accrued Liabilities	(184,127)	-	(184,127)
Net Cash Provided by Operating Activities	<u><u>\$ 808,902</u></u>	<u><u>\$ 13,778</u></u>	<u><u>\$ 822,680</u></u>

See accompanying Notes to Financial Statements.



**CENTRAL RIVERS AREA EDUCATION AGENCY  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2024**

	Custodial Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,217,246
Accounts Receivable	<u>152,076</u>
Total Assets	<u>1,369,322</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>288,173</u>
<b>NET POSITION</b>	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$ 1,081,149</u></u>

*See accompanying Notes to Financial Statements.*

**CENTRAL RIVERS AREA EDUCATION AGENCY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2024**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Federal Sources	\$ 1,015,585
<b>DEDUCTIONS</b>	
Distributions to Participants	<u>1,027,267</u>
<b>NET INCREASE IN NET POSITION</b>	(11,682)
Net Position - Beginning of Year	<u>1,092,831</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 1,081,149</u></u>

*See accompanying Notes to Financial Statements.*

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Central Rivers Area Education Agency (Agency) is an intermediate school corporation established to identify and serve children who require special education. The Agency also provides media services and education support services. These programs and support services are provided to 53 public school districts and 18 nonpublic school districts in an eighteen-county area. The Agency is governed by a Board of Directors whose members are elected on a nonpartisan basis.

The Agency's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

**Reporting Entity**

For financial reporting purposes, the Agency has included all funds, organizations, agencies, boards, commissions, and authorities. The Agency 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 Agency are such that exclusion would cause the Agency's financial statements to be misleading or incomplete.

These financial statements present Central Rivers Area Education Agency and its component units. The component units described below are included in the Agency's reporting entity because of the significance of the operational or financial relationship with the Agency.

**Discretely Presented Component Unit**

The AEA6 Foundation (Foundation) is a legally separate entity, organized as a charitable organization under Chapter 501(c)(3) of the Internal Revenue Code. The Foundation's primary purpose is to collect funds and provide financial support for a swimming pool operated by Central Rivers Area Education Agency. The Foundation is governed by a seven-member Board of Directors. In accordance with criteria set forth by the Governmental Accounting Standards Board, the Foundation meets the definition of a component unit which should be discretely presented. The financial information presented is as of and for its year-end of December 31, 2023. Separate financial statements are not prepared.

**Blended Component Unit**

The Central Rivers Area Education Agency Foundation (Foundation) is a legally separate entity, organized as a charitable organization under Chapter 501(c)(3) of the Internal Revenue Code. The Foundation's primary purpose is to collect funds and provide financial support for the Agency. Although it is legally separate from the Agency, Central Rivers Area Education Agency Foundation is, in substance, part of the Agency's operations and therefore data from this unit is combined with data of the primary government.

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

Government-wide financial statements – The Statement of Net Position and the Statement of Activities report information on all of the activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities normally are supported by intergovernmental revenue.

The Statement of Net Position presents the Agency'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 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 are imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – consists of net position not meeting the definition of the 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. Unrestricted interest income and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from 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 Agency reports the following major governmental funds:

The General Fund – The General Fund is the general operating fund of the Agency. All general 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.

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

Special Revenue Special Education Instruction Fund – The Special Education Fund is used to account for programs to employ teachers to provide instruction to special education students. The actual costs of providing instructional services are billed to the individual school districts.

The Agency reports the following proprietary funds:

The Internal Service, Dental/Health Insurance Fund is used to account for the Agency's self-funded dental and health insurance programs.

The Internal Service, Employee Flexible Dollars Fund is used to account for the Agency's Employee flexible benefit program.

The Agency also reports the following fiduciary funds:

The Custodial Funds are used to account for assets held by the Agency as an agent for individuals, private organizations and other governments.

**Measurement Focus and Basis of Accounting**

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

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 Agency.

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 leases are reported as other financing sources.

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

Under the terms of grant agreements, the Agency 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 Agency'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 Agency's policy is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - committed, assigned, and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Agency's internal service are employee contributions. Operating expenses for the internal service funds are claims, premiums, and fees. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity**

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

*Due from Other Governments* – Due from other governments represents amounts due from the State of Iowa, various shared revenue, grants, and reimbursements from other governments.

*Inventories* – Inventories are stated at cost using the first-in, first-out method and consist of expendable supplies and materials. The cost of these items is recorded as an expenditure at the time of consumption.

*Prepays* – Certain payments to vendors reflect future accounting periods and are recorded as prepaid expenses in both the Government-wide and the fund financial statements on the consumption method.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (Continued)**

*Capital Assets*

Capital assets, which include property and furniture and equipment are reported in the governmental activities column in the government-wide statement of net position. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. Acquisition value is the price that would have been paid to acquire a capital asset with equivalent service potential. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the Agency as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 5,000
Buildings	10,000
Improvements Other Than Buildings	5,000
Intangibles	100,000
Furniture and Equipment	5,000
Library Books and Films	No threshold

Capital assets of the Agency are depreciated/amortized using the straight-line method of depreciation and library books are depreciated using the composite method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 Years
Improvements Other Than Buildings	20-30 Years
Intangibles	2-10 Years
Furniture and Equipment	5-20 Years
Library Books and Films	5 Years

*Deferred Outflows of Resources* – Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (Continued)**

*Salaries and Benefits Payable* – Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July, have been accrued as liabilities.

