

2018 Compliance Guides **CSD COMPLIANCE GUIDE**

		Non-compliance Noted/FY	FY18				FY19				FY20			
	Category		Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks	Selected	Done By	WP Ref	Remarks
			RISK				RISK				RISK			
			H	M	L		H	M	L		H	M	L	
<b>LONG-TERM LIABILITIES/DEBT:</b>														
1. General Obligation Bonds/Notes:														
a. For Statewide (formerly local option) sales and services tax (SAVE) revenue bonds, determine the District has complied with the following requirements, as applicable.														
1) Established a bond sinking account and made the required transfers. (The Department of Education recommends establishing a restricted asset in the Debt Service Fund with an account code of 40-717).	2													
2) Established a bond reserve account and made the required transfers and/or initial deposit of bond proceeds for debt service, if applicable. (The Department of Education recommends establishing a restricted asset in the Statewide Sales and Services Tax Fund with an account code of 33-716).	2													
3) Established other required accounts, if any.	2													
4) Document and include any non-compliance in the Notes to Financial Statements and audit report comment.	2													
b. Determine and document the procedures for bonds or notes sold during the current year were in compliance with Chapters 75 and 296 of the Code of Iowa.	2													

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			H	M	L		H	M	L		H	M	L	
<b>LONG-TERM LIABILITIES/DEBT (continued):</b>														
c. Determine and document interest rates on the bonds sold during the period are within the interest rates authorized by Chapter 74A of the Code of Iowa.	2													
d. If bonds or notes are callable, determine if debt service balances are adequate to provide for early retirement of bonds and, if so, determine disposition.	2													
e. Determine and document bond or note proceeds are being used in accordance with bond provisions.	2													
f. Determine the indebtedness of the District was within the Constitutional limit of 5% of the value of taxable property within the District in accordance with the Iowa Constitution Article XI.3.	1													
g. Determine the District has complied with the reporting requirements of SEC Rule 15c2-12. Effective July 1, 2009, issuers are subject to ongoing filing requirements for issuances of more than \$1,000,000. All continuing disclosure submissions must be provided to the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access (EMMA) system ( <a href="http://www.emma.msrb.org">www.emma.msrb.org</a> ).	3													

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<b>LONG-TERM LIABILITIES/DEBT (continued):</b>														
h. Determine if the District has established written procedures to monitor compliance with the arbitrage, yield restrictions and rebate requirements under Section 148 of the Internal Revenue Service rules.	2													
2. Capital Leases and Installment Purchases – Determine if capital leases are in accordance with statutory provisions:														
a. Buses (Chapter 285.10 of the Code of Iowa).	3													
b. PPEL (Chapter 298.3 of the Code of Iowa, including the purchase, lease or lease-purchase of equipment or technology exceeding \$500 in value per purchase, lease or lease-purchase transaction or lease-purchase option agreements for school buildings).	3													
c. Facilities (Chapter 278.1(2)(b) of the Code of Iowa).	3													
3. Determine loan agreements entered into to purchase equipment comply with Chapter 279.48 of the Code of Iowa.														
a. The issuance of a note payable must mature within five years or the useful life of the equipment, whichever is less.	3													

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<b>LONG-TERM LIABILITIES/DEBT (continued):</b>														
b. Before entering into the loan agreement, a notice containing the dollar amount and purpose of the agreement must be published at least once in a newspaper of general circulation within the District at least 10 days before the meeting when the loan agreement is to be approved	3													
c. The total annual payments of principal and interest due on all loan agreements authorized by Chapters 279.48 and 285.10(7) of the Code of Iowa must not exceed ten percent of the last authorized budget (for the General Operating Fund) of the District.	3													
4. Determine debt issued to make immediately available proceeds of the voter-approved PPEL levy complies with Chapter 297.36 of the Code of Iowa:														
a. The loan matures within the period of time authorized by the voters.	3													
b. The loan bears an interest rate which does not exceed the limits under Chapter 74A of the Code of Iowa	3													
c. The loan amount does not exceed the property tax portion of the voter-approved PPEL.	3													
d. The proceeds of the loan are used for purposes authorized for the voter-approved PPEL levy.	3													

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<b>LONG-TERM LIABILITIES/DEBT (continued):</b>														
5. Early Retirement:														
a. Review the District's policy on early retirement.	3													
b. Determine if the District's policy complies with Chapter 279.46 of the Code of Iowa.	3													