

Falls City School Board Discusses Audit and Line of Credit

(KLZA)-- The Falls City Board of Education approved the audit report from Julie Bauman CPA Monday night. The School District received an unmodified opinion, which is the best report that can be received.

Bauman talked about some fund balance decreases the District suffered in the past year including about a \$700,000 loss in General Fund balance. That was due in large part to a major decrease in State Aid and a decrease in federal funding while special education costs continue to climb.

Bauman noted that with state aid to District 56 declining and apparently going to continue to decline, the Board will need to take a hard look at all area's. She said the District will likely need to take a look at the property tax levy, building fund and depreciation fund.

Later in the meeting the Board approved a recommendation from Superintendent Tim Heckinlively to have an operating line of credit with a local bank. Due to the decrease in State Aid, and more dependence on property tax, the monthly income hits peaks and valleys. Local tax dollars come in during the months of September, January and May. In the other months, there are fewer dollars coming in while the bills continue to come due at a steady pace.

The Board approved opening a line of credit with American National Bank with an interest rate of 1.44 percent. Two other Falls City Banks were contacted and offered interest rates of 2.22 percent and 3.5 percent. The money is to be paid back by the end of August, prior to the start of the new school year. The last time District 56 opened a line of credit was 2008.

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