*Compensated Absences* – Agency employees accumulate a limited amount of earned but unused vacation and paid time off hours for subsequent use or for payment upon termination, death, or retirement. Agency policy limits yearly payouts to the total accumulation in the severance fund in any one year. However, a liability has been recorded in the statement of net position representing the noncurrent portion of compensated absences since it is considered probable that these payments will be made. This liability has been computed based on rates of pay in effect at June 30, 2024. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund and the Special Education Instruction Fund.

*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.

*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.

*Total OPEB Liability* – For purposes of measuring the total OPEB liability, deferred inflows of resources, deferred outflows of resources and OPEB expense, information has been determined based on the Agency'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 that applies to a future period(s) and 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.



**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity (Continued)**

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 receivables not collected within sixty days after year-end. Deferred inflows of resources in the statement of net position consists of the unamortized portion of the net difference between projected and actual earnings on the pension and OPEB plan investments, changes in proportion and differences between Agency contributions and proportionate share of contributions for pensions and OPEB, and changes of assumptions or other inputs for the pension and OPEB plans.

*Fund Balances* – 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.

*Committed* – Amounts which can be used only for specific purposes determined pursuant to constraints formally imposed by the Board of Directors through resolution approved prior to year-end. Committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same action it employed to commit these amounts.

*Assigned* – Amounts that are constrained for specific purposes by action of the Board of Directors.

*Unassigned* – All amounts not included in the preceding classifications.

**Budgets and Budgetary Accounting**

The budgetary comparison and related disclosures are reported as required supplementary information. During the year ended June 30, 2024, the Agency's expenditures/expenses did not exceed the approved budget. The Agency's Board of Directors annually prepares a budget on a basis consistent with accounting principles generally accepted in the United States of America for all funds except Custodial Funds.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The Agency's deposits in banks at June 30, 2024 were entirely covered by federal depository insurance or by the state sinking fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Agency 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 Directors; 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.

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

**Interest Rate Risk**

The Agency's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the Agency.

**AEA6 Foundation**

Cash and investments of the AEA6 Foundation component unit are stated at fair value are summarized as follows as of December 31, 2023:

	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money Market Funds	\$ 27,105	\$ 27,105	\$ -
Mutual Funds	386,868	293,351	(93,517)
Unit Trusts	358,489	391,523	33,034
Total	<u>\$ 772,462</u>	<u>\$ 711,979</u>	<u>\$ (60,483)</u>

Earnings on the investments are made up of interest and the change in unrealized and realized gains and losses for the year as follows:

Interest Income	\$ 30,691
Net Unrealized Loss	17,234
Total	<u>\$ 47,925</u>

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**AEA6 Foundation (Continued)**

The AEA6 Foundation uses the fair value hierarchy established by generally accepted accounting principles based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs. Level 3 inputs are significant unobservable inputs.

The recurring fair value measurement for some of the above investments was determined using the last reported sales price at current exchange rates (Level 1 inputs).

**NOTE 3 CAPITAL ASSETS**

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

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Capital Assets Not Being Depreciated/Amortized:				
Land	\$ 617,940	\$ -	\$ -	\$ 617,940
Total Capital Assets Not Being Depreciated	617,940	-	-	617,940
Capital Assets Being Depreciated/Amortized:				
Buildings and improvements	12,319,342	527,945	-	12,847,287
Furniture and Equipment	3,172,713	128,875	20,781	3,280,807
Library Books and Films	2,562,448	85,378	359,435	2,288,391
Total Assets Being Depreciated/Amortized	18,054,503	742,198	380,216	18,416,485
Less Accumulated Depreciation/ Amortization for:				
Buildings	5,329,002	381,507	-	5,710,509
Furniture and Equipment	2,232,843	261,594	20,781	2,473,656
Library Books and Films	1,562,103	329,377	359,435	1,532,045
Total Accumulated Depreciation/Amortization	9,123,948	972,478	380,216	9,716,210
Total Capital Assets, Being Depreciated, Net	8,930,555	(230,280)	-	8,700,275
Governmental Activities Capital Assets, Net	<u>\$ 9,548,495</u>	<u>\$ (230,280)</u>	<u>\$ -</u>	<u>\$ 9,318,215</u>

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 CAPITAL ASSETS (CONTINUED)**

Depreciation/amortization expense was charged to the following functions:

**Governmental Activities**

Instruction	\$ 16,278
Student Support Services	12,214
Instructional Staff Support Services	344,607
General Administration	16,287
Business Administration	38
Plant Operations and Maintenance	17,278
Central and Other Support Services	166,286
Unallocated	399,490
Total	<u><u>\$ 972,478</u></u>

**NOTE 4 DUE FROM AND DUE TO OTHER FUNDS**

The detail of interfund receivables and payables at June 30, 2024 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Education Instruction	<u><u>\$ 471,557</u></u>

The Special Revenue – Special Education Instruction interfund payable to the General Fund is to repay special education billings not received prior to the end of the current year.

**NOTE 5 INTERFUND TRANSFERS**

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

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Nonmajor Funds - Debt Service	General Fund	\$ 503,244
Nonmajor Funds - Debt Service	Special Education Instruction	1,490
Nonmajor Funds - Capital Projects	General Fund	7,610
Nonmajor Funds - Debt Service	Nonmajor Funds - Juvenile Home	11,683
Special Education Instruction	General Fund	29,761
Total		<u><u>\$ 553,788</u></u>

Transfers generally move revenue from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. The transfers pertained to expenditures for capital projects throughout the year as well as payment of principal and Interest of a loan for the purchase of the administrative building.

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 6 LONG-TERM LIABILITIES**

A summary of changes in certain long-term liabilities for the year ended June 30, 2024 is as follows:

	Balance June 30, #NAME?	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Certificates of Participation	\$ 4,132,427	\$ -	\$ 366,661	\$ 3,765,766	\$ 376,304
Lease Liability	55,065	-	40,200	14,865	14,865
Compensated Absences	405,964	250,921	405,964	250,921	250,921
Net Pension Liability	16,019,068	2,969,598	-	18,988,666	-
Total OPEB Liability	2,234,346	301,162	-	2,535,508	119,766
Total	<u>\$ 22,846,870</u>	<u>\$ 3,521,681</u>	<u>\$ 812,825</u>	<u>\$ 25,555,726</u>	<u>\$ 761,856</u>

**Certificates of Participation**

The Agency sold certificates of participation for land and facilities for a total of \$6,082,240 on January 10, 2017. The certificates of participation represent an ownership interest of the certificate holder in a lease purchase agreement. The certificates mature over a period of 16 years with an interest rate of 2.63% per annum and the Agency has an option to prepay. The following is a schedule by years of future minimum payments required:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 376,304	\$ 99,040	\$ 475,344
2026	386,200	89,143	475,343
2027	396,357	78,986	475,343
2028	406,782	68,562	475,344
2029	417,480	57,864	475,344
2030-2033	1,782,643	118,732	1,901,375
Total	<u>\$ 3,765,766</u>	<u>\$ 512,327</u>	<u>\$ 4,278,093</u>

**Lease Liability**

The Agency has entered into lease agreements for copy machines.

The future lease payments as of June 30, 2024 were as follows:

<u>Year Ending June 30,</u>	<u>Future Minimum Lease Payments</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 14,865</u>	<u>\$ 147</u>	<u>\$ 15,012</u>

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 7 PENSION PLAN**

**Plan Description**

IPERS membership is mandatory for employees of the Agency, except for those covered by another retirement system. Employees of the Agency 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 7401 Register Drive PO Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

**Pension Benefits**

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the members 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 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 salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

**Disability and Death Benefits**

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 7 PENSION PLAN (CONTINUED)**

**Contributions**

Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to one 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 the methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board. In fiscal year 2024, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Agency contributed 9.44% of covered payroll for a total rate of 15.73%.

The Agency's contributions to IPERS for the year-end June 30, 2024 totaled \$3,659,381.

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the Agency's liability for its proportionate share of the net pension liability totaled \$18,988,666. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on the Agency's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the Agency's collective proportion was 0.411524%, which is an increase of 0.007929 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Agency recognized pension expense of \$1,330,881. At June 30, 2024, the Agency 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
Differences Between Expected and Actual Experience	\$ 1,606,466	\$ 78,050
Changes of Assumptions	-	301
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,758,581	-
Changes in Proportion and Differences Between Agency Contributions and Proportionate Share of Contributions	394,170	1,284,154
Agency Contributions Subsequent to the Measurement Date	3,659,381	-
Total	<u>\$ 7,418,598</u>	<u>\$ 1,362,505</u>

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 7 PENSION PLAN (CONTINUED)**

**Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)**

The \$3,659,381 reported as deferred outflows of resources related to pensions resulting from the Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (842,386)
2026	(1,758,477)
2027	4,135,434
2028	739,812
2029	122,329
Total	<u>\$ 2,396,712</u>

There were no nonemployer contributing entities at IPERS.

**Actuarial Assumptions**

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Rate of Inflation (Effective June 30, 2017)	2.60% per annum
Rates of Salary Increases (Effective June 30, 2017)	3.25 to 16.25% average, including inflation. Rates vary by membership group.
Long-Term Investment Rate of Return (Effective June 30, 2017)	7.00%, compounded annually, net of investment expense, including inflation.
Wage Growth (Effective June 30, 2017)	3.25% per annum based on 2.6% inflation assumption and 0.65% real wage inflation.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.



**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 7 PENSION PLAN (CONTINUED)**

**Actuarial Assumptions (Continued)**

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 pension plan 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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21.0 %	4.56%
International Equity	16.5	6.22%
Global Smart Beta Equity	5.0	5.22%
Core Plus Fixed Income	23.0	2.69%
Public Credit	3.0	4.38%
Cash	1.0	1.59%
Private Equity	17.0	10.44%
Private Real Assets	9.0	3.88%
Private Credit	4.5	4.60%
Total	100.0 %	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Agency 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 of current active and inactive employees. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Agency's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate.

	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
Agency's Proportionate Share of the Net Pension Liability	\$ 40,374,135	\$ 18,988,666	\$ 1,067,290

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 7 PENSION PLAN (CONTINUED)**

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website [www.ipers.org](http://www.ipers.org).

**Payables to the Pension Plan**

At June 30, 2024, the Agency reported payables to IPERS of \$312,988 for legally required Agency contributions and \$208,548 for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description and Benefits Provided**

The Agency operates a single-employer health benefit plan which provided medical and prescription drug benefits for employees, retirees and their spouses. There are 506 active and 18 retired members in the plan. Retired participants must be age 55 or older at retirement. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

**Total OPEB Liability**

The Agency's total OPEB liability of \$2,535,508 was measured as of June 30, 2024 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and the entry age service actuarial cost method, applied to all periods included in the measurement:

Rate of Inflation	
(Effective June 30, 2024)	2.50%
Discount Rate	3.97%
(Effective June 30, 2024)	
Healthcare Cost Trend	
(Effective June 30, 2024)	7.60%, gradually decreasing to an ultimate rate of 3.9%

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Actuarial Assumptions (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.97% which reflects the index rate for 20-year tax-exempt municipal bonds with an average rating of AA as of the measurement date.

Mortality rates were based on the Pub-2010 General mortality tables with projected mortality improvements based on scale MP-2021, and other adjustments.

**Changes in the Total Liability**

	Total OPEB Liability
Total OPEB Liability Beginning of Year	\$ 2,234,346
Changes for the Year:	
Service Cost	164,522
Interest on Total Liability	90,285
Differences Between Expected and Actual Experience	171,972
Changes of Assumptions	(5,851)
Benefit Payments	(119,766)
Balance - June 30, 2024	<u>\$ 2,535,508</u>

**Sensitivity of the Agency's Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.97%) or 1% higher (4.97%) than the current discount rate.

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 2,725,090	\$ 2,535,508	\$ 2,357,471

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Sensitivity of the Agency's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the Agency as what the Agency's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6.60%) or 1% higher (8.60%) than the current healthcare cost trend rates.

	1% Decrease (6.60%)	Health Cost Trend Rate (7.60%)	1% Increase (8.60%)
Total OPEB Liability	\$ 2,250,356	\$ 2,535,508	\$ 2,873,047

**OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the year ended June 30, 2024, the Agency recognized OPEB expense of \$253,109. At June 30, 2024, the Agency reported deferred inflows and outflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 517,719	\$ (287,760)
Changes of Assumptions	95,221	(574,781)
Total	<u>\$ 612,940</u>	<u>\$ (862,541)</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (1,698)
2026	(1,968)
2027	(1,968)
2028	(1,968)
2029	(1,968)
Thereafter	(240,031)
Total	<u>\$ (249,601)</u>

**NOTE 9 RISK MANAGEMENT**

The Agency 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 Agency 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.

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 9 RISK MANAGEMENT (CONTINUED)**

The Agency is involved in certain other legal proceedings and disputes considered by management to be ordinary and incidental, or which have no foundation in fact. Management believes that valid defenses exist as to all such litigation and disputes and is of the opinion that these will not have a material effect on the Agency's financial statements.

**NOTE 10 EMPLOYEE DENTAL AND HEALTH PLAN**

The Agency currently sponsors a self-funded dental and health plan. The Agency contracts with an insurance company to administer the plan. The cost of maintaining the plan is supported by premium contributions made by the employer, employee, retirees and COBRA participants.

The following is a summary of the claims and activity for the years ended June 30:

	2024	2023
Claims Liability at the Beginning of Year	\$ 901,338	\$ 791,101
Incurred Claims	5,807,305	6,119,157
Payments on Claims	(5,991,432)	(6,008,920)
Claims Liability at the End of Year	<u>\$ 717,211</u>	<u>\$ 901,338</u>

**NOTE 11 CATEGORICAL FUNDING**

The Agency's restricted fund balance for categorical funding as of June 30, 2024 is comprised of the following programs:

Program	Amount
Education Quality, Professional Development for Model Core Curriculum	\$ 245,143
Teacher Leadership Technical Assistance	87,878
Teacher Salary Supplement	5,362
McElroy Grant	12,812
Early Childhood Network	289
Youth Mental Health	11,974
Total	<u>\$ 363,458</u>

**NOTE 12 COMMITMENTS AND CONTINGENCIES**

**Employee Benefits**

Employees accumulate sick pay based upon years of service. Unused sick days may be carried forward until needed by the employee, up to a maximum amount established for each employee group. Upon termination, retirement or death, unused days are forfeited; therefore, no accrual is required.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN BALANCES**  
**BUDGET AND ACTUAL – ALL GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	Actual	Budgeted Amounts		Variance
		Original	Final	
<b>REVENUES</b>				
Local Sources	\$ 24,477,211	\$ 20,935,166	\$ 22,698,610	\$ 1,778,601
State Sources	19,978,730	22,309,231	20,187,383	(208,653)
Federal Sources	18,647,423	17,596,000	17,932,781	714,642
Total Revenues	63,103,364	60,840,397	60,818,774	2,284,590
<b>EXPENDITURES</b>				
Current:				
Instruction	9,910,216	9,082,345	10,022,536	(112,320)
Student Support Services	25,007,728	25,424,713	25,285,666	(277,938)
Instructional Staff Support Services	14,774,040	15,235,013	15,563,268	(789,228)
General Administration	1,886,921	1,766,520	1,895,605	(8,684)
Business Administration	6,728,109	6,786,700	6,908,293	(180,184)
Plant Operations and Maintenance	2,016,919	1,835,800	1,987,135	29,784
Central and Other Support Services	723,678	291,500	614,035	109,643
Noninstructional Programs	161,858	152,700	154,133	7,725
Transportation Services	-	1,500	1,500	(1,500)
Facilities Acquisition and Construction	13,490	150,000	310,000	(296,510)
Debt Service	516,417	516,416	516,417	-
Total Expenditures	61,739,376	61,243,207	63,258,588	(1,519,212)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,363,988	(402,810)	(2,439,814)	3,803,802
<b>OTHER FINANCING SOURCES (USES), NET</b>	5,660	-	-	(5,660)
<b>CHANGE IN FUND BALANCES</b>	1,369,648	(402,810)	(2,439,814)	3,809,462
<b>FUND BALANCES</b>				
Beginning of Year	17,299,384	11,729,807	17,964,899	(665,515)
End of Year	\$ 18,669,032	\$ 11,326,997	\$ 15,525,085	\$ 3,143,947

See accompanying Note to Required Supplementary Information – Budgetary Reporting.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY REPORTING  
JUNE 30, 2024**

**NOTE 1 PURPOSE OF SCHEDULE**

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.

The Agency's Board of Directors annually prepares a budget on a basis consistent with accounting principles generally accepted in the United States of America for all funds except Custodial Funds. Although the budget document presents function expenditures/expenses by fund, the legal level of control is at the total expenditure/expense level, not by fund. After required public notice and hearing in accordance with the Code of Iowa, the Board submits its budget to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board.

For the year ended June 30, 2024, the Agency's expenditures/expenses did not exceed the approved budget.



**CENTRAL RIVERS AREA EDUCATION AGENCY  
SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
JUNE 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Agency's Proportion of the Net Pension Liability	0.411524%	0.403595%	0.423363%	0.432100%	0.456387%	0.433570%	0.441359%	0.492656%	0.490991%	0.499082%
Agency's Proportionate Share of the Net Pension Liability	\$ 18,988,666	\$ 16,019,068	\$ 593,518	\$ 30,142,200	\$ 26,605,323	\$ 27,428,718	\$ 29,137,192	\$ 30,723,279	\$ 24,409,344	\$ 20,198,261
Agency's Covered Payroll	\$ 36,962,515	\$ 34,150,051	\$ 34,388,746	\$ 34,058,338	\$ 34,965,495	\$ 32,587,685	\$ 32,646,000	\$ 35,038,000	\$ 33,853,000	\$ 31,712,000
Agency's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	51.37%	46.91%	1.73%	88.50%	76.09%	84.17%	89.25%	87.69%	72.10%	63.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

**CENTRAL RIVERS AREA EDUCATION AGENCY  
SCHEDULE OF THE AGENCY CONTRIBUTIONS  
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
JUNE 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Required Contribution	\$ 3,659,381	\$ 3,487,634	\$ 3,223,614	\$ 3,243,680	\$ 3,214,620	\$ 3,300,798	\$ 2,910,080	\$ 2,915,709	\$ 3,128,852	\$ 3,023,103
Contributions in Relation to the Statutorily Required Contribution	(3,659,381)	(3,487,634)	(3,223,614)	(3,243,680)	(3,214,620)	(3,300,798)	(2,910,080)	(2,915,709)	(3,128,852)	(3,023,103)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's Covered Payroll	\$ 38,833,599	\$ 36,962,515	\$ 34,150,051	\$ 34,388,746	\$ 34,058,338	\$ 34,965,495	\$ 32,587,685	\$ 32,646,000	\$ 35,038,000	\$ 33,853,000
Contributions as a Percentage of Covered Payroll	9.42%	9.44%	9.44%	9.43%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

*See accompanying Notes to Required Supplementary Information – Pension Liability.*

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY**  
**JUNE 30, 2024**

**NOTE 1 CHANGES OF BENEFIT TERMS**

There are no significant changes in benefit terms.

**NOTE 2 CHANGES OF ASSUMPTIONS**

The 2022 valuation implemented the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

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

- Changed mortality assumptions to the RP-2014 mortality table 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 increases 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%.

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**SCHEDULE OF CHANGES IN THE AGENCY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**JUNE 30, 2024**

	2024	2023	2022	2021	2020	2019	2018
<b>TOTAL OPEB LIABILITY</b>							
Service Cost	\$ 164,522	\$ 163,600	\$ 288,198	\$ 249,519	\$ 123,844	\$ 123,844	\$ 123,866
Interest	90,285	82,513	62,169	71,782	67,976	68,272	67,440
Changes in Benefit Terms						-	-
Differences Between Expected and Actual Experience	171,972	-	(270,922)	-	845,943	-	-
Changes in Assumptions and Other Inputs	(5,851)	(26,720)	(815,882)	109,152	83,147	(106,602)	(104,144)
Benefit Payments	(119,766)	(115,159)	(166,444)	(155,634)	(132,423)	(55,061)	(72,237)
Net Change in Total OPEB Liability	301,162	104,234	(902,881)	274,819	988,487	30,453	14,925
Total OPEB Liability - Beginning of Year	2,234,346	2,130,112	3,032,993	2,758,174	1,769,687	1,739,234	1,724,309
Total OPEB Liability - End of Year	<u>\$ 2,535,508</u>	<u>\$ 2,234,346</u>	<u>\$ 2,130,112</u>	<u>\$ 3,032,993</u>	<u>\$ 2,758,174</u>	<u>\$ 1,769,687</u>	<u>\$ 1,739,234</u>
<b>AGENCY'S COVERED EMPLOYEE PAYROLL</b>	<u>\$ 38,348,511</u>	<u>\$ 34,189,420</u>	<u>\$ 30,538,544</u>	<u>\$ 34,156,913</u>	<u>\$ 34,370,929</u>	<u>\$ 32,436,226</u>	<u>\$ 32,222,492</u>
<b>TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL</b>	6.61%	6.54%	6.98%	8.88%	8.02%	5.46%	5.40%

**Notes to Schedule:**

Changes of assumptions and other inputs – The discount rate as of the measurement date has been updated to use the Fidelity 20 Year Municipal GO AA Index. The prior rollforward valuation used a discount rate of 3.86%. The current valuation uses a discount rate of 3.97%. No assets were accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Note: GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Agency will present information for those years for which information is available.

## **SUPPLEMENTARY INFORMATION**

**CENTRAL RIVERS AREA EDUCATION AGENCY  
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<u>Special Revenue</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Juvenile Home</u>	<u>Capital Projects</u>	<u>Debt Service</u>	
<b>ASSETS</b>				
Cash, Cash Equivalents, and Pooled Investments	\$ 346,092	\$ -	\$ -	\$ 346,092
Due from Other Governments	<u>12,525</u>	<u>-</u>	<u>-</u>	<u>12,525</u>
Total Assets	<u><u>\$ 358,617</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 358,617</u></u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 220,039	\$ -	\$ -	\$ 220,039
Salaries and Benefits Payable	<u>138,578</u>	<u>-</u>	<u>-</u>	<u>138,578</u>
Total Liabilities	<u>358,617</u>	<u>-</u>	<u>-</u>	<u>358,617</u>
<b>FUND BALANCES</b>				
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 358,617</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 358,617</u></u>

**CENTRAL RIVERS AREA EDUCATION AGENCY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	Special Revenue			Total Nonmajor Governmental Funds
	Juvenile Home	Capital Projects	Debt Service	
<b>REVENUES</b>				
Local Sources	\$ 1,086	\$ -	\$ -	\$ 1,086
State Sources	1,712,175	-	-	1,712,175
Federal Sources	49,824	-	-	49,824
Total Revenues	1,763,085	-	-	1,763,085
<b>EXPENDITURES</b>				
Current:				
Instruction	1,613,782	-	-	1,613,782
Instructional Staff Support Services	1,783	-	-	1,783
General Administration	113,143	-	-	113,143
Business Administration	20,690	-	-	20,690
Plant Operations and Maintenance	2,004	-	-	2,004
Facilities Acquisition and Construction	-	7,610	-	7,610
Debt Service	-	-	516,417	516,417
Total Expenditures	1,751,402	7,610	516,417	2,275,429
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	11,683	(7,610)	(516,417)	(512,344)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	7,610	516,417	524,027
Transfers Out	(11,683)	-	-	(11,683)
Total Other Financing Sources (Uses)	(11,683)	7,610	516,417	512,344
<b>CHANGE IN FUND BALANCES</b>	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

**CENTRAL RIVERS AREA EDUCATION AGENCY  
COMBINING STATEMENT FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2024**

	Perkins	Future Problem Solving	Regional Planning Partnership	Total
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,217,246	\$ 1,217,246
Accounts Receivable	135,475	16,601	-	152,076
Total Assets	135,475	16,601	1,217,246	1,369,322
<b>LIABILITIES</b>				
Accounts Payable	135,475	16,601	136,097	288,173
<b>NET POSITION</b>				
Restricted for Individuals, Organizations, and Other Governments	\$ -	\$ -	\$ 1,081,149	\$ 1,081,149



**CENTRAL RIVERS AREA EDUCATION AGENCY  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
YEAR ENDED JUNE 30, 2024**

	<u>Perkins</u>	<u>Future Problem Solving</u>	<u>Regional Planning Partnership</u>	<u>Total</u>
<b>ADDITIONS</b>				
Federal Sources	\$ 529,154	\$ 18,035	\$ 468,396	\$ 1,015,585
<b>DEDUCTIONS</b>				
Distributions to Participants	<u>529,154</u>	<u>18,035</u>	<u>480,078</u>	<u>1,027,267</u>
<b>NET INCREASE IN NET POSITION</b>	-	-	(11,682)	(11,682)
Net Position - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,092,831</u>	<u>1,092,831</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,081,149</u></u>	<u><u>\$ 1,081,149</u></u>

**CENTRAL RIVERS AREA EDUCATION AGENCY**  
**SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION**  
**ALL GOVERNMENTAL FUNDS**  
**LAST TEN YEARS**

	Modified Accrual Basis									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>REVENUES</b>										
Local Sources	\$ 24,477,211	\$ 21,095,134	\$ 19,471,232	\$ 18,979,194	\$ 19,465,592	\$ 19,469,477	\$ 18,755,825	\$ 19,258,789	\$ 21,284,088	\$ 21,689,028
State Sources	19,978,730	20,035,363	19,764,981	19,360,245	18,688,587	18,079,109	17,955,808	17,386,811	17,566,557	17,380,955
Intermediate Sources	-	-	-	-	-	-	-	116,727	20,414	219,526
Federal Sources	18,647,423	18,703,283	19,156,511	17,368,342	16,725,313	16,755,199	16,505,351	15,828,336	15,936,007	15,871,147
Total Revenues	<u>\$ 63,103,364</u>	<u>\$ 59,833,780</u>	<u>\$ 58,392,724</u>	<u>\$ 55,707,781</u>	<u>\$ 54,879,492</u>	<u>\$ 54,303,785</u>	<u>\$ 53,216,984</u>	<u>\$ 52,590,663</u>	<u>\$ 54,807,066</u>	<u>\$ 55,160,656</u>
<b>EXPENDITURES</b>										
Current:										
Instruction	\$ 9,910,216	\$ 8,979,263	\$ 7,941,795	\$ 7,767,873	\$ 7,796,971	\$ 7,986,177	\$ 7,828,335	\$ 7,981,919	\$ 10,514,978	\$ 10,112,515
Student Support Services	25,007,728	24,467,085	25,254,686	23,704,606	23,346,087	22,701,374	22,647,966	22,238,456	19,146,981	18,375,196
Instructional Staff Support Services	14,774,040	14,372,243	12,490,829	12,089,136	12,205,329	11,903,601	11,370,247	11,029,013	11,145,418	10,888,012
General Administration	1,886,921	1,784,293	1,797,374	1,724,955	1,757,624	1,748,092	2,190,486	4,732,974	5,204,754	5,998,207
Business Administration	6,728,109	6,347,851	6,165,419	6,034,912	5,845,217	5,899,723	5,178,344	3,513,279	3,773,644	3,067,516
Plant Operations and Maintenance	2,016,919	1,771,658	1,427,819	1,350,947	1,440,081	1,690,013	1,593,445	1,441,003	1,655,981	1,729,910
Central and Other Support Services	723,678	565,230	254,572	238,813	320,213	469,281	392,610	496,666	47,982	219,607
Noninstructional Programs	161,858	158,497	166,001	137,231	133,517	162,604	174,017	167,302	186,227	189,078
Transportation Services	-	-	-	385	-	-	-	-	-	-
Facilities Acquisition and Construction	13,490	268,673	822,130	75,306	349,053	201,358	345,049	5,936,712	425,026	532,552
Debt Service	516,417	518,626	518,626	518,626	503,616	477,553	475,343	74,873	-	-
Total Expenditures	<u>\$ 61,739,376</u>	<u>\$ 59,233,419</u>	<u>\$ 56,839,251</u>	<u>\$ 53,642,790</u>	<u>\$ 53,697,708</u>	<u>\$ 53,239,776</u>	<u>\$ 52,195,842</u>	<u>\$ 57,612,197</u>	<u>\$ 52,100,991</u>	<u>\$ 51,112,593</u>

**CENTRAL RIVERS AREA EDUCATION AGENCY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Education</b>				
Iowa Department of Education:				
Special Education Cluster (IDEA) (Major):				
Special Education Grants to States:				
Part B - Section 611 LEA Flow Through	84.027	H027A200097	\$ 3,004,300	\$ 3,004,300
Part B - Section 611 Service to Handicapped	84.027	H027A190097	-	13,938,349
Part B - Section 611 Parent Educator	84.027	H027A190097	-	159,438
AEA DE Leadership Work Team	84.027	H027A190097	-	18,922
Total Special Education - Grants to States			3,004,300	17,121,009
Special Education Preschool Grants:				
Part B - Section 619	84.173	H173A190102	-	464,763
Total Special Education Cluster (IDEA) (Major)			3,004,300	17,585,772
Title VI - State Assessment	84.010	S010A180015	-	255,589
Title IA Carryover	84.010	S010A180015	-	73,345
Title I Neglected and Delinquent	84.010	S010A180015	-	49,805
Special Education - Grants for Infants and Families:				
Part C - Infant and Toddler	84.181	H181A190006	-	375,969
English Language Acquisition State Grants	84.365	S365A200015	-	220,177
Total U.S. Department of Education			3,004,300	18,560,657
Total Federal Expenditures			\$ 3,004,300	\$ 18,560,657
Total 84.010			\$ -	\$ 378,739

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Central Rivers Area Education Agency (Agency) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in financial position or cash flows of the Agency.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 INDIRECT COST RATE**

The Agency has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Central Rivers Area Education Agency  
Cedar Falls, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Central Rivers Area Education Agency (Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated June 12, 2025. Our report included a qualified opinion on the discretely presented component unit due to lack of supporting documentation of the determination of the fair value of investments.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

*A deficiency in internal control* 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 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 that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Agency's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Agency's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Comments involving statutory and other legal matters about the Agency's operations for the year ended June 30, 2024 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Agency. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Cedar Rapids, Iowa  
June 12, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY UNIFORM GUIDANCE**

Board of Directors  
Central Rivers Area Education Agency  
Cedar Falls, Iowa

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Central Rivers Area Education Agency's (Agency) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2024. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Agency's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



## Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Agency's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Cedar Rapids, Iowa  
June 12, 2025

**CENTRAL RIVERS AREA EDUCATION AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2024**

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***Part I – Summary of the Independent Auditors’ Results***

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*Financial Statements*

1. Type of auditors’ report issued: Modified: Discretely Presented Component Unit  
Unmodified: Governmental Activities, Each  
Major Fund, and Aggregate Remaining Fund  
Information
2. Internal control over financial reporting:
- Material weakness(es) identified?     X     yes            no
  - Significant deficiency(ies) identified            yes     X     none reported
3. Noncompliance material to financial  
statements noted?            yes     X     no

*Federal Awards*

1. Internal control over major federal programs:
- Material weakness(es) identified?            yes     X     no
  - Significant deficiency(ies) identified?     X     yes            none reported
2. Type of auditors’ report issued on  
compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required  
to be reported in accordance with  
2 CFR 200.516 (a)     X     yes            no

***Identification of Major Federal Programs***

**Assistance Listing Numbers**

84.027 & 84.173

**Name of Federal Program or Cluster**

Special Education Cluster (IDEA)

Dollar threshold used to distinguish between  
Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

           yes     X     no

**CENTRAL RIVERS AREA EDUCATION AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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***Part II – Findings Related to the Financial Statement***

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**2024-001: Material Audit Adjustment**

**Type of Finding:** Material Weakness in Internal Control Over Financial Reporting

**Condition:** As part of the audit, a \$289,528 adjustment was proposed to properly recognize unavailable revenue.

**Criteria or specific requirement:** Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in conformity with accounting principles generally accepted in the United States of America (GAAP).

**Effect:** A material adjustment was proposed and subsequently recorded by management. The lack of sufficient controls over year end reporting increases the likelihood that a material misstatement would not be prevented or detected.

**Cause:** The adjustment to unavailable revenue was due to management oversight.

**Repeat Finding:** Yes.

**Recommendation:** In order to strengthen internal controls, we recommend management enhance the internal controls over financial reporting, procedures, and processes to ensure complete and accurate financial reporting. Year-end closing procedures should be expanded to ensure all transactions have been accounted for, appropriate accounting standards have been applied, and transactions are recorded in the proper period.

**Views of Responsible Officials:** There is no disagreement with the audit finding. Management will continue to work at eliminating the need for audit adjustments by reviewing the GASB standards and reviewing work performed by the department personnel.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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

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**2024-002: Subrecipient Monitoring**

**Federal Agency:** U.S. Department of Education

**Federal Program:** IDEA

**Assistance Listing Number:** 84.027

**Award Period:** July 1, 2023 – June 30, 2024

**Type of Finding:** Significant Deficiency in Internal Control over Compliance

**Criteria:** Non-federal entities are required by Uniform Guidance to establish and maintain effective internal control over compliance with federal statutes, regulations, and the terms and conditions of the federal award.

**Condition:** During our testing of subrecipient monitoring, it was noted the Agency could not provide evidence that it had performed a review of the single audit for one of its subrecipients.

**Context:** CLA noted one of seven subrecipients tested did not have evidence of a review taken place by the Agency.

**Effect:** There is potential that the subrecipient could be out of compliance with federal requirements without the Agency's knowledge.

**Cause:** There was a lack of management oversight in retaining documentation of the subrecipient review.

**Repeat Finding:** Finding was not reported in the previous fiscal year.

**Recommendation:** We recommend that the Agency should ensure it retains documentation of all subrecipient monitoring reviews as mandated by Uniform Guidance.

**Views of responsible officials:** Management will work to implement controls that will ensure subrecipient monitoring requirements are met.

**CENTRAL RIVERS AREA EDUCATION AGENCY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

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

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- IV-A-2024 Certified Budget – Expenditures for the year ended June 30, 2024 did not exceed the certified budget amounts.
- IV-B-2024 Questionable Expenditures – No expenditures that may not meet the requirements of public purpose as defined in an Attorney General’s opinion dated April 25, 1979 were noted.
- IV-C-2024 Travel Expense – No expenditures of Agency money for travel expenses of spouses of Agency officials or employees were noted. No travel advances to Agency officials or employees were noted.
- IV-D-2024 Business Transactions – No business transactions between the Agency and Agency officials or employees were noted.
- IV-E-2024 Bond Coverage – Surety bond coverage of Agency 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-2024 Board Minutes – We noted no transactions requiring Board approval which had not been approved by the Board.
- IV-G-2024 Deposits and Investments – No instances of noncompliance 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-H-2024 Certified Annual Report – The Certified Annual Report was certified timely to the Iowa Department of Education.
- IV-I-2024 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.
- IV-J-2024 Financial Condition – The Special Education Instruction Fund had a deficit balance of \$289,528 on June 30, 2024.

Recommendation – The Agency should investigate alternatives to eliminate these deficits to return this fund to a sound financial position.

Response – We will communicate with the school districts to pay on invoices within the 60-day availability period.

Conclusion – Response accepted.

